

CABINET – 16 MARCH 2010**FINANCIAL MONITORING****Report by the Assistant Chief Executive & Chief Finance Officer****Introduction**

1. This report sets out the Council's forecast financial position for the 2009/10 financial year based on ten months of actuals to the end of January 2010. It includes projections for revenue, balances, reserves and capital and a capital programme update. The report sets out explanations where the forecast revenue outturn is significantly different from the budget along with proposals to recover the position where appropriate.
2. The total in – year Directorate forecast is an overspend of +£4.459m or +1.19% of the latest budget. After taking into account supplementary estimates requested in this report, those agreed in February but not yet reflected in the forecast plus the supplementary estimate for ICT which requires Council approval in April, the overspend reported this month will reduce to +£1.484m or +0.4% of the budget.

Original Budget 2009/10 £m		Latest Budget 2009/10 £m	Forecast Outturn 2009/10 £m	Variance Forecast Jan 2010 £m ¹	Variance Forecast Jan 2010 % ¹
98.277	Children, Young People & Families	96.988	98.251	+1.263	+1.30
166.800	Social & Community Services	167.113	167.911	+0.798	+0.48
68.631	Environment & Economy	70.329	70.673	+0.344	+0.49
29.908	Community Safety & Shared Services	30.656	30.316	-0.340	-1.11
9.426	Corporate Core	10.165	12.559	+2.394	+23.55
373.042	In year Directorate total	375.251	379.710	+4.459	+1.19

Plus: City Schools Reorganisation		+0.775	
Plus: Reallocation of Dedicated Schools Grant (see paragraph 23)		+2.101	
Plus: City Council Contract ICT Refresh		+1.500	
Total Variation		+8.835	

3. The current position for general balances is set out in Annex 5 and shows a forecast of £10.638m after taking account of requests for supplementary estimates. After taking into account the forecast Directorate overspend

¹ The variance has been calculated as the difference between the latest budget and forecast outturn. The percentage is a measure of variance to latest budget. Variations are shown as overspend (+) or underspend (-).

adjusted for supplementary estimates requested to date the consolidated revenue balances forecast is £9.154m.²

4. Figures for each Directorate are summarised within the Annexes and individual Directorate reports setting out the detail have been placed in the Members' Resource Centre.
5. The following Annexes are attached:

Annex 1 (a-e)	Forecast Revenue Outturn by Directorate
Annex 2 (a-f)	Virements and Supplementary Estimates
Annex 3 (a-b)	Specific grants monitoring
Annex 3c	Area Based Grants
Annex 4	Forecast earmarked reserves
Annex 5	Forecast general balances
Annex 6 (a-g)	Capital monitoring
Annex 7	Treasury Management Lending List

Part 1 - Revenue

6. The forecast revenue outturn by Directorate based on the position to the end of January 2010 is set out below. Significant issues or movement in the variances are commented on below along with the management action being taken.

Children Young People & Families: £1.263m or +1.30% in-year Directorate overspend (£4.139m total overspend including £0.775m relating to the City Schools Reorganisation and £2.101m on services funded by Dedicated Schools Grant (DSG)).

Young People & Access to Education

7. The overall forecast for Young People & Access to Education is an underspend of -£0.024m, a reduction of £0.133m since the last report. Within this there are a number of offsetting variations.
8. An overspend of £0.107m on Services to Disabled Children is now expected, a decrease of £0.054m since the last report. This is a result of a more detailed review of future commitments being undertaken. Although the position has improved, there are a number of cases where the funding which is split between the council and the Primary Care Trust has not been finalised. This means the position is likely to change again before the year end.
9. The underspend of -£0.188m on Connexions is virtually unchanged since the last report. This will need to be carried forward to 2010/11 to fulfil the contract commitments in place.

Children and Families

² The consolidated revenue balances forecast is the forecast general balances less the forecast Directorate in-year overspend adjusted for supplementary estimates requested to date.

