

Cabinet

22 September 2011



Forecast of Revenue and Capital Outturn 2011/12 – Period to 30 June 2011

Report of Corporate Management Team

Don McLure, Corporate Director Resources

Councillor Alan Napier, Portfolio Holder for Resources

Purpose of the Report

- 1 To provide Cabinet with a forecast of 2011/12 Revenue and Capital outturn for the period to 30 June 2011.

Background

- 2 This report is the first indication of the Revenue and Capital outturn for 2011/12.

Revenue

Current Position

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

Key to Table

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

	Original Budget	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Variance
	£'000	£'000	£'000	£'000
Children & Young People	105,274	108,037	107,629	-408
Adult Wellbeing and Health	176,328	176,144	173,244	-2,900
Neighbourhood Services	99,290	105,703	106,914	1,211
Regeneration and Economic Dev	39,617	40,598	40,319	-279
Resources	19,125	21,001	21,978	977
Assistant Chief Executive	10,479	13,111	13,050	-61
Contingencies	9,547	8,051	8,051	0
NET COST OF SERVICES	459,660	472,645	471,185	-1,460
Capital charges	-49,020	-49,020	-49,020	-0
Interest and Investment income	-577	-577	-1,167	-590
Interest payable and similar charges	26,271	25,321	24,674	-647
Net Expenditure	436,334	448,369	445,672	-2,697
Funded By:				
Council tax	-198,870	-198,870	-198,870	0
Use of earmarked reserves	-1,193	-13,228	-13,228	0
Estimated net surplus on Collection Fund	-814	-814	-814	0
Revenue Support Grant	-55,596	-55,596	-55,596	0
Re-distributed Non Domestic Rates	-179,861	-179,861	-179,861	0
Forecast Use of (-) / contribution to Cash Limit Reserve	0	0	1,460	1,460
Forecast Use of (-) / contribution to General Reserves	0	0	1,237	1,237
TOTAL	0	0	-0	-0

Note: Negative figures in the variance column represent an underspend

- 4 The following adjustments have been made to the Original Budget:
- (i) agreed budget transfers between Service Groupings;
 - (ii) budget transfer from contingencies for items outside the cash limit - the key pressure is for hyper inflation on fuel and energy of £1.395m;
 - (iii) planned use of or contribution to Earmarked Reserves (see Appendix 4).
- 5 After adjusting the budgets as detailed above the forecast outturn for Cash Limit Reserves and the General Reserve are summarised below:

Type of Reserve	Opening Balance as at 1/4/11	Planned Use at 1/4/11	Movement during 2011/12		2011/12 Forecast Outturn
			Use of Reserve	Contribution to Reserve	
	£m	£m	£m	£m	£m
<u>Cash Limit</u>					
ACE	0.894	0.000	0.000	0.061	0.955
AWH	5.423	0.000	0.000	2.900	8.323
CYPS	1.253	- 0.933	0.000	0.408	0.728
NS	1.292	0.000	- 1.211	0.000	0.081
RED	2.391	0.000	0.000	0.279	2.670
RES	0.873	0.000	- 0.977	0.000	- 0.104
TOTAL CASH LIMIT	12.126	- 0.933	- 2.188	3.648	12.653
General Reserve	17.300	0.000	0.000	1.237	18.537

- 6 Detailed below are the major variances for each Service Groupings.

Children and Young People's Services

- 7 The initial focus in Quarter One of the financial year has been on the delivery of MTFP savings (£7.3m in 2011/12). Most are on target with key savings involving Transport Policy changes beginning to be implemented in September 2011. In addition the impact of £10.58m of grant loss is being addressed and plans are also progressing well.
- 8 The most volatile parts of the CYPS budget continue to be Fostering and Adoption costs and Agency Placements for increasing numbers of Looked After Children. Whilst costs driven by rising numbers are slowing a little, there is still an underlying base budget pressure that is being supported by "slippage" on posts, and the use of balances during 2011/12. The other major variable cost for CYPS is Home to School and College Transport and firm data on contract ticket demand and number of pupils being transported will not be clear until part way through the Academic Year 2011/12.
- 9 During the early part of the financial year budget planning and monitoring for CYPS has been affected significantly by Government Policy on funding:-

