

## CABINET – 16 FEBRUARY 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 nine months of actuals to the end of December 2009. 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 £4.305m or 1.15% of the latest budget.

Original Budget 2009/10 £m		Latest Budget 2009/10 £m	Forecast Outturn 2009/10 £m	Variance Forecast Dec 2009 £m <sup>1</sup>	Variance Forecast Dec 2009 % <sup>1</sup>
98.277	Children, Young People & Families	96.958	98.004	+1.046	+1.08
166.800	Social & Community Services	167.112	167.590	+0.478	+0.29
68.631	Environment & Economy	70.360	70.842	+0.482	+0.69
29.908	Community Safety & Shared Services	30.656	30.705	+0.049	+0.16
9.426	Corporate Core	10.165	12.415	+2.250	+22.13
<b>373.042</b>	<b>In year Directorate total</b>	<b>375.251</b>	<b>379.556</b>	<b>+4.305</b>	<b>+1.15</b>

Plus: City Schools Reorganisation		+0.775	
Plus: Reallocation of Dedicated Schools Grant (see paragraph 23)		+3.322	
Plus: City Council Contract ICT Refresh		+1.200	
<b>Total Variation</b>		<b>+9.602</b>	

3. The current position for general balances is set out in Annex 5 and shows a forecast of £11.063m after taking account of requests for supplementary estimates. After taking into account the forecast Directorate overspend, the consolidated revenue balances forecast is £6.758m. <sup>2</sup>
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.

<sup>1</sup> 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.

<sup>2</sup> The consolidated revenue balances forecast is the forecast general balances less the forecast Directorate in-year overspend.

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	Savings Monitoring
Annex 7	Treasury Management Lending List
Annex 8	Music Service: Proposed new charges
Annex 9 (a-g)	Capital monitoring

## Part 1 - Revenue

6. The forecast revenue outturn by Directorate based on the position to the end of December 2009 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: £1.046m or 1.08% in-year Directorate overspend (£5.143m total overspend including £0.775m relating to the City Schools Reorganisation and £3.322m on services funded by Dedicated Schools Grant (DSG)).**

### Young People & Access to Education

7. The forecast overspend in Young People & Access to Education has reduced by £0.169m to £0.109m this month.
8. In last month's report an overspend of £0.279m on Services to Disabled Children was reported. There has been a decrease of £0.118m this month, reducing the overspend to £0.161m as a result of notification of additional grant funding. However, the variation may be subject to change before year end as a result of continuing work to agree responsibilities for individual cases.
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 as it is Area Based Grant funded.

### Children and Families

10. The forecast overspend across Children & Families is now £4.092m, and has increased by £0.269m since last month. Placements remains the most significant area of overspending at £1.807m. The forecast overspend for the Children and Families 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. Previous reports have noted the potential impact of the Southwark Judgement. Following this judicial review, authorities now have to consider homeless children as looked after children. The forecast cost in 2009/10 remains at £0.300m as reported last month. Because this pressure has arisen since Council agreed the budget for 2009/10 a supplementary estimate is requested to cover the forecast costs. The pressure has been reflected in the 2010/11 budget through the Service & Resource Planning process.
12. Adoption and Special Guardianship Orders are forecast to overspend by £0.379m, an increase of £0.037m since the last report. As reported last month it is anticipated that this will increase further over the remainder of the financial year because there are additional clients currently moving through the system.
13. The forecast overspend on Services for Asylum Seekers is now £1.519m and has increased by £0.128m since last month. £0.590m of the overspend relates to expenditure carried forward from 2008/09, but not met from grant funding whilst £0.929m relates to the current financial year. The overall forecast for the Service Area still assumes that £1.000m of the overspend will be funded from the reserve created at the end of 2008/09 for anticipated future pressures.
14. Transport costs associated with Children Looked After continue to be forecast to overspend by £0.360m as a result of an increase in the number of family visits required. Foster care placements are forecast to overspend by £0.065m, whilst legal fees in this area are forecast to overspend by £0.155m.
15. As reported last month there is a pressure of £0.850m arising from pressures and savings that were not reallocated to the appropriate Service Area. Virements to reallocate the pressures and savings appropriately will be made in the next report but it is not expected that the overall pressure will reduce.
16. As noted previously the Directorate has drawn up an action plan to mitigate pressures on the Placements budget. Work to complete this is continuing. If appropriate, requests for virements to offset the overspends against underspends will be made in the report to Cabinet in March.