10. Children & Families remains the most significant area of overspending for the Directorate with a forecast overspend of £3.608m. However, the forecast has decreased by £0.484m since last month. The forecast overspend for the Service Area assumes that £0.523m carry forward from 2008/09 which was placed in reserves to offset pressures will be utilised in this area on a one off basis.
11. The anticipated overspend on Placements is forecast to be £1.817m, compared to £1.807m last month. There has been a 22% rise in the number of children entering care this year, although this is still under the average figures for our statistical neighbours³. Additionally, in line with the Children Act 2008, children and young people aged 16 plus are staying in care for longer periods with more participating in further and higher education. Another particular pressure this year has been the increased demand for secure placements for children with complex mental health needs, 636 days this year compared to zero last year. At present there are 107 placements as compared to 111 at the end of December 2009. In January 3 placements started and 7 placements ended, of which 3 were very high cost. Although the number of placements has decreased this month the actual number of placement days required was higher than originally forecast in January, which has also had an impact on the forecast for the remainder of the year.
12. There is no change to the forecast costs relating to the Southwark Judgement where authorities now have to consider homeless children as looked after children. A supplementary estimate of £0.300m was requested in the last report to cover the forecast costs, which was agreed by Cabinet on 16 February 2010. This will be reflected in the position as at the end of February in the next report.
13. The forecast overspend on Services for Asylum Seekers is now £1.019m, compared to £1.519m last month. The forecast still assumes that £1.000m of the overspend will be funded from the reserve created at the end of 2008/09 for anticipated future pressure. Of the total overspend, £0.590m relates to the overspend carried forward from 2008/09 and the remaining £0.429m relates to this financial year. Agreement has now been reached with UK Border Agency on a number of disputed cases and the service is expected to receive income of £0.442m. The forecast has also been updated to reflect new cases and the expected income for these clients. Currently the forecast does not include any Special Circumstances Grant for 2009/10. An update on the potential for receiving this grant will be provided in the next report following the joint councils meeting on 25 February 2010.
14. Transport costs associated with Children Looked After continue to forecast an overspend of £0.360m as a result of an increase in the number of family visits required. The ongoing effect of this has been recognised as part of the 2010/11 budget agreed by Council in February 2010. Foster care placements are forecast to overspend by £0.070m, whilst legal fees in this area are forecast to overspend by £0.110m. In addition, Adoption and Special Guardianship Orders are forecast to overspend by £0.394m. Of this, £0.289m relates to Special Guardianship Orders where the service has been

³ Based on April 2009 figures

experiencing increased demand as noted previously. As reported previously, there is also a pressure of £0.850m arising from pressures and savings that were not reallocated to the appropriate Service Area.

Raising Achievement Service

15. The Raising Achievement Service (RAS) is now reporting an overspend of £0.012m compared to £0.203m last month. The Outdoor Education Centres are forecasting an overspend of £0.162m offset by an underspend of -£0.150m within other RAS services, of which -£0.115m relates to an underspend on staffing within Special Educational Needs.
16. Earlier in the year it was reported that there was a pressure within this service area resulting from changes made to schools subscriptions (OQSA) meaning the income target of £0.970m was no longer achievable. In 2009/10 on a one-off basis the service is now able to meet this pressure itself as a result of utilising underspends on Area Based Grant, through some income generation and underspends on staffing. The impact on future years has been addressed through the 2010/11 – 2014/15 Service & Resource Planning process and the financial restructuring exercise that has been carried out in 2009/10.

Commissioning, Performance & Quality Assurance (CPQA)

17. The total underspend for CPQA has decreased by £0.076m to -£0.790m. Within the total, Home to School Transport is now projecting an underspend of -£1.129m. Extended Rights to Free Travel, which is funded from Area Based Grant, continues to forecast an underspend of -£0.300m.
18. The Children's Information & Integration Programme (ChIIP) which will provide improved information about the children in our care, is projecting an overspend of £0.326m.
19. There are a number of cross-directorate issues totalling £0.471m that need to be addressed by the whole directorate rather than just CPQA. The ongoing effect has been addressed in the 2010/11 budget through the Service & Resource Planning Process.
20. An overspend of £0.399m was brought forward from 2008/09 in respect of costs relating to the restructuring of the Directorate. In 2009/10 it is currently forecast that £0.202m of this overspend will be met from savings resulting from the restructure. If this trend continues the carry forward should be repaid by the end of 2010/11.
21. In respect of the Premature Retirement Compensation budget, there is currently £0.343m left to spend on new cases before the year end which is currently not committed. This may change before the year-end depending upon any new cases being brought to the severance panel.