- The impact of significant **grant reductions** in December 2010 has still to be fully resolved, particularly in relation to the creation of a new 14 Plus service (replacing previous Connexions and 14 to 19 Planning Teams). It will be September 2011 before a new structure is in place and the April to August 2011 cost is being managed with the assistance of grant balances from 2010/11.
- The conversion of some secondary schools to **Academy status** is now picking up pace and by January 2012, it is expected there will be at least 9 Academies in County Durham. Discussions are continuing with the DfE about the impact on the value of Dedicated Schools Grant (DSG) payable to the County Council in the 2011/12 financial year. The value of each school's budget, plus a top slice for certain functions will be deducted and passed over to the Young People's Learning Agency (YPLA), which handles Academy funding. This adjustment is expected to be worth over £28m for 2011/12 and over £40m in a full financial year.
- **Extra Grant** has been released by DfE, after the financial year started, bringing in £0.367m to support newly qualified Social Workers.

10 The original 2011/12 budget was supported by the use of 'Cash Limit Reserve' of £0.93m. Although this sum has been utilised, the Service are forecasting an underspend of £0.41m in 2011/12.

Adults, Wellbeing and Health

11 The service is currently reporting a forecast underspend of £2.9m (1.99%).

12 The service has continued to target an underspend for 2011/12, continuing the practice applied in 2010/11. This is to assist in the management of the significant demographic pressures facing the service over the MTFP period.

13 Key variations against budget are as follows:

- The re-tendering of the Domiciliary Care contract arrangement for the County was successful in securing a reduction in the price paid for this service. This has created a saving of £1.8m in the current year
- Through the careful management and control of both vacancies and general budgets across the service, an underspend of £0.9m is projected. This approach will ensure that the planned underspend for the service is achieved as targeted and also create opportunities for achieving restructures and service rationalisation required whilst minimising the impact of such changes on existing employees.
- The service has also been successful in overachieving on a number of management and support service MTFP savings, creating an underspend of £0.5m in the current year.
- The government allocated additional funding to PCT's late in 2010/11 to support winter pressures which together with additional

funding made available through PCT's in the current year has allowed the development of a range of preventative services to be provided in 2011/12 (£2.0m) and 2012/13 (£2.5m).

- Two of the approved 2011/12 Adults, Wellbeing and Health MTFP savings totalling £0.275m, relating to the reviews of the Adult Learning service and stairlift maintenance arrangements have re-profiled into 2012/13 to allow further consultations on the proposals. Mitigating savings have been identified through the use of one off funding and increased vacancy management to offset the reduction.

Neighbourhood Services

14 The forecast revenue outturn for 2011/12 is an over spend of £1.211m. Included in the outturn are a number of items of expenditure that have been deemed to be outside the cash limit:

- Costs relating to the acquisition of a single Environmental Health IT system, which was not fully expended by 31 March 2011, of £0.068m; and
- Forecast overspends, due to “hyper-inflationary” increases, on fuel (£0.895m) and Street Lighting energy (£0.45m), which would normally be met from corporate contingencies. Members will note that additional costs are included in the MTFP forecasts for 2012/13 to build these sums into the base going forward.

15 Taking into account the above items, the variances are as follows:

- Building & Construction Services is forecasting a trading deficit of £0.372m at the present time, but a range of measures are being taken to mitigate this including a restructuring of the service, and a review of charging rates;
- There is a shortfall in income from Leisure Centres / Indoor Facilities of £0.225m as a result of a delay in achieving some of the proposed MTFP efficiency proposals. There has also been a fall in income over the last few months at those leisure centres that were targeted for closure;
- Within Technical Services, there is a forecast overspend of £0.21m due to unachieved MTFP efficiency proposals, mainly in the areas of Street Lighting and Gully waste;
- There is a shortfall in income within Environment, Health and Consumer Protection of approximately £0.150m;
- Finally, there is a forecast overspend of £0.497m in relation to Waste Disposal costs as a result of issues surrounding the sale of Premier Waste, although this is partially offset by additional income of £0.192m relating to the sale of Dry Waste Recyclates.

16 Although the service is currently forecasting a cash limit overspend of £1.211m, it should be noted that every effort is being made to address this, in

addition, and as a last resort, the service has a Cash Limit Reserve brought forward from 2010/11 of £1.296m.

