

Revenue & Capital
Outturn 2009/2010



2009/10 REVENUE & CAPITAL OUTTURN
Report of the Director of Finance

Recommendations : It is recommended that:

- (i) Members note that the draft outturn for 2009/10, after carry forwards and contributions to balances, reserves and provisions, shows an underspend of £53,000 against the approved revenue budget;
- (ii) The 2009/10 revenue outturn be approved, including transactions on earmarked reserves and provisions, spending against budget, treatment of over and underspending and the implications for balances, as set out in the Tables;
- (iii) The 2009/10 capital outturn be approved including spending against budget and proposed carry forwards, in accordance with the Tables;
- (iv) The use of capital finance as set out in the Statement of Determination of Capital Finance in paragraph 6 of the Capital Outturn Report be approved;
- (v) A total of £27.217 millions is set aside from revenue resources as provision for credit liabilities (to repay debt);
- (vi) The Prudential Indicators as set out in paragraph 5 of the Capital Outturn Report be noted;
- (vii) The total monies owing to the Council as at 31st March 2010 be noted;
- (viii) The Treasury Management Stewardship report at Appendix 2 be approved.

PART 1 – Revenue

1 Background and Summary

- 1.1 Sound budget management is embedded throughout the County Council, with regular reports to Directorate Management Teams, Corporate Leadership Team and the Cabinet. Rules are well established, including carry forward arrangements, which ensure that spending is properly managed throughout the year and that unnecessary year-end spending is curtailed.
- 1.2 Management by members and officers has secured a balanced year-end spend and provided some resources for carry forward arrangements. An underspending of £53,000 is shown in the attached tables. This is a good result given the significant pressure on the vital services that the County Council provides and the continuing economic uncertainties during the period.
- 1.3 In 2009/10 investment returns have continued to fall, albeit, more slowly and less dramatically than the falls experienced in 2008/09. The County Council has responded to this by using its cash balances to finance capital expenditure and by repaying debt. A total of £28 millions have been repaid in the last quarter of the financial year. The interest savings from lower borrowing levels far exceeds the loss of investment income that would have been generated from short term investment, and has resulted in a saving against budget of £197,000.

- 1.4 A further impact of the economic downturn is that a significant squeeze on public expenditure, including that for local authorities, is certain. Some reductions have been announced for 2010/11 but the major impact will be felt in 2011/12 and beyond. A coalition Government is in place and it has identified ways in which the public sector deficit can be reduced. But, inevitably, there is still little in the way of detail to provide a clear indication of the exact level of financial restraint that will be required and how this will be achieved. However, careful management of the Council's resources means that a reasonable level of reserves has been maintained, leaving the County Council in a sound financial position to cope with these challenges.

2 **Spending**

2.1 Children and Young People's Services

Expenditure funded from the Dedicated Schools Grant (DSG), including schools, underspent by £13.4 millions with an offsetting overspending on other services leading to a net under spending of just under £12.3 millions. Legislation requires that any DSG under or overspending must be carried forward to the following financial year. Hence the sum of £13.4 millions, £12.1 millions relating directly to schools, is being carried forward into 2010/11.

- 2.2 In terms of non schools services, spending pressures were reported throughout the year on services for Children and Families. The impact of the Southwark Judgement and increased costs for child protection being the major contributing factors. These pressures translated into overspendings which have been partly counter-balanced by savings elsewhere. In particular in-year efficiencies have been found from "smarter" commissioning, home to school transport and a reduction in bed days linked to better use of placements by the Family Care Worker Scheme.. Additionally the Learning and Development Partnership has returned a surplus that is being carried forward into 2010/11 to help with their planned restructuring.. As a result the Directorate has ended the year with an overspending of £1,130,000.

- 2.3 In addition to the statutory carry forward for schools and DSG related items, carry forwards are sought in respect of youth and community initiatives and the Safeguarding Children's Board Partnership. In total these amount to £120,000. The Directorate is also giving up £68,000 of reserves currently earmarked for children and young peoples' services which will support the overall outturn position.

2.4 Environment, Economy and Culture

Highway maintenance budgets overspent by just over £3 millions and the main cause of this was sustained adverse weather conditions that led to the need for additional gritting and increased reinstatement works. This overspending was substantially offset by underspending elsewhere, principally on waste disposal. The Directorate ended the year with an overspending of just over £800,000.

In previous years it has been the policy of the Council to meet the costs for extreme weather conditions from reserves, should the budget prove insufficient. In 2009/10 it is recommended that cost of dealing with the adverse weather conditions is dealt with as part of the overall out-turn position of the Directorate and that the net overspending for the Directorate is met from reserves.. Carry forward requests for additional tipping away payments at Greendale Barton in 2010/11 and unspent partnership funding, totalling £442,000 are also requested.

2.5 Adult and Community Services

The Adult and Community Services Directorate recorded an overspend of £3.0m for the year. However this includes a contribution of £2.5 millions to the reserve ear-marked for extra care housing. Plans to use this reserve to alleviate the pressure on residential accommodation for older people are being advanced in co-operation with district councils. Hence members are asked to approve this contribution.

- 2.6 There have been exceptional increases in demand for services in 2009/10, and the Directorate has taken firm action to restrain spending in all areas. This reduced, but did not eliminate, the levels of overspending projected earlier in the year by each client group. At the same time actions were taken to reduce spending on support services and to defer as much investment in transformation as possible. An underspend in supporting people services was recorded and a carry forward of £207,000 is requested.
- 2.7 Office of the Chief Executive and Corporate Resources
These directorates produced a combined underspend of £1.740 millions. This was principally due to a delay in implementing ICT initiatives, delayed commissioning and external income sources exceeding expectation. The combined carry forward request of the underspending into 2010/11 is for £1.209 millions. The largest element of carry forward is for the delayed implementation of the new ICT network of £731,000, but the request also includes delayed commissioning of locality budgets and unspent partnership funding.
- 2.8 Other Items
Interest from investments and capital financing produced a combined underspending of £1.907 millions. As stated earlier the combination of debt repayment and internal financing of the capital programme has resulted in lower investment income and substantially lower capital financing charges. Treasury Management is considered in detail in Appendix 2.
- 2.9 The largest item of note relates to the one-off costs of successful Job Evaluation appeals. With the exception of appeals that will be paid next year, estimated at £1.864 millions, costs have been met in 2009/10. The cost amounts to £6.152 millions after allowing for £325,000 for which a capitalisation direction has been received and applied. The cost has been financed from earmarked reserves in line with the approach set out in budget monitoring reports received by the Cabinet during the year.
- 2.10 The level of debt owed to the Council is subject to regular monitoring. The position at the end of the financial year is set out in Appendix 1.

3 General Balances

- 3.1 A review of the financial risk assessment prepared when the 2010/11 Budget was considered indicates that the Council should hold working balances of about £14 millions.
- 3.2 Working balances at 31st March 2009 were £14.239 millions. As a result of outturn, it has been possible to make a further contribution of £53,000, bringing the level at year-end to £14.292 millions.

4 Earmarked Reserves

- 4.1 At the beginning of the financial year, earmarked reserves (excluding schools and non-schools carry forwards) stood at just under £48 millions. During the year, budgeted and other contributions have been made to earmarked reserves and some spending has taken place. The net effect has been to decrease earmarked reserves by £9.6 millions. The 2009/10 budget process assumed that it would be necessary for ear-marked reserves to reduce by £12.7m – so there has been less of a call on reserves than anticipated. This can only benefit the County Council as a reduction in Government grant funding for local authorities in the next settlement period between 2011/12 and 2013/14 is certain. In such an environment the need to painstakingly manage the use and level of reserves is very necessary if financial stability is to be preserved. Details of the purpose of each reserve and the management arrangements are included in the pages that follow.
- 4.2 The County Council has a responsibility to ensure that it has sufficient reserves to manage risks and emergencies. The latest guidance recommends that local authorities

should continue to make arrangements to bear the cost of recovery for all but the most exceptional circumstances. Provision needs to be made for contingencies including widespread flooding and extreme winter weather conditions.

- 4.3 A review of commitments against earmarked reserves has been necessary to find sufficient funds to allow the financial impact of job evaluation appeals to be met. The need for some re-alignment of reserves has been identified. It is recommended that, as the cost of winter maintenance for 2008/09 and 2009/10 has significantly exceeded the budget, £651,000 is added to the roads emergency reserve. Together with the contribution of £1 million already planned from the 2010/11 budget this will allow the forthcoming winter to be approached in the knowledge that there is a financial cushion in place.

5 **Financial Health Indicators**

A range of financial health indicators have been consolidated into one schedule, Appendix 3. These highlight the performance of 2009/10 against critical financial measures, together with comparative figures for 2008/09. Targets for 2010/11 are also indicated and performance against these will be reported to the Chief Executive throughout the year.