Dedicated Schools Grant (DSG) Funded Services

22. The total overspend on DSG funded services is £0.558m. Out of County Placements is now predicted to overspend by £0.027m, a decrease of £0.209m since the last report due to changes made in forecast commitments. Nursery Education Funding is continuing to project an overspend of £0.504m. Statementing is now projecting to break-even due to staff appointments falling into 2010/11.
23. As noted previously the allocation of DSG across non-school services has been reviewed. The total available to reallocate to County Council funded areas to reduce the overspend now stands at £2.101m, a decrease of £1.221m since last month. It was previously anticipated that £0.871m would be recouped from schools in 2009/10 in relation to some of their repair and maintenance costs. In addition it has been noted previously that £0.350m may be required for Early Years Development projects. As commitments have now been made against this sum it has been excluded from the amount available. £1.471m of the total available relates to one - off carry forward from 2008/09 so is not recurring funding that will be available in future years, whilst the remainder is ongoing. The first call on this amount will be to offset the overspend of £0.558m.

Action Plan – Overall Plan for CYP&F Directorate

24. The forecast in-year overspend of £1.263m assumes the reallocation of DSG to core areas (£2.101m) and also the use of the CYP&F reserve created from 2008/09 underspends carried forward (£1.523m). It also assumes that the reported underspends will offset overspends in other service areas.

Social & Community Services: £0.798m overspend

25. Social & Community Services are forecasting an overspend of £0.798m against a budget of £167.113m, a variation of +0.48%. The overspend has increased by £0.320m since the last report. The movement reflects the use of £0.720m underspends and additional income received in 2009/10 in Social Care for Adults to increase the Council's contribution to the Older People and Physical Disabilities Pooled Budget as set out in the previous report. This is offset by an increase of £0.400m in client income and Older People Fairer Charging Income.

Community Services

26. The forecast overspend for Adult Learning has decreased from £0.323m to £0.265 due to a variation in Learning and Skills Council (LSC) grant. As reported previously radical changes in the Service are required as part of a four year action plan to balance the service to the funding available and repay supplementary estimates of £0.181m. The final overspend at year end will be carried forward to 2010/11 and recovered in line with the plan.
27. The Music Service forecast overspend remains at £0.126m. A four year Music Service Change Programme has been drawn up to bring the service to a break-even position over this period.

Social Care for Adults

28. The overspend in Social Care for Adults is now £0.330m. This has increased by £0.328m since the last report.
29. The forecast underspend for Services for all Client Groups has decreased by £0.369m to -£0.037m. This is largely due to the agreed transfer of £0.150m to the Older People and Physical Disabilities (OP&PD) Pooled Budget and £0.051m to Learning Disabilities (LD) Pooled Budget. £0.145m of Carers' Grant funding has been transferred from this budget to the OP & PD Pooled Budget (£0.105m) and the LD Pooled Budget (£0.040m).
30. Within Older People and Physical Disabilities the overachievement of client income is now forecast to give an underspend of -£0.706m compared to -£0.506m last month. The increase in client income is due to the increased numbers of clients using the services. As previously reported £0.150m has been used to increase the contribution to the OP & PD Pooled Budget to help reduce the forecast overspend.
31. Offsetting that, the Older People Care Management Teams are now forecasting an overspend of £0.543m. This is associated with costs of additional staff required for safeguarding work, to reduce waiting lists and delayed transfers of care and to meet other key performance targets. Based on current activity levels Older People fairer charging income is forecast to be overachieved by -£0.130m.
32. The pressure within Learning Disabilities Internal Services is forecast at £0.458m compared to £0.448m last month. The Integrated Mental Health Services contribution to the Mental Health pooled budget is now forecasting to overspend by £0.150m due to an increase in client numbers. Strategy & Transformation are now forecasting an overspend of £0.050m.

Pooled Budgets

Older People, Physical Disabilities & Equipment Pool

33. The forecast outturn on the Older People and Physical Disabilities Pooled Budget is an overspend of £5.399m as shown in the table below. This has decreased by £2.838m since last month. The main reason for the reduction is due to additional contributions to the pool made by the Council and Primary Care Trust (PCT). The forecast also takes account of the use of the Older People Pooled Budget Reserve of £1.130m created in 2008/09 to fund the extra commitments in 2009/10 resulting from the Continuing Care Framework and additional placements.
34. The Council element of the Pool is forecast to overspend by £0.791m, a decrease of £1.797m from last month. The reduction is mostly due to the increased contributions of £1.220m as agreed in the previous report, the transfer of £0.105m of Carers Grant into the pool and reductions of £0.217m on the forecast spend on residential and nursing services and £0.255m on External Home Support.