Regeneration and Economic Development

17 The service is reporting an underspend of £0.279m.

18 The key variances are as follows:

- Policy Planning Performance - £0.006m saving in staffing and running expenses
- Economic Development - £0.106m saving. The service is experiencing an income pressure of £0.2m on rents from industrial estates plus an additional £0.08m on business rates on vacant units. This is mitigated by savings secured on staffing and supplies and services.
- Housing - £0.044m overspend attributable to staffing costs
- Planning - £0.093m underspend of which £0.087m relates to staffing costs.
- Transport - £0.118m saving of which £0.1m relates to staffing and additional income of £0.063m although there are some additional costs being incurred on water charges, vehicle and service contracts to reduce the underspend.

Resources

19 The service is currently reporting a forecast outturn overspend of £0.977m.

20 The key areas of pressure are in Finance and ICT. In Finance work continues to assimilate disparate district financial systems, most notably in Revenues and Benefits. Additional agency staffing and external support is required during the transition period to ensure reasonable performance levels are maintained. In ICT additional agency staff have been recruited to assist in achieving the 'Better Basics' project deadlines.

21 Although an overspend is forecast at this stage all attempts will be made to reduce expenditure and maximise income. The Cash Limit Reserve of £0.87m will be utilised, if necessary, to offset overspends.

Assistant Chief Executives

22 Initial forecast for Assistant Chief Executives (ACE) service 2011/12 revenue outturn is an under spend position of £0.061m after:

- accounting for access of earmarked reserve to carry out planned activity and
- accounting for redundancy costs met from the strategic reserve.

- 23 The majority of the reported under spend relates to Employee costs which are projected to under spend by £0.145m as a result of careful management by the ACE management team of vacancies within the service.
- 24 This has been achieved by utilising Agency staff during the first 3 months of the year to complete the required service activity at a cost of £0.131m. This will enable the service to maintain vacancies for the full year leading to a saving of £0.276m and the net under spend noted of £0.145m. This underspend has been earmarked to provide the support required to implement the community buildings review.
- 25 The outturn position for ACE does not reflect any utility running costs in connection with Community Buildings. This area of activity is currently being administered by ACE pending a corporate decision on where this activity is best managed within the authority. It is anticipated that if the activity remains within ACE that residual budgets within other services connected with the provision of community buildings will be transferred to ACE to finance this budget pressure.

Central Budgets

- Interest Payable and Similar Charges - Capital Financing

- 26 The budget is forecast to underspend. The underspend relates to reduced Capital financing costs linked to the revised Capital programme and reduced borrowing costs due to lower than expected interest rates.
- 27 The level of underspend creates budget flexibility which has enabled an in-year transfer of £0.95m to Resources to offset base budget pressures.
- 28 After the budget transfer the underspend is forecast to be £0.65m.

- Interest and Investment Income

- 29 The forecast of outturn is an overachievement of income of £0.590m which takes into account the higher than anticipated levels of cash. This is due in the main to slower than expected use of reserves and capital spend.

Earmarked Reserves Forecast

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

	£m
Balance as at 1.4.11	94.97
Less forecast use:	
Quarter 1	<u>11.77</u>
Forecasted Balance as at 31.3.12	<u>83.20</u>

Housing Revenue Account (HRA)

- 31 Appendix 5 shows the summary position on the HRA. In overall terms, there is no change in HRA balances and it is estimated that there will be a surplus generated of £0.694m. This will be used to support the capital programme and reduce borrowing in the run up to self financing. At the time the budget was developed no information was available on the level of Decent Homes Backlog Funding from Government and the savings arise due to prudent assumptions being made on capital financing charges and debt levels. There is an additional cost of rent rebates which are provided to tenants and if these exceed a certain threshold set by Government, a contribution of the excess must be paid to Government and this amounts to £0.302m in the projections.

Capital

Background

- 32 The General Fund capital budget for 2011/12 was set at £194.155m and was approved by County Council on 23 February 2011. Slippage from the 2010/11 capital programme was approved by Cabinet on 13 July 2011 amounting to £37.29m.
- 33 The Housing Revenue Account (HRA) budget was set at £25.245m with approved slippage of £0.71m from 2010/11.
- 34 The Member Officer Working Group (MOWG) has recently reviewed the capital programme taking into account further developments and analysis of changes and demands on resources.