#### Raising Achievement Service

17. The Raising Achievement Service is now reporting an overspend of £0.203m compared to £0.218m last month. £0.169m of the total relates to Outdoor Education Centres. This pressure is associated with a shortfall in income and pressures relating to staffing and increased transport costs and will need to be monitored closely on an ongoing basis in light savings in future years agreed as part of the Service & Resource Planning process.

#### Commissioning, Performance & Quality Assurance (CPQA)

18. The total underspend for CPQA has decreased by £0.561m to -£0.866m. Within the total, Home to School Transport is now projecting an underspend of -£1.134m. Extended Rights to Free Travel, which is funded from Area Based Grant, continues to forecast an underspend of -£0.300m. An

alternative use for this funding will need to be agreed by the Children & Young People's Trust.

19. The Children's Information & Integration Programme (ChIIP) which will provide improved information about the children in our care, is projecting an overspend of £0.320m.
20. An overspend of £0.471m reported this month relates to cross directorate issues that need to be addressed by the Directorate. These include the residual effect of budget adjustments for the Better Offices Programme and the implementation of Shared Services and other unachievable savings. The ongoing effect has been addressed in the 2010/11 budget through the Service & Resource Planning Process.
21. Underspends on Joint Use (-£0.052m), and Premature Retirement Compensation (-£0.343m) are materially unchanged since last month. There is a new one off pressure of £0.057m associated with new arrangements in Admissions. It is proposed to carry this forward and recover it in future years.

#### Dedicated Schools Grant (DSG) Funded Services

22. The total overspend on DSG funded services is now £0.830m. Out of County Placements is forecast to overspend by £0.236m whilst Nursery Education Funding is still projected to overspend by £0.504m. The remaining £0.090m relates to statementing.
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 stands at £3.322m but includes £0.700m which may be required for Early Years Development projects. £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 remaining £1.851m is ongoing. The first call on this amount will be to offset the overspend of £0.830m.

#### **Action Plan – Overall Plan for Directorate**

24. The forecast in-year overspend of £1.046m assumes the reallocation of DSG to core areas (£3.322m) and also the use of the CYP&F reserve which is holding carried forwards from 2008/09 (£1.523m). It also assumes that the reported underspends will offset overspends in other service areas. Virements to reflect this and to reallocate the DSG will be requested in the report that will be considered by Cabinet on 16 March 2010.

#### **Social & Community Services: £0.478m overspend**

25. Social & Community Services are forecasting an overspend of £0.478m against a budget of £167.112m, a variation of +0.29%. The overspend has decreased by £0.302m since the last report but the report includes proposals to use a number of 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. If these proposals are implemented the overspend on non – pooled budgets would increase to

£0.948m, whilst the forecast overspend of £2.892m on the Council elements of the Older People and Physical Disabilities Pooled Budget would reduce to £1.517m.

#### Community Services

26. The forecast overspend for Adult Learning has increased from £0.291m to £0.323m as a result of additional redundancy costs. 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 overspend will be carried forward to 2010/11 and recovered in line with the plan.
27. The Music Service faces a challenging year and a forecast overspend of £0.126m has been identified. This has increased by £0.061m since last month because of a larger than expected reduction in enrolments in the spring term. A four year Music Service Change Programme has been drawn up to bring the service to a break-even position. As part of that programme approval is requested to the introduction of a number of new charges from September 2010. Details of these charges are shown in Annex 8. The overspend for 2009/10 will be carried forward to 2010/11 as part of the recovery programme.