35. The forecast overspend on the PCT element of the pool reflects the estimated year end position on Continuing Health Care. The forecast includes an additional contribution of £2m which was made by the PCT in January 2010. A further contribution of £2m has subsequently been made in February, with a further amount expected in March. The February and March contributions are not reflected in the forecast as at the end of January.
36. The Continuing Health Care assessments provision of £1.893m that was set up in 2008/09 is no longer required in full. £0.742m of this provision has been released to fund other pressures within the PCT pooled budget this month. Work associated with this provision is continuing and thus may result in further amounts being made available before the year end to offset some of the overspend.
37. The forecast overspend on the PCT elements have only reduced by £0.960m despite the additional contribution of £2m. This reflects the continued slower than expected reduction in numbers of clients currently qualifying for Continuing Health Care resulting from the on-going reviews. The slower reductions in the number of new placements are also affecting the position. The forecast will continue to be monitored monthly to take account of the actual activity levels. The PCT is responsible for any financial risk arising if the predicted savings are not achieved.

Latest Budget		Forecast Variance January 2010			Forecast Variance December 2009	Change in Variance
		OP £m	PD £m	Total £m	Total £m	Total £m
2009/10 £m						
88.970	OCC Elements Forecast in-year variance	0.246	0.545	0.791	2.588	-1.797
26.880	PCT elements Forecast in-year variance	2.183	2.065	4.248	5.208	-0.960
116.850	Total Older People & Physical Disabilities	2.429	2.610	5.039	7.796	-2.757
1.658	Equipment Pool	0.360	0	0.360	0.441	-0.081
118.508	Total - Older People, Physical Disabilities & Equipment Pool	2.789	2.610	5.399	8.237	-2.838

38. An overspend of £0.360m is forecast on equipment, a reduction of £0.081m since last month. This is the fourth month when the forecast has been reduced. This reflects work commissioned to identify the reasons for the overspend and to develop an action plan to reduce the level of overspending.

Learning Disabilities Pool

39. As shown in the table below the Learning Disabilities Pooled Budget is currently forecasting an over spend of £0.506m, a decrease of £0.395m from the previous report.

40.

Latest Budget £m		Variance January 2010 £m	Variance December 2009 £m	Change in Variance £m
42.903	OCC contribution	0.352	0.522	-0.170
31.261	PCT contribution	0.154	0.379	-0.225
74.164	Total - Learning Disabilities	0.506	0.901	-0.395

41. The Learning Disabilities Pooled Budget has increased by £0.259m due to an additional contribution of £0.168m from the PCT and an additional £0.091m transferred from other OCC budgets as reported in the previous report. This has contributed to the reduction in the forecast overspend.

42. Further efficiency savings of £0.330m have been brought into the budget this month together with a reduction of £0.009m on In-Patient Service Contract. These savings have been partially offset by increased spends on Out of Area Treatments and increased commitments resulting from the January Panel decisions. The forecast does not take into account future panel decisions which could result in additional spending in the region of £0.120m by year end.

43. The forecast includes the efficiency savings identified in the 2009/10 budget process which have already been achieved. Further efficiency savings of £0.650m have not yet been delivered; £0.300m is likely to be achieved. This is due to an income shortfall from changed patterns of service provision, the unsuccessful outcome of a Housing Benefits Tribunal and revised forecast start dates for funding responsibility transfers. Work is continuing to contain spending in this financial year by identifying any over-commitment in budgets, minimising spend and maximising savings and checking detailed Independent Living Fund income against forecasts. However pressures resulting from the underachievement of efficiency targets and potential pressures from future panel decisions could result in an overspend in the region of £0.326m at year end.

Environment & Economy: £0.344m overspend

44. The overall position for Environment & Economy is a forecast overspend of £0.344m, or 0.49%, of the latest budget of £70.329m. This has decreased by £0.138m since the last report.

45. The net overspend position across Transport is now £0.470m, a decrease of £0.097m since last month. The final cost of additional winter maintenance reflecting the bad weather up to the end of January 2010 is valued at £0.425m. This is £0.045m lower than reported in the addenda to the Service & Resource Planning report to Cabinet on 19 January 2010.