6 **Conclusion**

The Outturn Strategy has produced a satisfactory result for 2009/10 with provision being made to carry forward a number of unspent budgets and monies set aside for some specific purposes. If all results, recommendations and tables are accepted, the overall recommended outturn for 2009/10 will be £506.294 millions, being £53,000 under budget. Members and officers will need to continue to closely monitor budgets in 2010/11 to ensure that the budget is delivered and that calls on reserves are kept to a minimum.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

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<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
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Detailed financial working papers

Executive Member: Councillor John Clatworthy

REVENUE OUTTURN SUMMARY 2009/10

	Final Approved Budget	Spending	Variations (Under) / Over
	(1) £'000	(2) £'000	(3) £'000
1 Children and Young People - Schools*	13,579	185	(13,394)
2 Children and Young People - Non Schools	112,797	113,927	1,130
3 Adult and Community Services	183,993	184,520	527
4 Environment, Economy & Culture	114,484	115,327	843
5 Chief Executive's	16,869	15,886	(983)
6 Corporate Resources	16,860	16,103	(757)
7 Unused Pay Budgets	2,278	0	(2,278)
TOTAL FOR DIRECTORATES	460,860	445,948	(14,912)
8 Budget Carry Forward Fund	(15,509)		15,509
Adjustments to provisions			
9 Staffing transition	0	1,257	1,257
10 Staffing transition - capitalisation direction	0	(325)	(325)
11 Bad and doubtful debts provision	0	651	651
12 Other	0	150	150
13 Capital Financing Charges	53,788	51,681	(2,107)
14 Capital Financing Charges - PFI	8,354	8,354	0
15 Investment Income on Balances	(3,550)	(3,349)	201
Levies and Contributions to Outside Bodies			
16 Environment Agency	228	226	(2)
17 Devon Sea Fisheries	388	354	(34)
18 Direct Revenue Support for Capital	2,024	3,163	1,139
19 Schools contribution to capital expenditure	(1,806)	(1,806)	0
20 Fixed asset disposal costs	0	26	26
21 Contributions to Earmarked Reserves	1,493	1,493	0
22 Other receipts	77	(5,310)	(5,387)
Sub Total	506,347	502,513	(3,834)
23 Routine Spending from Earmarked Reserves	17,883	9,764	(8,119)
24 Routine Use of Earmarked Reserves	(17,883)		17,883
25 TOTAL	506,347	512,277	5,930
* This is the net budget for schools, expenditure of £407.8m in addition to this is funded by Dedicated School Grant and the Learning and Skills Council.			

REVENUE OUTTURN SUMMARY 2009/10

Recommended Action					
C/Fwd to 10/11 from 09/10	Take to / (from) Reserves	Recommended Outturn	(Increase)/ Decrease in Balances		
(4)	(5)	(6)	(7)		
£'000	£'000	£'000	£'000		
13,394		13,579	0	Children and Young People - Schools*	1
120	(68)	113,979	1,182	Children and Young People - Non Schools	2
207	2,500	187,227	3,234	Adult and Community Services	3
442		115,769	1,285	Environment, Economy & Culture	4
439		16,325	(544)	Chief Executive's	5
770	(2)	16,871	11	Corporate Resources	6
		0	(2,278)	Unused Pay Budgets	7
15,372	2,430	463,750	2,890	TOTAL FOR DIRECTORATES	
(15,509)		(15,509)	0	Budget Carry Forward Fund	8
	5,220	6,477	6,477	Adjustments to provisions	
		(325)	(325)	Staffing transition	9
		651	651	Staffing transition - capitalisation direction	10
	(100)	50	50	Bad and doubtful debts provision	11
				Other	12
		51,681	(2,107)	Capital Financing Charges	13
		8,354	0	Capital Financing Charges - PFI	14
		(3,349)	201	Investment Income on Balances	15
				Levies and Contributions to Outside Bodies	
		226	(2)	Environment Agency	16
		354	(34)	Devon Sea Fisheries	17
	(1,139)	2,024	0	Direct Revenue Support for Capital	18
		(1,806)	0	Schools contribution to capital expenditure	19
	(26)	0	0	Fixed asset disposal costs	20
	(6,324)	(4,831)	(6,324)	Contributions to Earmarked Reserves	21
	3,857	(1,453)	(1,530)	Other receipts	22
(137)	3,918	506,294	(53)	Sub Total	
		9,764	(8,119)	Routine Spending from Earmarked Reserves	23
	(9,764)	(9,764)	8,119	Routine Use of Earmarked Reserves	24
(137)	(5,846)	506,294	(53)	TOTAL	25

An alternative analysis of the outturn which shows Directorate spending before the approved use of Earmarked Reserves is shown at Appendix 4.

REVENUE OUTTURN 2009/10
WORKING BALANCES

	Balance 1st April 2009 (1) £'000	Contrib'ns (2) £'000	Spending (3) £'000	Balance 31st March 2010 (4) £'000
1 Working Balances	14,239			
2 External Support for Revenue Spending		506,347		
3 Net Revenue Spending			(506,294)	
4 Total County Fund	14,239	506,347	(506,294)	14,292

EARMARKED RESERVES

	Balance 1st April 2009 (1) £'000	Contrib'ns from Budget (2) £'000	Contrib'ns from Outturn (3) £'000	Contrib'ns / Movements Other (4) £'000	Spending (5) £'000	Balance 31st March 2010 (6) £'000
1 Affordable Housing	1,229				(157)	1,072
2 Blighted Properties	200					200
3 Building Maintenance	434		411		(18)	827
4 Customer Access Strategy	416	500		(463)	(264)	189
5 Development Fund	2,150			(1,640)		510
6 Devon Cleaning and Catering	847				(561)	286
7 Emergency	102			(77)	(25)	0
8 Energy & Water Efficiency	60				4	64
9 Energy Conservation	200			(200)		0
10 European / Matched Funding	511	350			258	1,119
11 Extra Care Housing	8,964	(4,500)	2,065		(100)	6,429
12 Financing Fund	439	1,500	(44)	(421)	(1,474)	0
13 Inspection / Implementation	78			(78)		0
14 Insurance	4,000	(2,000)			(142)	1,858
15 Integrated Youth Support Service	100				(19)	81
16 Invest to Save	1,292		(120)		(286)	886
17 Lets Get Devon Moving	0	500			(257)	243
18 Local Authority Business Grant	3,418		343		(876)	2,885
19 Local Initiatives	128	364	(23)		(35)	434
20 LPSA1 Reward	819			(622)	(197)	0
21 LPSA2 Reward	3,873		2,955		(1,106)	5,722
22 Modernisation Fund	2,408	3,779	(5)	(1,224)	(1,584)	3,374
23 New Road & Street Works Act Fund	439				(20)	419
24 On Street Parking	1,129		(168)		(67)	894
25 PFI Sinking Fund	1,499				(933)	566
26 Prior Year Tax	100		(100)			0
27 Procurement Initiative	216			(9)	(56)	151
28 Redundancy	3,691	1,000			(1,112)	3,579
29 Redundant Landfill Sites	479		(215)		1	265
30 Response to the Economic Downturn	0	250		(250)		0
31 Roads Emergency	0			651		651
32 Service Development Fund	6,500	(250)	319	(1,991)	(411)	4,167
33 Systems Development Fund	136				(22)	114
34 Trading Accounts	2		(2)			0
35 Waste Management Fund	2,036		(394)		(305)	1,337
	47,895	1,493	5,022	(6,324)	(9,764)	38,322
36 Schools Carry Forward	12,559		12,088		(12,559)	12,088
37 Non Schools Carry Forward	2,950		3,284		(2,950)	3,284
	15,509	0	15,372	0	(15,509)	15,372
Total	63,404	1,493	20,394	(6,324)	(25,273)	53,694

ADJUSTMENT ACCOUNT

Equal Pay Back Pay	(7,084)		(1,864)	7,084		(1,864)
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REVENUE OUTTURN 2009/10

FUNDING REVENUE SPENDING

	£'000	£'000
1 Total revenue spending		506,294
2 Budget Variation added to balances		53
3 Budget level		<u>506,347</u>
4 Financed by -		
5 Revenue Support Grant	28,692	
6 Area Based Grant	36,759	
8 National Non-domestic Rates redistributed	124,307	
9 Council Tax - precepts on District Councils	316,589	
10 Total financing		<u>506,347</u>

PROVISIONS

	Provision B/ Forward	Changes in 2009/10	Provision Remaining 31st March 2010	Recommended Action Increase / (Decrease) in provision	Provision for 2010/11
	£'000	£'000	£'000	£'000	£'000
1 Bad & Doubtful debts provision	666	469	1,135	651	1,786
Insurance Fund					
2 Prior to 01/04/98	529	23	552		552
3 From 01/04/98	11,142	(71)	11,071		11,071
4 Out of date cheques	173	13	186		186
5 ACC Pensions	90	0	90		90
6 Staff transition	8,846	(5,645)	3,201	1,257	4,458
7 Economy	35	(35)	0		0
8 Social Care	145	(14)	131		131
9 Property Related	658	(642)	16		16
10 Waste Management	302	896	1,198		1,198
11 Trading accounts	717	(605)	112		112
12 Care Homes externalisation	0	605	605		605
13 Tax on green travel	0	0	0	150	150
14 Youth Offending Training	102	(102)	0		0
Total	<u>23,405</u>	<u>(5,108)</u>	<u>18,297</u>	<u>2,058</u>	<u>20,355</u>

DRAFT REVENUE OUTTURN 2009/10 - RECOMMENDED ACTION

Children and Young People's Services Committee

	Final Approved Budget	Unadjusted Spending	Variations (Under)/Over	Carry Fwd or (Claw Back) in 2010/11		To / (From) Special Funds		Final Outturn	
	(1) £'000	(2) £'000	(3) £'000	(4) £'000		(5) £'000		(6) £'000	
				Schools	Non-Schools	Schools	Non-Schools	Schools	Non-Schools
Dedicated Schools Grant Related Expenditure									
Schools Budget									
Nursery	594	565	(29)	29				594	
Primary	179,997	172,818	(7,179)	7,179				179,997	
Secondary	185,495	181,195	(4,300)	4,300				185,495	
Special	15,232	14,652	(580)	580				15,232	
Other DSG Related Expenditure	40,144	38,796	(1,348)	1,306					40,102
sub total DSG	421,462	408,026	(13,436)	13,394				381,318	40,102
Dedicated Schools Grant	(380,056)	(380,014)	42					(339,912)	(40,102)
Learning and Skills Council	(27,827)	(27,827)						(27,827)	
	(407,883)	(407,841)	42					(367,739)	(40,102)
Total DSG	13,579	185	(13,394)	13,394				13,579	
CYPS Directorate									
Policy and Strategy	14,093	12,863	(1,230)				(418)		12,445
Access	23,327	22,759	(568)				(255)		22,504
Grants and Special Education	20,911	20,385	(526)				459		20,844
sub total	58,331	56,007	(2,324)				(214)		55,793
Youth, YOTS & Community	7,192	7,139	(53)		18		(23)		7,134
Children and Families									
Management	19,540	20,641	1,101				400		21,041
Children in Need	4,927	4,888	(39)				(140)		4,748
Looked After Children	13,564	14,833	1,269				(91)		14,742
Resources	2,684	2,690	6						2,690
Other	6,559	7,729	1,170		102				7,831
COMMITTEE SPENDING	126,376	114,112	(12,264)	13,394	120		(68)	13,579	113,979
Statutory Carry Forwards									
				13,394					
Over/(under) spending after statutory carry forwards									
				1,130					