#### Social Care for Adults

28. The overspend in Social Care for Adults is now £0.002m. This has reduced by £0.395m since the last report.
29. The forecast underspend for Services for all Client Groups has increased by -£0.281m to -£0.406m. -£0.333m of the total relates to one off funding for projects which is still subject to change before year end. The underspend is offset by a number of forecast variations on other budgets totalling -£0.073m. It is proposed that the -£0.100m underspend on the Adult Placement Budget and -£0.050m of the total underspend of -£0.125m on Direct Payments should be used to increase the contribution to the Older People and Physical Disabilities Pooled budget (as set out in paragraph 33).
30. Within Older People and Physical Disabilities the overachievement of client income is now forecast to be £0.506m compared to £0.455m last month. Offsetting that, the Older People Care Management Teams are now forecasting a slightly increased overspend of £0.612m. This is associated with costs of additional staff required for safeguarding work and 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 £0.170m. This has improved by £0.100m since last month. This additional income of £0.170m along with £0.150m of the extra residential income will be placed in the Pool to offset the forecast overspend.
31. The pressure within Learning Disabilities Internal Services is forecast at £0.448m compared to £0.421m last month.
32. Within Strategy & Transformation it is proposed that £0.250m provided for the roll out of the Bicester Resource Centre model be used to increase the

contribution to the Pool. This had previously been forecast to be fully spent. A temporary virement request is included in Annex 2a.

33. In summary it is proposed to use the following revenue variations to reduce the forecast overspend on the Council elements of the Older People and Physical Disabilities Pool:

	£m
<b>Proposed virement of underspends requested in Annex 2a:</b>	
Adult Placements	0.100
Direct Payments	0.050
Bicester Resource Centre Model	0.250
<b>Additional income received in 2009/10:</b>	
Older People and Physical Disabilities Residential Income	0.150
Older People Fairer Charging Income	0.170
<b>TOTAL</b>	<b>0.720</b>

34. A further contribution to the Pool will be made from the Section 117 Reserve. This reserve is to meet potential future claims in respect of refunds to clients under the S117 of the Mental Health Act. The balance held as at 31 March 2009 was £0.760m but it is expected that only a small proportion of that total will be required for refunds. £0.500m will be used to increase the total additional contribution to the Pool to £1.220m.

#### Pooled Budgets

#### **Older People, Physical Disabilities & Equipment Pool**

35. The forecast outturn on the Older People and Physical Disabilities Pooled Budget is an overspend of £8.237m as shown in the table on the next page. This has increased by £0.850m since last month. This 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.
36. The Council element of the Pool is forecast to overspend by £2.588m, a decrease of £0.304m from last month. Reductions in the forecast spend on residential and nursing services have been offset by an increase in the forecast expenditure on Home Support. The forecast does not take account of the proposed virements and additional income as set out in paragraph 33 and 34.

Latest Budget		Forecast Variance December 2009			Forecast Variance November 2009	Change in Variance
		OP £m	PD £m	Total £m	Total £m	Total £m
2009/10 £m						
88.650	<b>OCC Elements</b> Forecast in-year variance	1.909	0.679	2.588	2.892	-0.304
24.880	<b>PCT elements</b> Forecast in-year variance	3.148	2.060	5.208	4.004	1.204
<b>113.530</b>	<b>Total Older People &amp; Physical Disabilities</b>	<b>5.057</b>	<b>2.739</b>	<b>7.796</b>	<b>6.896</b>	<b>0.900</b>
1.658	Equipment Pool	0.441	0	0.441	0.491	-0.050
<b>115.188</b>	<b>Total - Older People, Physical Disabilities &amp; Equipment Pool</b>	<b>5.498</b>	<b>2.739</b>	<b>8.237</b>	<b>7.387</b>	<b>0.850</b>

37. The forecast overspend on the Primary Care Trust (PCT) element of the pool reflects the year end position which they are planning to achieve in relation to Continuing Health Care. This has increased by £1.204m since the last forecast and reflects a slower than expected reduction in the number of people qualifying for Continuing Health Care offset by a reduction in the number of new placements. As noted in previous reports a provision of £1.8m was set up in 2008/09 in respect of the estimated back dated costs of 172 named clients awaiting Continuing Health Care assessments. Only a small proportion of these clients have been awarded Continuing Health Care funding so the remainder of the provision has been made available to fund some of the other pressures in this budget. This has been taken into account in the figures reported above.
38. 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. The PCT will make additional contributions to the pool before the end of the financial year in relation to the overspend on Continuing Health Care. This is not yet reflected in the forecast shown above.
39. An overspend of £0.441m is forecast on equipment, a reduction of £0.050m since last month and is the third month when the forecast has been reduced. This is the result of work commissioned to identify the reasons for the over spend and to develop an action plan to reduce the level of overspending.