Current Position

- 35 As part of the development of the next Medium Term Financial Plan, Service Groupings have re-profiled the capital programme over the years in which expenditure is expected to be incurred. The re-profiled capital budgets were approved by MOWG on 27 July 2011, along with additions to the Capital programme relating to the receipt of additional funding / contributions. At this meeting MOWG also approved the addition of £1.67m to the 2011/12 capital programme for the following:
- (i) Gala Theatre - £0.15m for essential equipment to invest in digital projection facilities for the theatre;
 - (ii) £1.52m to be added to the current Twin Bin capital budget to enable more / larger bins to be purchased and to account for price increases.
- 36 The table below summarises the recommended adjustments with the revised Capital programme for 2011/12 being £256.3m.

Service	Original Budget 2011/12	Slippage from 10/11	Adj re Cabinet approval, new grant and internal transfers	Amendments recommended by MOWG 27/07/2011	Revised Budget 2011/12	Reprofiled to/from future years	Revised Base Budget / Projected Outturn 2011/12	Actual Spend to 30th June 2011
ACE	3,598	1,175	-	-	4,774	-	4,774	230
AWH	4,912	636	-	150	5,698	-4,501	1,196	48
CYPS	82,454	11,699	50,406	-	144,560	-54,921	89,639	10,336
HRA	25,245	708	14,407	-	40,359	-2,000	38,359	4,128
NEI	36,630	7,248	-14,391	1,520	31,007	3,667	34,674	2,028
RED	46,741	12,883	18,250	-	77,874	-9,170	68,705	5,811
RES	19,820	3,648	-2,338	-	21,130	-2,196	18,935	1,473
Grand Total	219,400	37,997	66,334	1,670	325,402	-69,121	256,282	24,054

37 Detailed below are the individual service commentaries:

Children and Young People's Services

38 The CYPS Capital budget has a number of significant components that are available for different purposes. From the 2010/11 financial year there has been £11.7m of project "slippage" associated with the pace of spend on the BSF programme in East Durham, the "hub" buildings for Integrated Teams and 4 new primary schools.

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

2011/2012	£89.64m
2012/2013	£76.39m
2013/2014	£26.38m

40 New additions to the programme for 2011/2012 are as follows:

Short Breaks for Disabled Children	£0.32m
North Durham Academy	£33.42m
Consett Academy / Leisure Project	£43.8m

Adults, Wellbeing and Health

41 Following the approval of the original AWH capital budget of £4.912m by Council on 23 February 2011, Cabinet on 13 July approved slippage of £0.636m from 2010/11 into 2011/12 resulting in a revised Capital Budget for Adults, Wellbeing and Health of £5.548m.

42 One bid for additional in-year investment of £0.15m is being put forward for approval by Cabinet. This relates to the proposals to introduce digital projection facilities at the Gala Cinema.

43 Over the last year technological advancements have driven a change from the use of 35mm film to that of digital projection. Over the next 18 months it is anticipated that all blockbuster and first run movies will only be available in digital format. Without the investment to move to digital projection it is anticipated that The Gala Cinema will become unviable within 18 months, risking the future of the Gala complex as a whole.

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

45 The schemes which have been identified as requiring re-profiling are as follows;

- Library Modernisation and Maintenance Backlog – Re-profiled over 2011/12 to 2014/15 to reflect the analysis in the recently received building condition survey and to take account of the ongoing work in the development of the Library Strategy.

- Adult Care in-house Day Care Services Modernisation and Maintenance Backlog – Re-profiled from 2011/12 into 2012/13 to link with the completion of the Day Care strategy
- Mental Health Grants – Re-profiled over the years 2011/12 to 2013/14 to reflect likely demand from mental health groups and to maintain funding over those years following with the fallout of further specific grant funding. It should be noted that the 2011/12 budget includes provision for suicide prevention works at Hownsgill Viaduct.
- Residential Homes for the Elderly – Major spend re-profiled to 2012/13 and 2014/15 awaiting the outcome on the future of the remaining in-house residential homes. £100,000 has been left in 2011/12 to cover any urgent/essential works which may be required in advance of a decision on the future of the homes.
- ICT Infrastructure – Re-profiled over 2011/12 to 2013/14 to reflect service development requirements

46 The revised AWH capital budget for 2011/12 will be £1.195m.

Neighbourhood Services

47 The original Capital Programme for Neighbourhood Services in 2011/12 was £36.630m (as per Council report 23 February 2011).

48 In addition to these budgets, slippage from 2010/11 totalling £7.249m was also identified, and this was approved by Cabinet on 13 July 2011.