SIGNIFICANT VARIATIONS BETWEEN BUDGET AND SPEND

DSG Related Expenditure									
Underspend on Schools Delegated Budgets									(12,088)
DSG Funded central services									
2008/09 DSG non school balances brought forward unused in 2009/10									(1,020)
Overspend on Schools Based Redundancy due to lower pupil numbers									1,254
Underspend on Independent Special Schools due to fewer placements									(806)
Early Years and Childcare - budgeted core expenditure on training and EY Education Funding funded by grant									(361)
Lower number of Pupils with Statements; lower than anticipated spend Speech & Language Links;									(944)
fewer placements for Recoupment from other Local Authorities and unused contingency									
Education Other Than At School - Increased number of placements, including in Pupil Referral Units									477
Reduced Dedicated Schools Grant received due to decrease in pupil numbers									42
Other minor variations over a number of activities									52
CYPS Budget									
Policy and Strategy									
Savings arising from management action including staffing, delayed investment and contingency									(980)
Savings arising from efficiencies in commissioning with the Learning and Development Partnership									(250)
Access									
Home to school/ college transport efficiencies from improved system for issuing Season Tickets, and move from employed to contractor escorts									(350)
Great Moor House - increased income generation and cost savings									(158)
Savings arising from management action for cost containment across various services e.g Customer Services									(60)

DRAFT REVENUE OUTTURN 2009/10 - RECOMMENDED ACTION

Children and Young People's Services Committee

VARIATIONS (CONTINUED)	£'000	£'000
<u>Grants and Special Education</u>		
Learning and Development Partnership surplus (transferred to reserves - see below)		(459)
ICT and Management Information Systems - lower costs associated with CYPs Database Integration and system upgrade		(78)
Other minor variations over a number of activities		11
<u>Youth and Community</u>		
Underspend on centrally managed youth budgets		(93)
Grant income for Learner Support Fund lower than expected		36
Other minor variations over a number of activities		4
<u>Children and Families</u>		
<u>Management and Support/Care Management</u>		
Increased costs of secure placements		277
Increased social worker costs (includes JE) for Children in Need and Children in Care and Safeguarding		518
Community Homes - increase staffing costs (includes JE) and higher supported lodging costs		81
Legal charges arising from increase in Child Protection cases		284
Vacancy management savings		(111)
Other minor variations over a number of activities		52
<u>Children in Need</u>		
Increase in costs and take up of Day Services provision and Direct Payments		578
Offset by additional income from Health to joint fund complex cases, increased carers grant income and reduced costs of respite residential placements		(582)
Savings arising from management action including staffing, delayed investment and contingency		(35)
<u>Looked After Children</u>		
Increase in Independent Sector placements for Mainstream & Children with Special Needs, partly arising from Southwark judgement		1,595
Reduction in beds days under the Family Care Worker Scheme		(173)
Reductions in payments to special schools		(203)
Other minor variations over a number of activities		50
<u>Resources and Other</u>		
Supported accommodation, including impact of Southwark Judgement, legal costs and new adoption allowances for Careleavers and mainstream adoption, offset partly by increased housing benefit income		891
Increased unsupported accommodation and care leavers costs and take up of Personal Allowances		377
Other minor variations over a number of activities		(92)
TOTAL		<u>(12,264)</u>
CARRY FORWARD PROPOSAL (as col. 4 opposite)		
Statutory Carry Forward for Schools	13,394	
<u>Youth, YOTS & Community</u>		
Multi Use Games Area in Wembury and Youth Offending Partnership funding transfer to reserves		18
<u>Children and Families</u>		
Children's Fund External Contract commitments (Children's Society; Community Action, Action for Children)		41
Devon Safeguarding Childrens Board Partnership funding		61
	<u>13,394</u>	<u>120</u>
CONTRIBUTION TO / (FROM) SPECIAL FUNDS		
Reserves provision no longer required	(527)	
Service Development - Learning and Development Partnership surplus transferred	459	
		<u>(68)</u>
CONTRIBUTION TO / (FROM) WORKING BALANCES		
		<u>(1,182)</u>

DRAFT REVENUE OUTTURN 2009/10 - RECOMMENDED ACTION

ADULT AND COMMUNITY SERVICES DIRECTORATE

	Final Approved Budget	Unadjusted Spend	Variations (Under) / Over	Recommended Action Carry Fwd (Clawback) in 2010/11	To (From) Special Funds	Final Outturn
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000
Older People and Disability Services	107,793	110,886	3,093			110,886
Learning Disability Services	43,538	45,910	2,372			45,910
Mental Health Services	10,219	10,831	612			10,831
Strategic and Central Services	18,185	16,888	(1,297)	207		17,095
Investment in Preventative Services	1,758	5	(1,753)			5
Total before Extra Care Housing	181,493	184,520	3,027	207	0	184,727
Extra Care Housing	2,500	0	(2,500)		2,500	2,500
NET BUDGET	183,993	184,520	527	207	2,500	187,227

SIGNIFICANT VARIATIONS BETWEEN BUDGET AND SPEND

Older People & Disability Services 3,093

The overspend in this service is primarily due to higher purchases of care from independent providers. Very great volume pressures were identified early in the year and a recovery plan introduced to contain spending. This included action to eliminate non-essential spending and ensure the consistent and correct application of eligibility criteria throughout Devon. Although an overspend remains at the end of the year the action taken reduced spending by £3.4m from the levels projected earlier in the year.

Learning Disability Services 2,372

In line with national trends, spending pressures within this service remain high. These represent new clients, including young adults reaching the age of 18 and those leaving education up to the age of 24, as well as to other people whose care arrangements have broken down or whose needs have increased. Costs of individual packages of care can be very high, reflecting the complexity of each individual's needs. Although the financial recovery plan introduced this year enabled cost reductions of around £1.1m compared to projected spending earlier in the year, an overspend is still reported.

Mental Health Services 612

DCC continues to work closely with the Devon Partnership Trust to increase the effectiveness of this service by reducing running costs and improving efficiency. Significant management action during the year was again required in order to balance the budget, and despite great efforts to contain spending, an overspend is reported.

Strategic and Central Services (1,297)

This service includes spending under the Supporting People programme which has recorded an underspend of £0.303m. A carry forward proposal of £0.207 m is included below. Central support services were tasked with underspending by £0.810m under the directorate financial recovery plan. This target has been exceeded by reduced spending on staff and deferral of planned IT developments. When preparing budgets for 2010/11, budget reductions in relation to permanent savings were applied.

Investment in Preventative Services (1,753)

This budget was set aside to provide for investment in preventative services aimed at improving people's independence and wellbeing and supporting work in line with the Social Care Reform Grant. However, due to the extreme spending pressures identified early in the year (mentioned above), spending from this budget was deferred as part of the financial recovery plan, although investment in preventative services did continue from the Social Care Reform Grant.

Extra Care Housing (2,500)

This represents money set aside for capital housing schemes associated with Extra Care Housing. This will be placed in a reserve earmarked for Extra Care Housing. Work is under way to review the use of the Council's residential homes for older people in line with strategies to increase the provision of Extra Care Housing in Devon.

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CARRY FORWARD PROPOSALS

Strategic Commissioning, Universal and Targeted Services

Supporting People - The cost of meeting the new challenges and achieving essential business requirements.

207

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CONTRIBUTION TO / (FROM) SPECIAL FUNDS

Extra Care Housing (see above)

2,500

CONTRIBUTION TO / (FROM) WORKING BALANCES

(3,234)

FURTHER MANAGEMENT ACTION

ACS directorate will continue to apply stringent and robust management control on spending. Many savings initiated part way through 2009/10 will have greater financial impact in 2010/11 and will continue to be applied to ensure spending is contained within budget.

DRAFT REVENUE OUTTURN 2009/10 - RECOMMENDED ACTION

ENVIRONMENT, ECONOMY AND CULTURE DIRECTORATE

	Final Adjusted Budget	Unadjusted Spending	Variations (Under) / Over	Recommended Action Carry Fwd (Clawback) in 2010/11	To (From) Special Funds	Final Outturn
	(1)	(2)	(3)	(4)	(5)	(6)
	£'000	£'000	£'000	£'000	£'000	£'000
Highway Maintenance	40,760	43,785	3,025			43,785
Network Management & Area Offices	14,405	14,351	(54)			14,351
Planning & Transportation	3,058	2,969	(89)			2,969
Public Transport and EATS	7,680	7,297	(383)			7,297
Waste Disposal and Recycling	31,531	30,205	(1,326)	396		30,601
Business Management	154	79	(75)			79
Economy & Industrial Estates	1,930	1,821	(109)	41		1,862
Culture	1,499	1,415	(84)			1,415
Libraries	10,587	10,588	1			10,588
Countryside & Heritage Services	2,880	2,817	(63)	5		2,822
Directorate Revenue Outturn	<u>114,484</u>	<u>115,327</u>	<u>843</u>	<u>442</u>	<u>0</u>	<u>115,769</u>