### Learning Disabilities Pool

40. As shown in the table below the Learning Disabilities Pooled Budget is currently forecasting an over spend of £0.901m, a decrease of £0.139m on

the previous report. This is due to further forecast efficiency savings of £0.213m. There is also a reduction of £0.025m on Out of Area Treatments offset by £0.099m increased commitments resulting from the December Panel decisions. The forecast does not take into account future panel decisions.

<b>Latest Budget £m</b>		<b>Variance December 2009 £m</b>	<b>Variance November 2009 £m</b>	<b>Change in Variance £m</b>
42.812	<b>OCC contribution</b>	0.522	0.602	-0.080
31.093	<b>PCT contribution</b>	0.379	0.438	-0.059
<b>73.905</b>	<b>Total - Learning Disabilities</b>	<b>0.901</b>	<b>1.040</b>	<b>-0.139</b>

41. The forecast includes the efficiency savings identified in the 2009/10 budget process which have already been achieved. Further efficiency savings of £0.883m have not yet been delivered and are unlikely to be fully 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 £0.400m at year end.

#### **Environment & Economy: £0.482m overspend**

42. The overall Directorate position is a forecast overspend of £0.482m, or 0.69% of the latest budget of £70.360m. This has increased by £0.996m since the last report.
43. The net overspend position across Transport is now £0.567m, an increase of £0.482 since last month. As noted in the addenda to the Service & Resource Planning report to Cabinet on 19 January 2010 the Council has a budget for winter maintenance of £1.363m, which is usually required between November and March. The cost of bad weather in December 2009 (continuing into January 2010) means this budget will be exceeded by the end of January 2010. A supplementary estimate will be requested in a future report when the full impacts are known but the report includes £0.470m for the additional costs forecast at this stage. In addition to the forecast overspend on winter maintenance, which covers the costs of clearing the network and maintaining major routes, a supplementary estimate of £0.475m for the cost of additional repair to damage caused to the highways surface was agreed to allow the work to commence immediately.

44. The underlying underspend in Sustainable Development is virtually unchanged at -£0.608m. However, the forecast now assumes that £0.500m of the underspend will be transferred to reserves to support the funding of the Waste Recycling Strategy. After this has been taken into account the forecast underspend remaining in Sustainable Development is -£0.222m. -£0.153m of this relates to slippage on the Oxford West End Project.
45. In addition to the underspend reported and noted previously if landfill continues to reduce as predicted, the £0.695m budget set aside for the purchase of Landfill Allowance Trading Scheme (LATS) allowances will not be needed. Depending on the directorate position later in the year, consideration will be given to transferring this underspend to the Waste Management general reserve. This will contribute towards funding for an additional recycling centre in Oxford City. Any further underspends could also be used to support the Waste Recycling Strategy.
46. The forecast underspend within Property Services is now -£0.004m. An overspend of £0.200m relating to the Better Offices Programme (BOP) is offset against underspends relating to rents. The forecast assumes that a £0.120m overspend on rates will be a call on balances at year end.
47. Business Support is forecast to overspend by £0.141m as a result of increased legal recharges and other pressures.