46. Cabinet are recommended to approve a supplementary estimate of £0.425m to cover these costs in line with Council policy. If there is further bad weather in March 2010 a further supplementary estimate request will be made.
47. The underlying underspend in Sustainable Development is -£0.658m. However, as noted last month the forecast assumes that £0.500m of the underspend will be transferred to reserves to support the funding of the Waste Recycling Strategy along with £0.695m budget set aside for the purchase of Landfill Allowance Trading Scheme (LATS) allowances which will not be needed in 2009/10. After these adjustments have been taken into account the forecast underspend remaining in Sustainable Development is -£0.280m. -£0.153m of this relates to the contribution the Council would have made to enhance the infrastructure of the project team for the West End Project and was reliant on the other partners contributing a similar amount.
48. Property Services is expected to come in on budget. However, within this forecast is a forecast overspend of £0.160m on repairs and maintenance offset by an underspend on rents budgets. The position is also based on a number of assumptions. The overspend of £0.200m relating to the Better Offices Programme will be funded from balances if it cannot be managed within the Directorate as this is a Corporate pressure (if required, a supplementary estimate request will be made in the report to Cabinet on 20 April 2010). An overspend of £0.113m on non – domestic rates will also be a call on balances at year end in line with Council policy.
49. Business Support is forecast to overspend by £0.156m as a result of increased legal recharges and other pressures.

Community Safety & Shared Services: £0.340m underspend

50. Community Safety is forecasting an underspend of £0.340m, or -1.11%, compared to an overspend of £0.049m last month, a decrease of £0.389m. The main areas of movement relate to the Fire & Rescue Service who are reporting a reduction of -£0.189m. Shared Services are now reporting an underspend of -£0.300m compared to -£0.100m as previously reported.
51. Within Fire & Rescue the forecast overspend on retained fire-fighters has reduced by £0.028m to £0.197m. In previous years, any variances against this budget have been met from / transferred to Council balances in line with Council policy. The service is proposing that this year £0.100m of the overspend is met from balances at year end with the remainder offset from underspends elsewhere in Fire & Rescue.
52. The budget for ill health retirements is now expected to underspend by £0.040m compared to break-even last month. As this is an uncontrollable budget the underspend will be returned to balances at year end. Some Health and Safety related training £0.050m that was scheduled to take place this year will now slip into next year.

53. Safer Communities continues to forecast an underspend of £0.020m. Of the total underspend before offsetting the Safer Communities Unit overspend of £0.010m there is £0.030m of funding earmarked for the purchase of safer communities software and training which is now expected to slip into 2010/11.
54. The Gypsy & Traveller Service continues to report an underspend of £0.060m. It plans to underspend its budget for the Oxfordshire sites by £0.050m. This will be transferred to an earmarked reserve and will be used in 2010/11 to provide the Council's contribution to grant funded capital work at the Redbridge site. The contract for the management of the gypsy and traveller sites in Buckinghamshire is forecast to make a contribution towards overheads of approximately £0.060m.
55. Trading Standards continues to report an overspend of £0.030m which will be managed using part of the underspend in the Gypsy and Traveller Service.
56. As noted in previous reports Shared Services will deliver the remaining business case savings of £0.422m by the end 2009/10. The cash flow forecast continues to show the full business case being delivered nine months later than originally planned. The forecast includes a provision for a possible business rate revaluation of Unipart House which was not in the original business case. If this provision is excluded, the delay reduces to four months.
57. School meal sales for Food with Thought remain above target. Food with Thought and QCS Cleaning Services are forecasting a combined surplus in the region of £0.200m. The surplus will be added to the £1.203m currently held in reserve by the service at year-end.
58. A one off budget of £0.250m was approved for this year to cover the cost of implementing International Financial Reporting Standards (IFRS), a project spanning two financial years. Approximately £0.150m will be spent this year and the remaining £0.100m will be required next year.
59. The Corporate Learning & Development Plan is forecasting an underspend of £0.200m due to a lower take up than forecast on courses and training provision. It is proposed that the underspend is carried forward to be used for training in 2010/11. This will be subject to approval through the Provisional Outturn Report along with any other requests for carry forwards.

Corporate Core: £2.394m in year Directorate overspend

60. Corporate Core is forecasting an overspend of £2.394m. This has increased by £0.144m since last month.
61. The forecast overspend for ICT has increased by £0.400m to £2.650m. This increase is with respect to the one off redundancy costs of Phase 1 of the establishment review. The current estimated cost is £0.385m for redundancies plus £0.254m pension costs. Most of the pension costs will be amortised over the next five years, leaving a redundancy and pension cost this year of approximately £0.4m.