SIGNIFICANT VARIATIONS BETWEEN BUDGET AND SPEND

	£'000	£'000
<u>Highway Maintenance</u>		
Additional spend on safety defects	2,502	
Additional spend on the new Emergency Intermediate Repair safety defect programme	1,192	
Deferment of planned maintenance works	(2,399)	
Street lighting energy savings and deferment of maintenance	(1,293)	
Additional cost of emergency works due to severe weather	623	
Additional cost of Winter Service operations	2,233	
Other minor variations	167	
		3,025
<u>Network Management & Area Offices</u>		
Net underspend due to vacancy savings		(54)
<u>Strategic Planning & Transportation Strategy</u>		
Vacancy savings, ICT and consultancy savings		(89)
<u>Public Transport and Engineering and Transport Services</u>		
Engineering & Design Group cost savings and additional income	(228)	
Reductions on bus revenue support reflecting lower volatility in sector	(63)	
Additional income and cost savings on management of external transport services	(92)	
		(383)
<u>Waste Disposal and Recycling</u>		
Lower tonnages, one off higher income and delay in relocation of Exeter Transfer Station		(1,326)
<u>Business Management</u>		
Staff salary savings and improved cost recovery from capital projects for this year		(75)
<u>Economy & Industrial Estates</u>		
Savings on industrial estate connection fees and delays on work through Visit Devon agreement		(109)
<u>Culture</u>		
Cultural projects have been reviewed and reduced in advance of implementing 2010/11 budget reductions		(84)
<u>Libraries</u>		
Successful vacancy management offsetting unavoidable operational overspends		1
<u>Countryside & Heritage Services</u>		
Vacancy savings and various small underspends across project budgets		(63)
		<u>843</u>

CARRY FORWARD PROPOSALS / TRANSFER TO SPECIAL FUNDS (as column 4 & 5 above)

<u>Waste Disposal and Recycling</u>		
Additional tipping away payments arising from relocation of Exeter Transfer Station		396
<u>Economy & Industrial Estates</u>		
Visit Devon contract work outstanding		41
<u>Countryside & Heritage Services</u>		
DCC match element of unspent partnership resources committed to 2010/11		5
		<u>442</u>
CONTRIBUTION TO / (FROM) WORKING BALANCES		<u>(1,285)</u>

DRAFT REVENUE OUTTURN 2009/10 - RECOMMENDED ACTION

CHIEF EXECUTIVE'S AND CORPORATE RESOURCES DIRECTORATES

	Final Approved Budget	Unadjusted Spending	Variations (Under)/ Over	Recommended Action Carry Fwd (Clawback) in 2010/11	To (From) Special Funds	Final Outturn
	(1) £'000	(2) £'000	(3) £'000	(4) £'000	(5) £'000	(6) £'000
Chief Executive's Directorate						
Chief Executive (Corporate Services)	4,325	4,547	222	0	0	4,547
Safer Devon Partnership	755	686	(69)	69	0	755
Against Domestic Violence & Abuse Partnership	384	339	(45)	45	0	384
Business Transformation Unit	986	641	(345)	0	0	641
County Farms	(234)	(227)	7	0	0	(227)
Community Safety	4,582	4,358	(224)	0	0	4,358
Other Services	4,320	3,933	(387)	325	0	4,258
Building Maintenance	1,775	1,775	0	0	0	1,775
Legal Services	(18)	79	97	0	0	79
Administrative Buildings	(4)	(246)	(242)	0	0	(246)
Despatch	(2)	1	3	0	0	1
	<u>16,869</u>	<u>15,886</u>	<u>(983)</u>	<u>439</u>	<u>0</u>	<u>16,325</u>
Corporate Resources Directorate						
Human Resources	4,362	4,412	50	0	0	4,412
Customer Contact Centre	1,722	1,628	(94)	0	0	1,628
ICT	6,274	5,360	(914)	731	0	6,091
Finance	2,045	1,807	(238)	0	0	1,807
Devon Procurement	1,151	1,107	(44)	39	0	1,146
Other Services	1,318	1,272	(46)	0	0	1,272
Trading Undertakings	(12)	517	529	0	(2)	515
Devon Audit Partnership	0	0	0	0	0	0
	<u>16,860</u>	<u>16,103</u>	<u>(757)</u>	<u>770</u>	<u>(2)</u>	<u>16,871</u>
	<u><u>33,729</u></u>	<u><u>31,989</u></u>	<u><u>(1,740)</u></u>	<u><u>1,209</u></u>	<u><u>(2)</u></u>	<u><u>33,196</u></u>

SIGNIFICANT VARIATIONS BETWEEN BUDGET AND SPEND

£'000

Chief Executive - increased cost of consultation, strategic Intelligence, democratic & support services, including strain costs and ISO27001 costs	222
Safer Devon Partnership (SDP) - delayed projects in respect of additional partnership and grant funding in respect of LAA priorities	(69)
Against Domestic Violence & Abuse Partnership (ADVA) - delayed projects in respect of additional partnership and grant funding re DVA objectives	(45)
Business Transformation Unit / FM - additional income in respect of NPS discounts, increased rental income and staff vacancy savings	(345)
Community Safety - Trading Standards : savings in respect of staffing, test purchasing and increased recovery of court costs	(87)
Registration Service - savings in staffing costs alongside increased income	(128)
Emergency Planning - savings in staffing and commissioned projects	(53)
Coroners - Increased costs including analysts fees and in respect of Plymouth and Torbay coroners fees	44
Other Services : delayed County Committee commissioning projects (locality budgets), delayed H&S projects (Larkbeare) and other net savings	(387)
Legal Services - includes costs of judicial review, strain payments and recruitment advertising costs	97
Administrative Buildings - reduced energy costs and increased income in respect of accommodation rationalisation	(242)
Other net variations	10
Human Resources - additional costs in respect of Independent Safeguarding Authority (set-up) and corporate support and Organisational Development (Performance Improvement), largely offset through increased income from both the temps service and business transformation	50
Customer Contact Centre - net savings in staffing (vacancies)	(94)
Information Systems / Strategy - delayed implementation of the new network and infrastructure development / modernisation	(914)
Finance - savings in staffing (vacancies), delayed systems development projects and increased income	(238)
Devon Procurement - delayed spend in respect of the Local Involvement Network (Partnership Project)	(44)
Other Services - reduced liabilities in respect of competition budgets	(46)
Trading Undertakings - net loss in respect of Devon Design & Print and Supply Zone	529
	<u>(1,740)</u>

CARRY FORWARD PROPOSALS

£'000

Partnerships - delayed contribution to Safer Devon Partnership and ADVA Partnerships (match funded) to meet partners commitments in 2010-11	114
Other Services - delayed commissioning projects (County Committee locality budgets & funds)	325
ICT - commitments in respect of delayed implementation of the new network	731
Procurement - delays in respect of the Local Involvement Network (Partnership funds)	39
	<u>1,209</u>

CONTRIBUTION TO/(FROM) SPECIAL FUNDS

Devon Books - repayment of loan	(2)
	<u>(2)</u>

CONTRIBUTION TO/(FROM) WORKING BALANCES

533

BUDGET ADJUSTMENTS 2009/10

	Original Budget £000	2008/09 Br't-fwds. £000	Virements £000	Final Budget £000
COMMITTEE BUDGETS				
Children and Young People				
- Schools		13,579		13,579
- Non-school	121,146	380	(8,729)	112,797
Adult and Community Services	184,494	445	(946)	183,993
Environment , Economy & Culture	114,827	261	(604)	114,484
Chief Executive's	14,736	317	41	15,094
Corporate Resources	16,849	300	(289)	16,860
Building Maintenance	1,622	227	(74)	1,775
Unused Pay Budgets			2,278	2,278
Committee Budget Allocation	453,674	15,509	(8,323)	460,860
Budget Carry Forward Fund		(15,509)		(15,509)
Capital Financing	54,187		(399)	53,788
Capital Financing PFI			8,354	8,354
Interest on Balances	(3,949)		399	(3,550)
Contributions to reserves				
Customer Access	500			500
Extra care Housing	(4,500)			(4,500)
Financing	1,500			1,500
Insurance	(2,000)			(2,000)
Lets Get Devon Moving	500			500
Local Initiatives	364			364
Matched Funding	350			350
Modernisation	3,779			3,779
Redundancy	1,000			1,000
Precepts				
Flood Defence	228			228
Devon Sea Fisheries	388			388
				0
Other receipts			77	77
Non-committee budgets	52,347	(15,509)	8,431	45,269
Direct Support for Capital	0		2,024	2,024
School contribution to capital expenditure	0		(1,806)	(1,806)
	506,021	0	326	506,347
Increase in Area Based Grant			(326)	(326)
TOTAL	506,021	0	0	506,021