49 Further proposed adjustments to the Capital Budget were approved by the Member Officer Working Group (MOWG) in a report on 27 July 2011. These related to a number of budget transfers that have been agreed with other Service Groupings, along with the receipt of additional grants and contributions that are available to enhance the Capital Budget. The 2011/12 budget must also be reduced to compensate for overspends that occurred in 2010/11.

50 Further requests to revise the budget were presented to MOWG on 27 July 2011 regarding the approval of additional 2011/12 bids, approval for re-profiling budgets from 2012/13 forward into 2011/12 and moving budgets from 2011/12 into 2012/13.

51 The additional 2011/12 bid that was approved by MOWG relates to an increase of £1.520M in the budget for Wheelie Bins, linked to the introduction of the Twin Bin collection system in April 2012. The increase is necessary to accommodate the anticipated additional costs that will be incurred, over and above the original estimate, for the provision of bins to households.

52 The re-profiling of budgets relates to the Twin Bin budget of £4m which was initially programmed into 2012/13. This has been revised forward into 2011/12. Further re-profiling to move £1m of the budget for the replacement of Queen Street Depot into 2012/13 was requested as to date no land has been secured for the new site. Also, £0.2m from the Floodlighting of the Cathedral & Castle has been re-profiled into 2012/13 to align with the budget holders profiling of this scheme.

- 53 The MOWG approved all of these additional adjustments and as a consequence the Capital Programme for Neighbourhood Services has now been revised to £34.674m.
- 54 At this stage of the financial year, it is anticipated that all capital budgets within Neighbourhoods will be fully spent. The only exception to this is in regard to AAP Highways schemes which are not currently in the capital budget but are forecast to incur expenditure of £0.8m. However, this overspend will be funded from the AAP reserve that was carried forward into 2011/12 from 2010/11, and this will be shown as being financed from Revenue Contributions to Capital.

Regeneration and Economic Development

- 55 The RED capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 200 schemes managed by around 40 project delivery officers although there are a smaller number of projects of high value.
- 56 The Regeneration and Economic Development capital programme for 2011/12 is £107.064m - consisting of £68.705m General Fund and £38.359m for the HRA. The current budget is derived from that approved by Council in February 2011 plus slippage from 2010/11 and other changes arising from additional funding being secured.
- 57 Actual spend for the first quarter amounts to £9.939m – consisting of £5.810m for the General Fund and £4.128m for the HRA
- 58 The programme has been re-profiled and the outturn is expected to be in line with the budget.

Resources

- 59 The original Capital Programme for Corporate Resources for 2011/12 was £19.820m (as per Council report 23 February 2011). In addition to this a budget of £3.648m was slipped forward into 2011/12 and £0.338m relating to 2011/12 capital projects was spent in 2010/11. Following these amendments, the total 2011/12 capital budget was £23.13m.
- 60 As agreed at the MOWG on 27 July 2011 four capital schemes formerly managed by Asset Management have been reassigned to RED. MOWG also approved slippage of budget into 2012/13 leaving a revised 2011/12 budget of £18.935m.
- 61 Four projects, Biomass Boilers, Gas Boiler Replacements, Away from G – carbon reduction and the Energy Efficiency Fund have been transferred to Regeneration and Economic Development. This transfer is for a total of £2m.
- 62 A total of £3.540m relating to Asset Management projects was slipped into 2011/12 from 2010/11. The largest schemes were the Office Accommodation Project (£1.790m) and Structural Maintenance (£1.026m) which were slipped due to the large number of service reviews taking place which are focusing on the rationalisation of property. Due to these reviews, some commitments to major expenditure were deferred to 2011/12.

- 63 In addition to the slippage and transfers mentioned above, there has been a revision to the MTFP current profile for the project relating to accommodation review. This scheme has been reprofiled over financial years 2011/12, 2012/13 and 2013/14, based on the latest activity information. This has resulted in a reduction of £2.195m for 2011/12.

ACE

- 64 The original Capital Programme for Assistant Chief Executives (ACE) for 2011/12 was £3.598m (as per Council report 23 February 2011). In addition, slippage from 2010/11 totalling £1.176m was added to the 2011/12 budget, resulting in a total approved 2011/12 capital budget of £4.774m. Total expenditure to the end of quarter 1 was £0.230m. Details of the schemes are listed below:

- Members Neighbourhoods Budgets of £1.176m were slipped forward from 2010/11 for investment in Member's local priorities in 2011/12. This results in a total budget of £2.924m. Expenditure of £0.225m has been incurred to date.
- The Assets to Communities project relates to work required on community buildings. The total budget for this scheme is £1.850m. No expenditure is expected to be incurred on Community Buildings until after the current consultation period.