62. Cabinet has agreed to recommend Council to approve a supplementary estimate request of £2.250m for ICT at their meeting on 6 April 2010; if agreed this will be reflected in the final accounts for 2009/10. The first call on underspends reported by other services within Corporate Core will be to offset part of the remaining ICT overspend unless a service can make a case to carry it forward to fund service pressures or commitments next year. Currently, the level of uncommitted underspend is very low. The efficiencies reserve may make a contribution to redundancy costs, subject to approval. Any remaining overspend will be carried forward to be managed by ICT next year.
63. Strategic Human Resources & Organisation Development are forecasting an underspend of -£0.206m compared to break-even last month. The apprenticeship scheme is expected to underspend by £0.076m as a result of a six month delay in it starting. The scheme has funding for two years but this will be required to cover costs in the first half of 2011/12. Subject to approval of the carry forward the service also plans to spend the £0.130m in the new financial year on the Council's organisational development programme and One HR agenda.

Virements and Supplementary Estimates

64. Virements previously approved are shown in Annex 2b and 2c and temporary virements to note in Annex 2d. Annex 2e shows the cumulative total virements to date. There are no new virement requests this month.
65. Annex 2f shows supplementary estimates agreed previously, and a new request of £0.425m relating to the costs of additional winter maintenance incurred as a result of the bad weather in December 2009 and January 2010.

Grants Monitoring

66. Annex 3a and 3b set out the movement on specific grants since the original estimate, along with a forecast of the grant funded expenditure in year. Annex 3c details the Area Based Grant. As shown in Annex 3a additional grant of £0.052m for Aids and HIV training and £0.026m National Dementia Strategy has now been notified.

Bad Debt Write Offs

67. During the first nine months of 2009/10 there were 163 debts written off totalling £12,162. The largest debt was £1,266 so most were very small and uneconomical to recover through the courts. In addition Client Finance wrote off 82 debts in relation to charges for care totalling £31,912. The largest of those was £4,116.

Strategic Measures

68. Whilst the total cost of Strategic Measures is expected to be within budget, there are a number of variations making up this forecast. Interest earned on cash balances is expected to be £0.092m more than budgeted. In addition income from the externally-managed funds is forecast to be £0.256m higher than budget due to a better than benchmarked performance from Scottish Widows Investment Partnership (SWIP), one of the Council's external fund managers. In relation to expenditure, total interest payments for the year in respect of internally held funds are forecast to be underspent by -£0.440m due to the interest rate on which the transfers are calculated being significantly lower than budgeted. Debt management costs are also forecast to be underspent by -£0.149m due to some borrowing for 2009/10 being funded through internal balances, in line with the Treasury Management Strategy.
69. These underspends are offset by the estimated interest due to be paid on developer contributions, which is forecast to be overspent by £0.955m. This is due to the Baxter Index, on which the interest is calculated, currently being 5.46% rather than the budgeted 2%. This reflects plant, material (including bitumen which is affected by oil prices) and labour prices. Interest is applied at the end of the financial year and as the rate fluctuates monthly, the position may change.
70. The average cash balance during January 2010 was £182.42m and the average rate of return was 0.765%.
71. The Treasury Management lending list is included at Annex 7. The following have been removed from the lending list; Northern Rock Plc, Bradford and Bingley plc and EFG Bank SA (ex-EFG Private Bank).

Part – 2 Balance Sheet

Reserves

72. Annex 4 shows the forecast movement on earmarked reserves. Changes since last month total £1.330m. Of the total movement, £1.758m relates Corporate Core. £1.511m relates to the Learning Platform Project which is now expected to continue into 2010/11 and 2011/12. Previously it was assumed that the balance would be fully spent in 2009/10. £0.106m relates to revisions to the costs associated with Council Elections following feedback from the District Councils.

Balances

73. Annex 5 sets out the current position for general balances taking into account known changes. Taking into account the request for a supplementary estimate of £0.425m for winter maintenance, balances at the end of January are £10.638m. As noted throughout the report a number of further calls on/additions to balances are expected by year end. The table on the next page shows the position if they are approved.