Reserve	Purpose	Approval to Use of Reserve	Management & Control	Timetable for Review	Proposed Balance as at 31.3.10 £000	Forecast Income 2010/11 £000	Forecast Expenditure 2010/11 £000	Proposed Balance as at 31.3.11 £000
GENERAL RESERVE (Working Balances)	Contingency to cushion the impact of unexpected events or emergencies. These reserves provide working balances to help cushion the impact of uneven cash flows and avoid unnecessary borrowing	County Council	N/A	Annual	14,292			14,292
EARMARKED RESERVES								
Specific Contingency Reserves								
Reinstatement of Existing Landfill Sites	Reserve to cover unexpected upward movement in the cost of the 10 year plan for redundant landfill site restoration	The Cabinet	Cabinet Member	Bi-annual	265		48	217
Redundancy Fund	Reserve to cover redundancy costs of restructuring	The Cabinet	Director of Finance	Bi-annual	3,579	1,000	1,128	3,451
General Reserve	To manage exceptional unforeseen costs, uncertainties and emergencies	The Cabinet	The Cabinet	Annual		3,300		3,300
Insurance	Reserve to cover insurance claims in excess of the levels experienced and provided for	The Cabinet	Director of Finance	Bi-annual	1,858		1,858	0
Roads Emergency	Contingency fund to meet costs of extreme weather and road maintenance conditions	The Cabinet	Director of Finance	Bi-annual	651	1,000		1,651
New Roads and Street Works Act	Development of policies for promotion and encouragement of safe integrated efficient and economic transport facilities.	The Cabinet	County Environment Director	Bi-annual	419		75	344
Blighted Properties	Reserve to meet the cost of blighted properties	The Cabinet	County Environment Director	Bi-annual	200		150	50
Waste Management Fund	To make provision for funding new facilities to meet EU Landfill Directives.	The Cabinet	County Environment Director	Bi-annual	1,337		377	960
Sub Total					8,309	5,300	3,636	9,973
Reserves Held for Planned Developments								
Local Initiatives	Reserve held to fund local initiatives and community development	The Cabinet	Cabinet Member	Bi-annual	434		192	242
European Funding / Matched Funding	Reserve to provide matched funding for Externally Funded projects.	The Cabinet	Cabinet Member	Bi-annual	1,119	350	342	1,127
Systems Development	Reserve held to fund the development of corporate IT systems for example the People Management Information system	The Cabinet	Director of Finance	Bi-annual	114		114	0
Service Development	Reserve held to promote service developments	The Cabinet	Director of Finance	Bi-annual	4,167		2,139	2,028
Procurement Initiative	Reserve held to fund corporate initiatives to improve procurement procedures across the authority	The Cabinet	Director of Finance	Bi-annual	151		151	0
Energy & Water Efficiency	Reserve held to collect savings from energy and water efficiency projects and use to fund further investment in efficiency projects	The Cabinet	Director of Finance	Bi-annual	64		5	59
Customer Access Strategy Fund	Reserve to fund development that will improve access to County Council Services for the people of Devon.	The Cabinet	Director of Finance	Bi-annual	189		189	0
Modernisation Fund	Fund for modernisation of County Council Services	The Cabinet	Director of Finance	Bi-annual	3,374		670	2,704
Affordable Housing	Fund held to finance projects jointly agreed with Districts.	The Cabinet	Director of Finance	Bi-annual	1,072		144	928
Extra Care Housing	To fund housing for vulnerable adults	The Cabinet	Director of Finance	Bi-annual	6,429	2,500		8,929
LPSA 2 Reward Grant	To pump prime and provide one off support for new development.	The Cabinet	Director of Finance	Bi-annual	5,722		2,097	3,625

Reserve	Purpose	Approval to Use of Reserve	Management & Control	Timetable for Review	Proposed Balance as at 31.3.10 £000	Forecast Income 2010/11 £000	Forecast Expenditure 2010/11 £000	Proposed Balance as at 31.3.11 £000
Lets Get Devon Moving		The Cabinet	The Cabinet		243		198	45
Development Fund	To provide financing for infrastructure renewal in County Council services.	The Cabinet	Director of Finance	Bi-annual	510			510
Local Authority Business Grant	To Fund Economic Development Projects as part of the LAA	The Cabinet	Director of Finance	Bi-annual	2,885		979	1,906
PFI Sinking Fund	To manage the payments and income relating to the Exeter School's PFI Scheme	The Cabinet	Director of Finance	Bi-annual	566		2	564
Invest to save (CYPS)		The Cabinet	Director of Finance	Bi-annual	886		640	246
Integrated Youth Support Service		The Cabinet	Cabinet Member	Bi-annual	81			81
Sub Total					28,006	2,850	7,862	22,994
Reserves of Operational and Trading Units								
Devon Cleaning and Catering	Surplus of recovered costs retained to fund activities in future financial years	The Cabinet	Director of Children & Young People's Services		286		250	36
Trading Accounts	Surpluses/losses arising from the activities of Trading Accounts to be carried forward to future financial years	Director of Finance	Director of Finance	Annual	0			0
Building Maintenance	Fund held in respect of schools building maintenance.	Director of Finance	Director of Finance	Annual	827			827
On Street Parking		Director of EEC	Director of EEC	Annual	894			894
Sub Total					2,007	0	250	1,757
TOTAL EARMARKED RESERVES					38,322	8,150	11,748	34,724
BUDGET MANAGEMENT RESERVES								
Directorate Budget Carry Forwards	Reserve that permits the carry forward of approved end of year under/overspending to the following financial year	The Executive	The Executive	Annual	3,284		3,284	
School Balances	Net unspent balance of budgets delegated to schools	N/A	N/A	N/A	12,088			

Non Cash Backed Reserves Held

Equal Pay Back pay	Reserve required for accounting purposes not "cash backed".	N/A	N/A	Annual	-1,864		-1,864	0
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**ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS UNDER THE MEMBERS
ALLOWANCES SCHEME FOR THE YEAR ENDING 31ST MARCH 2010**

Note: Basic & Special Responsibility Allowances and some elements of travelling & subsistence allowances are subject to taxation

Surname	Inits	Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses
		£	£	£
Barker	SD	10970.04	14565.73	2982.01
Berry	EJ	10970.04	8830.44	671.56
Black	AJ	9019.81	0.00	711.93
Bowden	P	9019.81	0.00	734.59
Boyd	A	9019.81	0.00	1631.38
Boyle	AJ	9019.81	0.00	388.92
Brazil	JC	10970.04	1462.76	1303.94
Brock	PJ	10970.04	0.00	0.00
Brook	FJ	10970.04	2102.94	0.00
Cann	RS	10970.04	2102.94	2057.15
Channon	C	10970.04	14565.73	5961.98
Chugg	C	9019.81	0.00	2010.40
Clarance	C	9019.81	0.00	547.37
Clatworthy	J	10172.42	15333.36	1414.55
Colthorpe	P	9019.81	0.00	305.60
Connett	AM	10970.04	0.00	0.00
Croad	RF	10970.04	12615.50	3585.24
Davis	AV	10970.04	12615.50	4795.16
Day	SJ	10970.04	2102.94	2054.21
Diviani	PA	9019.81	0.00	1794.40
Eastman	AJ	9019.81	0.00	1252.75
Edgell	RC	9019.81	2102.94	1875.32
Foggin	OM	10970.04	0.00	0.00
Fowler	GE	10970.04	487.64	1479.98
Fry	A	10970.04	975.10	1015.54
Giles	AR	9553.74	0.00	15.29
Greenslade	BC	10970.04	11008.92	6890.51
Gribble	G	9019.81	0.00	588.85
Hannaford	R	10970.04	487.64	0.00
Hannon	DPO	10970.04	2925.33	477.71
Hart	TJ	10172.42	22091.97	6011.90
Hawkins	JD	10970.04	0.00	774.79
Haywood	CC	10970.04	487.64	1897.52
Hook	GN	10970.04	7108.46	669.60
Hughes	BCJ	10970.04	0.00	0.00
Hughes	S	10970.04	14565.73	4515.08
Knight	J	9019.81	0.00	1017.62
Leadbetter	AR	10970.04	12615.50	2223.15
Lee	MR	10970.04	0.00	1288.18
Marsh	CM	10970.04	3066.64	928.07
McInnes	JR	10970.04	4205.14	2018.91
McMurray	J	9019.81	0.00	95.70
Moulding	AT	9019.81	0.00	886.15
Mumford	WD	10970.04	12615.50	3095.60
Newcombe	AV	10970.04	7108.46	1023.45
Owen	J	10970.04	0.00	54.95
Parsons	BM	9019.81	0.00	0.00
Pennington	JT	10970.04	2342.14	937.62
Prowse	GJ	0.00	0.00	0.00
Radford	RA	10970.04	3066.64	1011.94
Randall Johnson	S	9019.81	2102.94	0.00
Robinson	S	9019.81	0.00	1789.44
Sanders	PR	9019.81	2102.94	1417.04
Sellis	D	9019.81	3066.64	2062.39
Smith	DE	9019.81	0.00	416.00
Spence	SA	10966.61	5180.24	4085.26
Taylor	BO	10970.04	1462.76	706.16
Walters	M	9019.81	0.00	728.33
Way	NA	10970.04	1950.23	786.58
Westlake	RA	10970.04	6133.36	92.87
Wragg	EE	10970.04	487.64	631.48
Yabsley	JO	10970.04	2102.94	2127.52

- SORP 2009 requirements to disclose all payments relating to remuneration of Members, not just those formally described as 'allowances' (N45, p188)**
- No payments were made to Members in respect of Co-optees Allowance**
- Carers Allowance of £625 was paid to Cllr. AJ Black and £315 was paid to Cllr. AV Davis**

**ALLOWANCES PAID TO DEVON COUNTY COUNCILLORS UNDER THE MEMBERS
ALLOWANCES SCHEME FOR THE YEAR ENDING 31ST MARCH 2010**

COUNCILLORS NOT RE-ELECTED IN THE JUNE 2009

Note: Basic & Special Responsibility Allowances and some elements of travelling & subsistence allowances are subject to taxation

Surname	Inits	Basic Allowance	Special Responsibility Allowance	Mileage and Subsistence Expenses
Barton	HR	1950.23	2925.33	365.20
Berman	BH	0.00	0.00	0.00
Boote	RW	1950.23	0.00	0.00
Bray	CJ	1950.23	1462.76	233.20
Button	DG	1950.23	487.64	54.97
Connelly	R	1950.23	975.10	128.80
Cook	PL	1950.23	1462.76	196.04
Cox	DN	1950.23	975.10	132.39
Date	G	1950.23	487.64	120.55
Ford	LS	1950.23	0.00	346.74
Hobden	SM	1950.23	2925.33	0.00
Hosking	A	1950.23	487.64	675.66
Hull	DRH	1950.23	543.10	268.02
Jenkins	JA	1950.23	0.00	0.00
Morgan	SA	1950.23	1462.76	0.00
Nicholson	JB	1950.23	0.00	15.29
Rawlinson	J	1950.23	2047.64	126.44
Rogers	MA	1950.23	2925.33	2937.86
Shadrick	DH	548.50	0.00	-1.32
Smith	JN	1950.23	3900.44	1551.79
Temperley	HPN	1950.23	2925.33	1353.44
Tucker	FGH	1950.23	487.64	454.06
M E Turner	ME	1950.23	487.64	549.69

PART II CAPITAL

1. The Capital Programme

- 1.1 The original 2009/10 Capital Programme was approved at £174.642 million. The programme was increased in year by £8.191 millions as a result of the previous year's slippage and by £33.997 millions for other adjustments which included those approved by members in year and increases of £1.499 millions from external and locally managed funding sources that have been added as the accounts have been finalised. Thus the final Capital Programme for 2009/10 was £216.830 millions. Actual capital expenditure for the year was £139.502 millions. The table below shows spending and approvals for 2009/10 for each directorate.