#### **Community Safety & Shared Services: £0.049m overspend**

48. Community Safety is forecasting an overspend of £0.049m, or 0.16%, compared to an overspend of £0.079m last month.
49. The forecast overspend on retained firefighter pay is unchanged at £0.225m. In order to control costs in this budget for the remainder of the year, instructions have been issued that additional hours for community fire safety activities and training will not be approved unless certain criteria have been met. These are; training necessary to meet safety critical competencies or activity required to safeguard a vulnerable member of the community continues.
50. In previous years, any variances against this budget have been met from / transferred to Council balances in line with Council policy. In recognition of the pressures on balances this year, underspends elsewhere within the Fire & Rescue and other Community Safety budgets will be used to offset this overspend as far as possible.
51. Trading Standards is now forecasting an overspend of £0.030m which will be managed using part of the underspend in the Gypsy and Traveller Service.
52. The use of funding of £0.030m earmarked for the purchase of safer communities software and training is now expected to slip into 2010/11.
53. 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.

54. Food with Thought school meal sales remain above target. Food with Thought and QCS Cleaning Services are forecasting a combined surplus in the region of £0.2m. This trading surplus will transfer to the reserve at year-end.

#### **Corporate Core: £2.250m in year Directorate overspend**

55. Corporate Core is forecasting an overspend of £2.250m. This has decreased by £0.063m since last month.
56. ICT continues to forecast an in year overspend of £2.250m. It is unlikely that this and other management action being taken will reduce the overspend significantly this year.
57. As noted in the last report ICT already has serious budget pressures to manage in 2010/11. If this year's overspend is carried forward to be absorbed within the service, it will not be possible to stay within budget without cuts in service at a level that would seriously impact on the resilience of the Council's ICT infrastructure and service delivery. A supplementary estimate for the full £2.250m is proposed. Since this is larger than £0.5m Cabinet are recommended to ask Council to agree this at their meeting on 6 April 2010. If agreed this will then be reflected in the final accounts for 2009/10.
58. At least one legal case will exceed £0.025m this year. A request for a supplementary estimate will be made before the end of the year if Legal Services is unable to cover these costs.

#### **Virements and Supplementary Estimates**

59. The virements requested this month are detailed in Annex 2a with virements previously approved 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 cumulative virements over £0.5m this month. Virements requested in Annex 2a include the proposed use of underspends to reduce the forecast overspend on the Council elements of the Older People and Physical Disabilities Pool as set out in paragraph 33).
60. Annex 2f shows supplementary estimates agreed previously, including the £0.475m for repairs to the highway surface as noted in paragraph 43. There are new requests of £0.300m for the Southwark Judgement (paragraph 11) and £2.250m for ICT (paragraph 57).

#### **Savings Monitoring**

61. The following table shows the total budgeted savings for each Directorate included in the 2009/10 budget and compares this to the forecast outturn at the end of December. Annex 6 provides a further breakdown by Service Area and where material an explanation of the forecast variance. It should

also be noted that the savings are included in the overall position reported elsewhere so need to be seen in that context.

62. The current forecast position for each Directorate is as follows.

	Total Budgeted Saving £m	Forecast Year-End Saving £m	Unachievable Savings £m
Children, Young People & Families	-2.955	-2.408	0.547
Social & Community Services	-11.050	-10.112	0.938
Environment & Economy	-5.224	-5.070	0.154
Community Safety & Shared Services	-0.885	-0.723	0.162
Corporate Core	-1.512	-0.874	0.638
<b>TOTAL</b>	<b>-21.626</b>	<b>-19.187</b>	<b>2.439</b>

63. Children, Young People and Families expect to achieve £2.408m of their budgeted savings of £2.955m. £0.181m of the variation relates to Young, People and Access to Education, £0.171m to Children and Families and £0.195m to Commissioning, Performance and Quality Assurance.
64. Social & Community Services are forecasting a shortfall of £0.938m compared to their budgeted saving of £11.050m. £0.711m relates to Social Care for Adults where savings have been delayed or proved unachievable in a number of areas. The remaining £0.227m relates to Strategy & Transformation.
65. The shortfall of £0.154m in Environment & Economy includes an income target of £0.100m in Transport that is not achievable. This is reflected in the overall forecast for the Directorate.
66. All savings in Community Safety should be achieved. In Shared Services, approximately £0.162m of savings will be outstanding at the end of the year. This is a shortfall against the original business case which reflects the late start of the project in 2007 and will be delivered in full in 2010/11.
67. All services in Corporate Core are expected to deliver their savings with the exception of ICT which will fall short by £0.638m.
68. The final position for 2009/10 will be provided in the Provisional Outturn Report to Cabinet on 22 June 2010. The final position on savings which can be classed as Value for Money (VfM) will then be reported to Communities and Local Government (CLG) in July 2010.