Potential calls on balances:	£m
Balances at 31 January 2010	10.638
CS&SS: Retained Fire Fighters overspend (paragraph 50)	-0.100
Ill Health (paragraph 51)	0.040
E&E: BOP Property Services (paragraph 47)	-0.200
Non Domestic rates (paragraph 47)	-0.113
Corporate Core: Legal ⁴	-0.025
Total forecast balances at 31 March 2010 before taking account of the revenue variation at year end	10.240

Part 3 – Capital Programme and Monitoring

Capital Monitoring

74. The capital monitoring position set out in Annex 6, shows the forecast expenditure for 2009/10 is £88.4m (excluding schools), a decrease of £1.4m compared to the latest capital programme. The table below summarises the variations by directorate and the main variations by scheme are explained in the following paragraphs.

Directorate	Latest Capital Programme Budget (Position as at end of December 2009. Approved February 2010)	Forecast Expenditure (Position as at end of January 2010)	Forecast Variation January 2010
Children, Young People & Families	£38.8m	£38.3m	-£0.5m
Social & Community Services	£6.0m	£5.7m	-£0.3m
Environment & Economy	£41.1m	£40.5m	-£0.6m
Community Safety & Shared Services	£1.0m	£1.0m	£0.0m
Corporate Core	£2.9m	£2.9m	£0.0m
Sub-total	£89.8m	£88.4m	-£1.4m
Schools Capital/ Devolved Formula	£12.1m	£12.1m	£0.0m
Earmarked Reserves	£2.0m	£2.0m	£0.0m
Total	£103.9m	£102.5m	-£1.4m

⁴ To be confirmed in a later report. It is anticipated that more than one legal case will exceed £0.025m.

Children, Young People & Families

- 75. The Children, Young People & Families directorate is forecasting to spend £38.3m in 2009/10, a decrease of £0.5m when compared to the latest capital programme.
- 76. £0.3m of Back on Track funding is now being used to fund existing schemes; therefore the funding that was going to be used on these schemes has been released back to the CYP&F programme.
- 77. £0.2m of funding has been transferred to Environment & Economy for the Woodeaton Manor scheme as this will be delivered as part of the Backlog Maintenance Programme.

Social & Community Services

- 78. The forecast spend for Social & Community Services is £5.7m, a decrease of £0.3m when compared to the latest capital programme.
- 79. £0.1m of expenditure on Library Refurbishment has been re-profiled to 2010/11. There are a number of other small variations that are under £0.05m.

Environment & Economy

- 80. The forecast spend for 2009/10 for Environment and Economy is £40.5m, which is a decrease of £0.6m when compared to the latest capital programme.
- 81. There is a £0.542m variation on Bridges Structural Maintenance, £0.274m of this variation arises from underspends on individual projects and £0.268m has been slipped into 2010/11 as projects have been delayed. The underspend has been reallocated to other areas within the Transport Capital Programme.

Actual Expenditure

- 82. As at the end of January actual capital expenditure was £59.7m, this is 58% of the total forecast expenditure of £102.5m. This represents a £5.3m increase from last month and is consistent with the position for the same period last year. Total commitments were a further £22.0m; therefore total committed expenditure was 78% of the total planned expenditure.

5-year Capital Programme

- 83. The forecast expenditure for the 5-year capital programme is £501.1m (excluding schools). This is a decrease of £0.4m compared to the capital programme update approved by Council in February 2010. The table below summarises the variations by directorate and the main variations by scheme are explained in the following paragraphs.
- 84. The variation for Children, Young People & Families is explained in paragraphs 75 and 76 above.

Directorate	Latest Capital Programme Budget (Position as at end of December 2009. Approved February 2010) £m	Forecast Expenditure (Position as at end of January 2010) £m	Forecast Variation January 2010 £m
Children, Young People & Families	281.8	281.3	-0.5
Social & Community Services	47.5	47.5	0.0
Environment & Economy	162.5	162.6	0.1
Community Safety & Shared Services	3.8	3.8	0.0
Corporate Core	5.9	5.9	0.0
Sub-total	501.5	501.1	-0.4
Schools Capital/Devolved Formula	64.0	64.0	0.0
Earmarked Reserves	7.8	7.8	0.0
Total	573.4	572.9	-£0.4

RECOMMENDATIONS

85. **The Cabinet is RECOMMENDED to:**

- (a) **note the report; and**
- (b) **approve the supplementary estimate request of £0.425m in relation to winter maintenance in Annex 2f and paragraph 45 and 46.**

SUE SCANE
Assistant Chief Executive & Chief Finance Officer

Background papers: Directorate reports

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March 2010