	Budget £ 000	Actual £ 000	Variation £ 000
Children and Young Persons' Services	98,654	71,915	26,739
Environment, Economy and Culture	94,486	59,159	35,327
Adult and Community Services	7,269	2,744	4,525
Chief Executives Office and Resources Directorate	16,421	5,684	10,737
Total	216,830	139,502	77,328

- 1.2 In previous years capital budgets have been reduced to reflect the slippage into the new financial year (in this case 2010/11). This has not been done for the above figures and this change in practice means that the slippage appears greater than in previous years.

2. What we achieved with Capital investment

2.1 Children and Young People's Services

This year saw the completion of the replacement primary school at Dartington and completed projects at The Castle Primary School Tiverton, Holsworthy C of E Primary School, Ottery St Mary Primary School and the establishment of a Reading Recovery unit at Sticklepath Primary School, Barnstaple.

At secondary schools Tiverton High was provided with additional specialist teaching rooms and a contribution was made to the new science block at Holsworthy Community College. Work also started at Kingsbridge Community College on a new teaching block which is being partly funded from the Capital Programme with significant progress being made on construction at Bideford College.

The final Sure Start Phase 2 Children's Centre and Pre-School projects were completed and the phase 3 projects were commenced. Ivybridge Children's Centre was completed and vehicles were purchased for Bideford and Chulmleigh locality Children's Centres. Pre-school projects completed were at Manor Primary School, Bassetts Farm Primary School, Exmouth, Starcross Primary School, The Castle Primary School Tiverton, North Molton School and Ermington Primary School.

2.2 Environment, Economy and Culture

Maintenance of Devon's road network and bridges was again a prominent theme, given added focus with severe winters in both 2008/09 and 2009/10. A major scheme to repair the historic Bideford Longbridge, and install cathodic protection to prevent future deterioration, was also completed in 2009. Investment was made in improvements to highway depots, to reduce their impact on the environment, whilst a start was made on a major programme to reduce the carbon consumption of street lighting by introducing part night lighting in residential areas. Major investment was made in road safety initiatives in the area between Tiverton and Barnstaple under the "Country Mile" beacon project.

Significant progress was made in developing major transport schemes, with the public inquiry for Kingskerswell Bypass and completion of preliminaries for the major junction improvement at Junction 29 of the M5. The widening scheme at Western Way, Exeter was completed. Significant public transport schemes included re-modelling of the Sherborne Road bus station at Newton Abbot, and

the introduction, in partnership with Stagecoach Devon, of a new fleet of high specification buses for the Exeter Park and Ride services.

Cycling continues to be an important part of the county's transport programme, with further major investment in the Exeter Cycle Demonstration Town project, additional sections of the "Path to Prosperity" route from Ilfracombe to Plymouth, and completion of part of the Exton to Lymptone section of the Exe Estuary Trail.

Devon's third In-vessel Composting plant, at Deep Moor, Torrington, was completed and started to receive waste during 2009, while construction started on the new Exeter recycling centre at Pinbrook.

Following successful pilot installations the previous year, self service technology was introduced at Dartmouth and at the new library in Princetown, in conjunction with enhancement and re-branding to reflect the 21st century libraries concept, while refurbishments were progressed at Pinhoe, Combe Martin, Exmouth and Okehampton.

2.3 Adult and Community Services

The 2009-10 financial year has been a period of continuing progress for the Directorate's capital programme. £2.7m was spent across 58 projects, which include the purchase of community equipment, upgrades to buildings operated by the directorate, and IT infrastructure improvements.

A significant achievement within the year has been the establishment and occupation of new offices at Estuary House in Newton Abbot. This project brought together ACS, Integrated Children's Services and NHS Devon under one roof in a modern purpose built space that will advance flexible working and the sharing of resources.

There was also substantial progress towards completing several projects that will result in more efficient and effective use of the building assets held by the directorate. Notably for Learning Disability Services the Exmouth and Newholme (Honiton) Community Hubs, and also the Victory Centre in Exeter which is another example of working in partnership with colleagues in NHS Devon to provide facilities for Mental Health services. The projects mentioned are expected to complete in the 2010 financial year and will facilitate the rationalisation of properties in use.

2.4 Chief Executive's Office and Resources Directorate

The County Farms Estate Useable Capital Receipts Reserve was used in 2009/10 to fund ten major projects. These schemes being the provision of essential farm infrastructure upgrades at Southacott Farm, Mariansleigh, Lower Uppacott Farm, Mariansleigh, Higher Bradaford Farm, Virginstowe, Prixford Barton Farm, Marwood, Higher Slade Farm, Ilfracombe, Lower Alminstone Farm, Woolsery, Kerswell Farm, South Brent, Markhams Farm, Ide, Parks Farm, Crediton and Nutcombe Farm, Rose Ash following the amalgamation of land from adjoining holdings in accordance with the approved Estate Plan. These essential infrastructure upgrades were also made in accordance with the approved County Farms Estate Finance Plan 2002 to 2012. The final two schemes related to land purchases at Rockbeare and Ide. The Council continued to invest in compliance (Disability Discrimination Act and Nitrate Vulnerable Zones) and maintenance works to improve the Health and Safety in DCC buildings and the condition of its assets, and as well as this, purchased a new Standby Generator at County Hall to automatically support all the Coaver Club electrical supplies should the main supply be "lost" to this building.

3. Slippage

3.1 In managing the Capital Programme, the key objective of the Council is to obtain Value for Money. Complex processes are in place to ensure that we achieve this. Because of this focus, however, some projects do slip in the Capital Programme giving rise to underspending which is routinely carried forward to the following financial year.

3.2 The 2009/10 net underspending totals £77.328 million. It is recommended that £58.742 millions is carried forward into the 2010/11 Capital Programme. An analysis of the underspending and the carry forward request is set out in the table below:-

	Underspend	Carry Forward
	£ 000	£ 000
Children and Young Persons' Services	26,739	23,743
Environment, Economy and Culture	35,327	23,142
Adult and Community Services	4,525	4,329
Chief Executives Office and Resources Directorate	10,737	7,528
Total	77,328	58,742

The main reasons for the underspending are explained in the following paragraphs on a Directorate by Directorate basis.

3.3 Children and Young People's Services

A large element in the underspending of the Capital Programme is related to Investing in Devon projects (£12.27m) i.e. the use of the airport capital receipt. The Bideford College project underspent by £2.8 millions due mainly to the severe winter weather. Many of the schemes involve partnership funding and have a long lead time.

3.4 Environment, Economy and Culture

Continuing uncertainty on the potential re-organisation of local government, and on the procurement of new technology, delayed both the start of the Pinbrook recycling centre and progress on the Exeter Energy from Waste plant, significantly reducing expenditure during 2009/10.

Revisions in the prospective Business Plan of the Science Park to reflect the recession, and recent advice on State aid, delayed the formation of the Science Park Company, and hence the funding required will not be drawn down until 2010/11.

The timing and length of the public inquiry into Kingskerswell Bypass reduced the call on funding in 2009/10, and will lead to consequential adjustments in subsequent years.

Expenditure on the libraries programme was deferred into 2010/11 as the scope for the projects at Cullompton and Newton Abbot was broadened to make them community learning hubs and touch down centres; however the acquisition of the site for Cullompton was completed during the year.

3.5 Adult and Community Services

Slippage in the ACS capital programme for 2009-10 was significant. Only two-fifths of the planned £7.3m capital programme was delivered in-year with £4.3m of planned expenditure to be carried forward to 2010-11. A substantial element of this carry forward amount, £1.6m, has occurred in a few high value projects for the acquisition and adaptation of premises of community hubs in Exeter, Totnes and Barnstaple. Expenditure to conclude these and other projects for Exmouth and Newholme Community Hubs are expected to conclude in 2010-11.

3.6 Chief Executive's Office and Resources Directorate

Some new approvals for capital investment in farms were agreed at a late stage in 2009/10 and these projects are currently subject to tender. The remaining carry forwards are to cover the outstanding retention payments.

Some capital investment on new ways of working (County Hall Car Park, Office Strategy, Hub Centres/ flexible working, County Hall Green Travel and Matford Lane Heating) planned for 2009/10 has been delayed to 2010/11.

Some capital investment at Barnstaple Civic Centre (Car Park resurfacing, concrete impregnation, smart card security system, Fire Alarm CCTV and Open planning) planned for 2009/10 has been delayed to 2010/11.

The Compliance (Disability Discrimination Act and Nitrate Vulnerable Zones) programme started late in the financial year and consequently was not delivered in its entirety.

5.1 Capital Expenditure

The Prudential Indicators 2009/10 were based on the Approved Capital Programme of £174.642 million.

Planned Expenditure	£ 174.642 million
Actual Expenditure	£ 139.502 million
Variance	£ 35.140 million

5.2 Capital Financing Requirement (CFR)

The Capital Financing Requirement reflects the underlying need to borrow for capital purposes.

	Million	Million
Opening CFR		£ 597.012
Capital Investment	£139.502	
Less: Capital Receipt	(£7.212)	
Less: Government Grants and Contributions	(£ 60.925)	
Less: Revenue Financing and Reserves	(£3.163)	
Capital Investment Funded through Borrowing		£68.202
Less: Internal Debt Repayment	(£24.837)	
Less: External Contributions to Repayment of Debt	(£2.380)	
		(£27.217)
Closing Capital Financing Requirement		£637.997

Planned CFR (31 st March 2010)	£ 681.446 million
Actual CFR (31 st March 2010)	£ 637.997 million
Variance	£ 43.449 million

The underlying need to borrow is less than anticipated due the slippage on the Capital Programme. Under the Prudential Code, except in the short term, borrowing should only be used to finance capital expenditure and the Capital Financing Requirement limit should not be exceeded. The outturn position confirms this.