Housing Revenue Account (HRA)

- 65 The HRA programme relating to maintenance and refurbishment of Council dwellings is expected to be fully spent. The second phase of the new build schemes at Crook will slip into the next financial year as will the regeneration programme where some delays are being experienced relating to purchase of homes from owner occupiers.

Recommendations

- 66 It is recommended that Cabinet:
- Approve the Revised Net Expenditure Budget of £448.369m for 2011/12.
 - Approve the Revised Capital Budget of £256.282m for 2011/12.
 - Note the forecast use of Earmarked Reserves.
 - Note the forecast end of year position for the Cash Limit and General Reserve.

Contact: Jeff Garfoot Tel: 0191 383 3551

Appendix 1: Implications

Finance -

The report details the 2011/12 forecast of outturn position for Revenue and Capital and details the forecast movement on Reserve.

Staffing -

None

Risk -

None

Equality and Diversity -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Discrimination Act -

None

Legal Implications -

None

Appendix 2: Revenue Summary 2011/12

	Original Budget	Revised Budget	Proposed Budget Revisions	Contribution to / Use of Earmarked Reserves	Budget - incorporating adjustments	Service Groupings Forecast of Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People	105,274	105,274	-39	2,802	108,037	107,629	-408
Adult Wellbeing and Health	176,328	176,328	-184	0	176,144	173,244	-2,900
Neighbourhood Services	99,290	99,290	1,795	4,618	105,703	106,914	1,211
Regeneration and Economic Dev Resources	39,617	39,617	-189	1,170	40,598	40,319	-279
Assistant Chief Executive	19,125	19,125	981	895	21,001	21,978	977
Contingencies	10,479	10,479	82	2,550	13,111	13,050	-61
	9,547	9,547	-1,496		8,051	8,051	0
NET COST OF SERVICES	459,660	459,660	950	12,035	472,645	471,185	-1,460
Capital charges	-49,020	-49,020			-49,020	-49,020	-0
Interest and Investment income	-577	-577			-577	-1,167	-590
Interest payable and similar charges	26,271	26,271	-950		25,321	24,674	-647
Net Expenditure	436,334	436,334	-0	12,035	448,369	445,672	-2,697
Funded By:							
Council tax	-198,870	-198,870			-198,870	-198,870	0
Use of earmarked reserves	-1,193	-1,193		-12,035	-13,228	-13,228	0
Estimated net surplus on Collection Fund	-814	-814			-814	-814	0
Revenue Support Grant	-55,596	-55,596			-55,596	-55,596	0
Re-distributed Non Domestic Rates	-179,861	-179,861			-179,861	-179,861	0
Forecast Use of (-) / contribution to Cash Limit Reserve	0	0			0	1,460	1,460
Forecast Use of (-) / contribution to General Reserves	0	0			0	1,237	1,237
TOTAL	0	0	-0	-0	0	-0	-0

	Original Budget	Projected Outturn	Variance
	£'000	£'000	£'000
General Reserve			
Budgetted Use of General Reserve			
Budgetted Use of General Reserve	0	0	0
Transfer to/from General Reserve			
Outside Cash Limit Service Under/Overspend	0	0	0
Under/Overspends on Corporate Financing Budgets	0	0	0
Contingencies		0	0
Capital charges		-0	-0
Interest and Investment income		-590	-590
Interest payable and similar charges		-647	-647
			0
	0	-1,237	-1,237
Service Under / Overspends			
Children and Young People	0	-408	-408
Adult Wellbeing and Health	0	-2,900	-2,900
Neighbourhood Services	0	1,211	1,211
Regeneration and Economic Development	0	-279	-279
Resources	0	977	977
Assistant Chief Executive	0	-61	-61
Non Budgetted Use of Cash Limit Reserves	0	-1,460	-1,460
Movement on General Reserve and Cash Limit Reserves	0	-2,697	-2,697
Earmarked Reserves			
Budgetted Use of Earmarked Reserves			
<i>CYPS - Planned Use of Cash Limit Reserve</i>	933	933	0
<i>RED</i>	260	260	0
Budgetted Use of Earmarked Reserves	1,193	1,193	0
In Year use of Reserves			
<i>CYPS</i>	0	2,802	2,802
<i>Neighbourhoods</i>	0	4,618	4,618
<i>ACE</i>	0	2,550	2,550
<i>AWH</i>	0	0	0
<i>RED</i>	0	1,170	1,170
<i>Resources</i>	0	895	895
<i>Capital Financing - Aycliffe Secure Unit</i>	0		0
<i>Strategic Reserve</i>	0		0
Movement on Earmarked Reserves	1,193	13,228	12,035
Movement on Reserves	1,193	10,531	9,338