5.3 Authorised Limit and the Operational Boundary for External Debt

External Debt totals £581.639 million.

The authorised limit for external debt of £868.806 million was not breached.

The operational boundary for external debt of £762.493 million was not breached.

5.4 Ratio of Financing Cost to Net Revenue Stream

This ratio aims to show the percentage of the net revenue budget which is used to finance debt. The Council originally estimated that 10% would be applied. Effective treasury management, however, and the level of slippage resulted in no further borrowing being required. The outturn ratio has improved to 9.5%.

Total Financing Costs	£ 48.332 million
Net Revenue Stream	£506.347 million
Percentage	9.5%
Estimated	10%
Variance	0.5%

6. Determination of Capital Finance

The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance sources, as outlined in the table shown on page and compared to budget, is proposed:

- That borrowing totalling £68.202 million is used as authorisation to capitalise expenditure.
- That expenditure of £60.925 million is capitalised and funded from government grants and external contributions to meet expenditure in 2009/10 for capital purposes.
- That useable capital receipts of £7.212 million are applied to meet expenditure in 2009/10 for capital purposes.
- That remaining capital expenditure of £3.163 million is met from revenue budgets.

Mary Davis

Local Government Act 2003

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Background Papers: Nil

CAPITAL OUTTURN SUMMARY 2009/10

	Revised Programme	Total Spending	Slippage and Other Variations	<i>Impact on 2010/11 Programme Increase / (Decrease)</i>
	(1) £'000	(2) £'000	(3) £'000	(4) £'000
CORE PROGRAMME				
Children and Young People	98,223	71,484	26,739	23,743
Environment, Economy and Culture	91,687	58,052	33,635	21,450
Adult and Community Services	7,269	2,744	4,525	4,329
Chief Executives Office and Corporate Resources	<u>16,221</u>	<u>5,647</u>	<u>10,574</u>	<u>7,378</u>
Total	213,400	137,927	75,473	56,900
VELP				
Children and Young People	431	431	0	0
Environment, Economy and Culture	2,799	1,107	1,692	1,692
Adult and Community Services	0	0	0	0
Chief Executives Office and Corporate Resources	<u>200</u>	<u>37</u>	<u>163</u>	<u>150</u>
Total	3,430	1,575	1,855	1,842
TOTAL SPENDING	<u>216,830</u>	<u>139,502</u>	<u>77,328</u>	<u>58,742</u>
TOTAL TO BE FINANCED	<u>216,830</u>	<u>139,502</u>		

	Revised Programme	Total Spending	Slippage and Other Variations	<i>Impact on 2010/11 Programme Increase / (Decrease)</i>
	£'000	£'000	£'000	£'000
Children and Young People	98,654	71,915	26,739	23,743
Environment, Economy and Culture	94,486	59,159	35,327	23,142
Adult and Community Services	7,269	2,744	4,525	4,329
Chief Executives Office and Corporate Resources	<u>16,421</u>	<u>5,684</u>	<u>10,737</u>	<u>7,528</u>
	<u>216,830</u>	<u>139,502</u>	<u>77,328</u>	<u>58,742</u>

CAPITAL PROGRAMME 2009/10 - STATEMENT OF DETERMINATION OF CAPITAL FINANCE

	Recomended Financing £000	Recomended Financing £000
SOURCES OF FINANCE		
External Resources		
<u>Borrowing</u>		
Total Borrowing		68,202
<u>Other External Finance</u>		
Grants and Contributions		60,925
 Total External Sources		 129,127
Internal Resources		
Useable Capital Receipts Applied	7,212	
Revenue Budgets and Earmarked Reserves	<u>3,163</u>	
	10,375	
 Total Internal Sources		 10,375
 Total Sources of Funding		 <u><u>139,502</u></u>

Capital Receipts		
Balance at Start of Year		55,395
Received During Year		2,293
Applied to Financing		<u>(7,212)</u>
Balance at Year End		<u><u>50,476</u></u>

Note

Analysis of balance of capital receipts at year end	
Airport Receipts earmarked for IID	40,902
Farms Earmarked Receipts	1,413
General Receipts	<u>8,161</u>
	<u><u>50,476</u></u>

APPENDIX 1

Debt (Monies Owed to the Authority) as at 31st March 2010

The County Council collects income from a wide range of sources to fund its services. Large elements of income are received automatically from Government and District Councils in respect of Revenue Support Grant, share of National Non-Domestic Rates and Council Tax.

Technology is also used to receive income and the e-government agenda is resulting in new processes being established to collect income via the telephone and the internet.

Income is also received from the raising of invoices to users of service. Accounts are credited with the income value with immediate effect, however, it is often the case that debtors take time to settle accounts and actually pay outstanding cash to the Council.

The County Council has a number of debtor systems which encompass Adult Care functions, Devon Pensions Fund items and Corporate services.

As at 31st March 2010, the situation was as follows :-

	Corporate System	Adult Care Functions	Devon Pension Fund	Total
Total Invoiced Income for the Year	£145.000 million	£34.680 million	£1.585 million	£181.265 million
Outstanding debt older than 3 months	£3.219 million	£4.755 million	£0.026 million	£8.000 million
Percentage of Debt which is older than 3 months relative to whole year value	2.2%	13.7% (see note below)	0.2%	4.4%

Within the Adult Care Functions, elements of Residential Care debt are underwritten by property charges. At the year end, these total £3,309,621 and reduce the percentage of outstanding debt to 4.2%.

Invoiced income in respect of Devon Pension Fund is comparatively low in percentage terms and relate to a small number of debtors. However, during the year a relative large value invoice was settled and the resultant debt level is very low when compared to the annual target.

In addition, to mitigate the effect of non-recovery of debt, Provisions have been established to write-off items which prove non-recoverable. At the year end, these total £0.158 million.

APPENDIX 2

Treasury Management Stewardship Report 2009/10 Report of the Director of Finance

1. Introduction

The purpose of this report is to inform members of any key matters arising from the Council's Treasury and Debt Management activities during the last financial year. It enables members to look at performance, in addition to ensuring that agreed policy is being implemented.

The County Council has adopted the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Services. This is one of the Prudential Indicators required by the Code. The CIPFA code also requires the Council to approve a Treasury Management Policy Statement together with a statement of its 'Treasury Management Practices' (TMPs)

A revised Code of Practice was published by CIPFA in December 2009 and a revised Policy Statement and Treasury Management Practices (TMPs) was submitted to the Policy Overview Committee on 28 January 2010 for consideration prior to submission to Cabinet for adoption and approval at the Council budget meeting.

2. Treasury Management Strategy and Objectives

The Council's Treasury Management activities are defined as follows –

“The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”

Key to carrying out these activities is to have in place sound borrowing and lending strategies.

(a) The main features of the Council's borrowing strategy are ---

- To borrow at the lowest rates possible for the most appropriate periods
- To minimize the costs linked to borrowing
- To aim to reduce the average interest rate of the loans portfolio
- To aim to out-perform other local authorities in the CIPFA Debt Management Benchmarking statistics

(b) The main features of the lending strategy are:

- To limit the risk of the loss of capital
- To ensure that funds are always available to meet cash flow requirements
- To maximise investment returns, but within a cautionary framework consistent with the first two objectives
- To review new investment instruments as they come to the Local Authority market, and to assess whether they could be a useful part of our investment process
- To achieve an investment performance, which places us in the top quartile in the CIPFA Treasury Management Benchmarking statistics

3. Treasury Outturn for 2009/10

During 2009/10 the Council's actions against these strategies were as follows -

(a) Borrowing

- i. Levels of liquidity during 2009/10 were such that no short term borrowing was required.
- ii. No long term borrowing was undertaken, all capital expenditure was funded by money borrowed in advance of the year (at lower rates of interest than budgeted) or from revenue balances.
- iii. In January 2010 £20m of long term debt was repaid to the Public Works Loan Board (PWLB) without incurring a premium for early repayment. A further £8m loan was repaid to the PWLB in March 2010, again at no premium. These actions will produce a net saving of £1.1m in a full year.
- iv. At a time of very low interest rates, considerably below those of borrowing, this was a more efficient use of the Council's resources.
- v. The impact of the repayment of £28m in the last quarter of 2009/10 resulted in a marginal increase on the average borrowing rate from 5.09% to **5.12%** at year end. The average rate of the £28m loans prematurely repaid was 4.38%.

Analysis of Long Term Debt

The following table shows the County Council's fixed and variable rate debt at the start and end of the financial year:

	Actual 31.03.09	Interest Rate	Actual 31.03.10	Interest Rate
	£'m	%	£'m	%
Fixed Rate Debt				
PWLB	518.10	4.96	490.10	4.99
Money Market	91.50	5.81	91.50	5.81
Variable Debt				
PWLB	0.00		0.00	
Money Market	0.00		0.00	
Total External Borrowing	609.60	5.09	581.60	5.12

(b) Lending

- i. Revenue lending during 2009/10, including the use of term deposits, call accounts and the Government's Debt Management Office, earned interest of **£3.35m**, on an average balance of £172m. Investment returns of **1.72%** were achieved against a budget target return of 2%.
- ii. The County Council has always adopted a very prudent approach to cash investments and maintained a very narrow counterparty list. This policy ensured the County Council avoided having any exposure to the Icelandic Banks in 2008. Putting safety before liquidity or yield does however impact on the income being generated from these investments. The budgeted income target for 2009/10 was not achieved because of a number of factors, mainly the limited number of counterparties and the premature repayment of debt in January and March 2010.
- iii. During the year the average level of cash investments reduced, to pay for capital spending and repayment of debt. Over the financial year the average monthly return fell in line with lower market rates and maturing deposits being repaid, illustrating the lagging effect of deposits made in the previous two years at much higher rates.
- iv. All lending was carried out in accordance with the Council's Treasury Management Strategy and with institutions on the list of approved counterparties. There were no breaches of credit limits.

Schedule of Investments

The following table shows the County Council's fixed and variable rate investments as at 31 March 2009 and 2010.

		Actual 31.03.09	Interest Rate	Actual 31.03.10	Interest Rate
	Maturing in:	£'m	%	£'m	%
Fixed Rates					
Term Deposits	< 365 days	157.80	3.74	52.63	0.94
	365 days & >	0.00		15.00	4.00
Callable Deposits					
Variable Rate					
Call & Notice Accounts		0.00		50.00	0.83
Accounts linked to LIBOR Rates		30.00	3.70	10.00	2.55
Money Market Funds (MMF's)		0.00		0.00	
All Investments		187.80	3.70	127.63	1.38

4. Prudential Indicators

Linked to its Treasury Management Strategy, the County Council is required to monitor its overall level of debt in line with the CIPFA Code of Practice. Part of the code requires consideration of a set of Prudential Indicators in order to allow the Council to form a judgement about the affordable, prudent and sustainable level of debt.

The purpose of the indicators is to demonstrate that:

- Capital expenditure plans are affordable
- All external borrowing and other long term liabilities are within prudent and sustainable levels
- Treasury management decisions are taken in accordance with professional good practice

Two Prudential Indicators control the overall level of borrowing. They are:

- **The authorised limit** - this represents the limit beyond which any additional borrowing is prohibited until the limit is revised by the County Council. Revision may occur during the year if there are substantial and unforeseen changes in circumstances, for example, a significant delay in achieving forecast capital receipts. In normal circumstances this limit will not require revision until the estimate for 2011/12 is revised as part of the 2011/12 budget process.
- **The operational boundary** – this indicator is based on the probable external debt during the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year.

During the Budget process, the following Borrowing Limits were set for 2009/10

- Maximum borrowing during the period (**Authorised Limit**) £868.8m
- Expected maximum borrowing during the year (**Operational Boundary**) £762.5m
- Maximum amount of fixed interest exposure (as a percentage of total) 100%
- Maximum amount of variable interest exposure (as a percentage of total) 30%

Members should note that during 2009/10 the Council stayed within its set Borrowing Limits.

5. Comparison of performance against other Local Authorities

In order to compare treasury performance against other local authorities, the Council will compare the 2009/10 data to results from the IPF Treasury Management and Debt Management Benchmarking Club. This however will not be available for some time, for reference in 2008/09 Devon achieved a return on cash management of 5.50% comparing favourably to its peer group (of County Council's) return of 4.99%. The 2009/10 figures will be reported in the half yearly update.

6. Prospects for 2010/11

The budget for interest receivable on short term investments has been reduced from 2% in 2009/10 to just 0.8% for 2010/11. Some of the longer –term positions taken in 2009/10 will offer some protection in what will continue to be a very low rate environment in this current year. Short term rates may pick up in the final quarter of 2010/11 but this will be very dependent on the fiscal strategy employed by the new government.

Mary Davis

Local Government Act 1972

List of Background Papers Nil

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Financial Health Indicators

Devon County Council has agreed a set of data that it will use to gauge fundamental matters of financial health and standing. Suitably, these will be monitored and reported to Members on a quarterly basis.

Purpose	Indicator	Responsible Officer	Provisional 2010/11 Target	2009/10 Targets	Qtr 1 Actual	Qtr 2 Actual	Qtr 3 Actual	Qtr 4 Actual	Actual 2008/09	Actual 2007/08	Actual 2006/07
Speed with which invoices are paid	Percentage of undisputed invoices which were paid within 30 days	Andy Stapley	96	96	93.20%	93.75%	93.74%	93.50%	89.73%	95.49%	94.92%
Effectiveness of debt recovery	Percentage of total debts outstanding, that are older than three months, against the total sundry debt raised in the year - corporate debt	Chris Phillips	2.00%	1.50%	4.30%	2.30%	n/a	2.22%	2.90%	1.40%	2.55%
	Percentage of total unsecured residential debts outstanding, that are older than three months, against the total sundry debt raised in the year - client finance services debt	Chris Phillips	4.00%	2.70%	3.00%	2.50%	4.40%	4.51%	2.80%	2.40%	7.39%
	Percentage of total debts outstanding, that are older than three months, against the total sundry debt raised in the year - pension fund debt	Chris Phillips	0.25%	1.00%	0.50%	0.44%	0.47%	0.24%	0.30%	3.05%	2.90%
	Percentage of the cost of debt recovery against debt older than three months	Chris Phillips	3.50%	4.00%	n/a until year end	n/a until year end	n/a until year end	3.71%	3.70%	5.80%	5.20%
Achievement of efficiency savings	Annual Efficiency Statement Forecast (£'000s)	Mark Gayler	£20.913m	£15.153m	£10.163m	£11.934m	£11.361m	(est.) £14.633m **	£15.811m	£17.028m	£15.975m
Accuracy of budgets	Management of Revenue Budget - year end variation from final total net budget	Chris Sanders	£50k	£100k	+£4,775	£0	£0	£53k	£43k	£77k	£71k
	Management of Capital Budget - year end variation from final approved budget	Gordon Bryant	£10m	£5m	£16.5m	£43.5	£48.780m	£77.328m	£11.791m	£23.449m	£11.956m
	Cost of Capital Financing as % of Net Revenue Budget required for the year	Gordon Bryant	10.5	12%	n/a until year end	n/a until year end	n/a until year end	9.50%	8.40%	7.89%	8%
Levels of reserves and balances	Level of earmarked reserves as a % of the annual budget requirement (excluding budget carry forwards)	Chris Sanders	6%	5%	5.1%	5%	6%	7%	10%	12.90%	12.20%
	Level of unallocated reserves as a % of the annual budget requirement (excluding budget carry forwards)	Chris Sanders	2.70%	2.80%	2.80%	2.80%	2.80%	2.80%	2.90%	3.40%	3.60%
	School Balances as % of Delegated Schools Budget for the year	Nicola Allen	3.50%	2.80%	n/a until year end	n/a until year end	n/a until year end	3.27%	3.50%	3.00%	2.90%
	Number of school balances exceeding approved limits *	Nicola Allen	35	43	n/a until year end	n/a until year end	n/a until year end	23	45	25	27
Performance of Internal Audit	Percentage of planned audits undertaken against the number in the plan	Martin Gould	94%	94%	17.6%	24%	54%	92%	94%	91%	94%
Cash Performance and Security	Investment return better than 7 day LIBID (London Inter Bank Bid Rate -measured in basis points)	Barry White	+50	+5	+138	+100	+98	+92	+182 (prov)	+27 (prov)	+6
	Liquidity of funds to cover expenditure without need for temporary borrowing	Barry White	98% of days	98% of days	100.0%	100.0%	100.0%	100.0%	92.1%	100%	100%

* the definition of balances changed in-year to reflect DCFS practice and include Standards Fund monies

** although below the target, the estimate will exceed the required saving taking account last year's over achievement

APPENDIX 4

ANALYSIS EXCLUDING EARMARKED RESERVES FROM DIRECTORATE SPEND

	Final Approved Budget	Recommended Outturn	Reconciling Adjustments	Outturn adjusted for reserve movements	Variations (Under) / Over
	(1) £'000	(2) £'000	(3) £'000	(4) £000	(5) £'000
1 Children and Young People - Schools*	13,579	13,579	(13,394)	185	(13,394)
2 Children and Young People - Non Schools	115,997	113,979	3,148	117,127	1,130
3 Adult and Community Services	184,485	187,227	(2,215)	185,012	527
4 Environment, Economy & Culture	116,791	115,769	1,865	117,634	843
5 Chief Executive's	19,209	16,325	1,901	18,226	(983)
6 Corporate Resources	18,267	16,871	639	17,510	(757)
7 Unused Pay Budgets	2,278	0	0	0	(2,278)
TOTAL FOR DIRECTORATES	470,606	463,750	(8,056)	455,694	(14,912)
8 Budget Carry Forward Fund	(15,509)	(15,509)	15,509	0	15,509
Adjustments to provisions					0
9 Staffing transition	0	6,477	(5,220)	1,257	1,257
10 Staffing transition - capitalisation direction	0	(325)	0	(325)	(325)
11 Bad and doubtful debts provision	0	651	0	651	651
12 Other	0	50	100	150	150
					0
13 Capital Financing Charges	53,788	51,681	0	51,681	(2,107)
14 Capital Financing Charges - PFI	8,354	8,354	0	8,354	0
15 Investment Income on Balances	(3,550)	(3,349)	0	(3,349)	201
					0
Levies and Contributions to Outside Bodies					0
16 Environment Agency	228	226	0	226	(2)
17 Devon Sea Fisheries	388	354	0	354	(34)
					0
18 Direct Revenue Support for Capital	2,042	2,024	1,157	3,181	1,139
19 Schools contribution to capital expenditure	(1,806)	(1,806)	0	(1,806)	0
20 Fixed asset disposal costs	0	0	26	26	26
21 Other receipts	77	(1,453)	(3,857)	(5,310)	(5,387)
Spending before reserve movements	514,618	511,125	(341)	510,784	(3,834)
22 Contributions to Earmarked Reserves	1,493	(4,831)	6,324	1,493	0
23 Routine Spending from Earmarked Reserves	8,119	9,764	(9,764)	0	(8,119)
24 Use of Earmarked Reserves	(17,883)	(9,764)	3,781	(5,983)	11,900
25 TOTAL	506,347	506,294	0	506,294	(53)

This analysis excludes capital charges and FRS17 adjustments and does not follow BVACOP analyses.