Appendix 3: Revenue Summary by Expenditure / Income

	Original Budget	Proposed Budget Revisions	Agreed Budget	Service Groupings Forecast of Outturn	Sums Outside the Cash Limit	Contribution to / Use of Reserves	Revised Service Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employees	573,681	-649	573,032	578,596	0	-7,696	570,900	-2,132
Premises	51,066	648	51,714	52,924	-633	0	52,291	577
Transport	54,173	1,025	55,199	57,382	-895	0	56,487	1,288
Supplies & Services	144,590	551	145,141	137,385	-100	-1,590	135,695	-9,446
Agency & Contracted	211,392	5,017	216,409	230,062	200	-821	229,441	13,032
Transfer Payments	231,690	2,329	234,018	235,066	0	-1,104	233,962	-56
Central Costs	86,329	2,092	88,421	99,044	0	0	99,044	10,623
Other	7,903	0	7,903	-3	0	0	-3	-7,906
Capital Charges	49,020	2	49,022	47,365	-68	-824	46,473	-2,549
GROSS EXPENDITURE	1,409,844	11,015	1,420,859	1,437,821	-1,496	-12,035	1,424,290	3,430
Income								
- Specific Grants	640,387	5,655	646,042	639,719	0	0	639,719	6,323
- Other Grants & conts	24,854	5,176	30,030	35,004	0	0	35,004	-4,973
- Sales	5,743	-225	5,518	5,876	0	0	5,876	-358
- Fees & charges	98,359	2,546	100,905	101,868	0	0	101,868	-963
- Recharges	170,920	338	171,258	177,135	0	0	177,135	-5,877
- Other	19,468	-3,425	16,043	15,085	0	0	15,085	958
Total Income	959,731	10,066	969,796	974,687	0	0	974,687	-4,890
NET EXPENDITURE	450,113	950	451,063	463,134	-1,496	-12,035	449,603	-1,460

Appendix 4: Earmarked Reserves as at 30 June 2011

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12	2011/12 CLOSING BALANCE
		£,000	Q1 £,000	£,000
Earmarked Reserves				
AAP Reserve	ACE	1,104	1,104	0
Members Initiative Fund Reserve	ACE	51	51	0
Members Neighbourhood Initiative Reserve	ACE	1,259	1,259	0
Regeneration & Communities	ACE	1,880		1,880
Communities for Health	AWH	895		895
Community Safety Development	AWH	22		22
Book Fund Reserve	AWH	41		41
Carers	AWH	25		25
Community Safety	AWH	53		53
Corporate Reserve	AWH	1		1
Culture and Leisure - Other Services	AWH	133		133
Culture and Leisure	AWH	97		97
DLI Bequests	AWH	90		90
Health and Wellbeing	AWH	382		382
Heritage Development	AWH	21		21
Innovation	AWH	54		54
Outreach Health	AWH	40		40
Preventative Technology	AWH	303		303
Health Lifecheck/Initiatives	AWH/NS	194		194
Corporate Procurement Reserve	Corp Res	565	42	523
Corporate Reserve	Corp Res	300	29	271
DWP ATLAS Grant Reserve	Corp Res	35	35	0
DWP IB(IS) Reassessment Reserve	Corp Res	35	35	0
DWP Local Housing Allowance Grant Reserve	Corp Res	16	16	0
Aycliffe Young People's Centre	CYPS	300		300
Continuing Professional Development	CYPS	278		278
Education Reserve	CYPS	3,652	455	3,197
Leisure Reserves - CYPS	CYPS	52		52
LEP Reserve	CYPS	80		80
Special Projects	CYPS	60		60
Youth Forum	CYPS	64		64
Schools' Revenue Balance	CYPS	19,734		19,734
Schools' Unspent Grants	CYPS	639		639
AAP - Neighbourhoods Reserve	NS	824	824	0
Building Services Defects Liability Reserve	NS	612		612
Chester-le-Street Sports Development Reserve	NS	184	31	153
CPAL Reserve	NS	46		46
Countywide Funding Reserve	NS	251		251
Durham City Sports Development Reserve	NS	76		76
Easington Sports Development Reserve	NS	6		6
Neighbourhoods Education and Enforcement	NS	45	45	0
NETSA	NS	28		28
Registered Traders Reserve	NS	12		12
Sedgefield Sports Development Reserve	NS	160	12	148
Sports and Leisure - Big Lottery Grant	NS	24	3	21
Sports and Leisure - British Coal Dowry	NS	26		26
Sports and Leisure - Hawthorn to Ryhope Railway	NS	15		15
Sports and Leisure - Lanchester Valley Railway	NS	200	200	0
TAMP Funding Reserve	NS	515	150	365
Teesdale Sports Development Reserve	NS	78		78
Wear Valley DCMS (Glenholme)	NS	23		23
Wear Valley IFU Reserve	NS	9	9	0
Wear Valley Sports Development Reserve	NS	115		115
Dowry	NS	465	20	445
ABG Reserve	RED	3,565	235	3,330
City Centre Visioning	RED	22		22
Commuted Sums	RED	83		83
Derwentside Business Development	RED	247		247
Derwentside Training	RED	240	30	210
Durham City Vision	RED	119	35	84
East Durham Business Service Reserve	RED	223		223
East Shore Village	RED	18		18
Empty Homes	RED	25		25
Family Intervention Project	RED	283		283
Growth Point	RED	148		148

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2010/11 CLOSING BALANCE	USE OF EARMARKED RESERVE IN 2011/12	2011/12 CLOSING BALANCE
		£,000	Q1 £,000	£,000
Housing Solutions	RED	540		540
LABGI Economic Growth Fund	RED	402		402
LEGI Reserve	RED	1,004	511	493
Lottery	RED	23		23
LSVT Reserve	RED	133		133
North Pennines	RED	169		169
Planning	RED	1,901	260	1,641
Prevention Fund	RED	37		37
Regeneration Reserve	RED	578	30	548
Seaside Town Reserve	RED	200		200
Section 106 Agreements	RED	-83		-83
Social Housing Fraud	RED	50		50
Cabinet Reserve	Strat Finance	498		498
Equal Pay Reserve	Strat Finance	3,473	65	3,408
Insurance Reserve	Strat Finance	11,284		11,284
Performance Reward Grant Reserve	Strat Finance	1,694	167	1,527
MTFP Redundancy and Early Retirement Reserve	Strat Finance	19,798	6,642	13,156
Sub-Total Earmarked Reserves		82,843	12,295	70,548
<u>Cash Limit Reserves</u>				
Assistant Chief Executive		894	-61	955
Adult Wellbeing and Health		5,423	-2,900	8,323
Children & Young People		1,253	525	728
Neighbourhood Services		1,292	1,211	81
Regeneration and Economic Dev Resources		2,391	-279	2,670
		873	977	-104
Sub-Total Cash Limit Reserves		12,126	-527	12,653
Total		94,969	11,768	83,201

Appendix 5: Housing Revenue Account

Year to Date Budget	Year to Date Actual	Variance		Annual Budget	Projected Outturn Position	Variance
£'000	£'000	£'000		£'000	£'000	£'000
14,479	14,489	-10	Dwelling Rents	56,611	56,626	-15
220	232	-12	Non Dwelling Rents	865	922	-57
17	-8	25	Charges for Services	66	55	11
14,716	14,713	3	INCOME	57,542	57,603	-61
4,567	4,567	0	ALMO Management Fee	18,266	18,266	0
1,039	999	-40	Repairs and Maintenance	4,156	4,156	0
1,415	1,149	-266	Supervision and Management	5,658	5,886	228
10		-10	Rent, Rates, Taxes and Other Charges	42	42	0
1,129	830	-299	HRA Subsidy Payable to CLG	4,514	3,928	-586
30	30	0	Bad Debt Provision	250	250	0
5,786	5,890	104	Capital Financing Charges	23,011	23,430	419
411	411	0	Corporate and Other Costs	1,645	1,645	0
14,387	13,876	-511	EXPENDITURE	57,542	57,603	61
-329	-837	-508	NET EXPENDITURE	0	0	0