### Grants Monitoring

69. 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. There is movement within Annex 3b Specific Grants of £0.052m for Cabinet to note.

### **Bad Debt Write Offs**

70. During the first nine months of 2009/10 there were 124 debts written off totalling £11,292. The largest debt was £1,266 so most were very small and uneconomical to recover through the courts. In addition Client Finance wrote off 72 debts in relation to charges for care totalling £31,066. The largest of those was £4,115.
71. In 2005 a direct payment was approved for a client and payment made to her child. The client was later moved into residential accommodation. The Council attempted to obtain financial records from the child to show how the Direct Payment funding had been used but they were not forthcoming. An invoice was raised for £13,000 in November 2006 which related to the amount of funding provided for which no evidence had been provided to show how it had been used. When this invoice was not paid the case was referred to the Council's Legal Services who were unable to obtain payment and subsequently obtained a Bankruptcy Order. The Bankruptcy Order was extended to three years in April 2009. Given this means the recovery is unlikely it is recommended that the debt of £13,000 be written off and the amount charged against the provision for bad debts.

### **Strategic Measures**

72. The average cash balance during December 2009 was £186.7m and the average rate of return was 0.74%. The reduction in the cash balance reflects the timing of precept payments by the District Councils.
73. The Treasury Management lending list is included at Annex 7. Abbey plc has changed its name (and the name of all our accounts) to Santander UK Plc. Although Santander UK Plc's parent company (Banco Santander) is Spanish, Santander UK Plc (formerly Abbey Plc) is incorporated in the UK and still comes under the UK Government credit guarantee scheme. Therefore there has been no change to our lending matrix. Northern Rock was removed from the list on 26 January 2010 because the Government Treasury has withdrawn their guarantee for deposits up to three months. This only affects new deposits and does not affect any outstanding deposits with the Bank.

## **Part – 2 Balance Sheet**

### *Reserves*

74. Annex 4 shows the forecast movement on earmarked reserves. Changes since last month total -£0.595m. Of the total movement of -£0.543m in Social & Community Services, -£0.500m relates to an additional contribution to the OP & PD pooled budget from the S117 Reserve as noted in paragraph 34. Within Environment & Economy the forecast year end position on the Waste Management Reserve now reflects the addition of the £0.500m underspend relating to tonnages along with £0.695m relating to the budget for

Landfill Allowance Trading Scheme allowances that is not expected to be required (paragraph 45).

## Balances

75. Annex 5 sets out the current position for general balances taking into account known changes. Total balances were £11.063m at the end of December after taking account of supplementary estimate requests for costs associated with the Southwark Judgement of -£0.300m and ICT of -£2.250m.

## Part 3 – Capital Programme and Monitoring

76. The capital monitoring position set out in Annex 9, shows the forecast expenditure for 2009/10 is £89.8m (excluding schools), a decrease of £1.3m 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 November 2009. Approved January 2010) £m	Forecast Expenditure (Position as at end of December 2009) £m	Forecast Variation December 2009  £m
Children, Young People & Families	40.0	38.8	-1.2
Children, Young People & Families	40.0	38.8	-1.2
Social & Community Services	6.3	6.1	-0.2
Environment & Economy	41.1	41.1	0.0
Community Safety & Shared Services	0.9	1.0	0.1
Corporate Core	2.9	2.9	0.0
<b>Sub-total</b>	<b>91.2</b>	<b>89.8</b>	<b>-1.3</b>
Schools Capital/ Devolved Formula	12.1	12.1	0.0
Earmarked Reserves	2.0	2.0	0.0
<b>Total</b>	<b>105.3</b>	<b>104.0</b>	<b>-1.3</b>

### Children, Young People & Families

77. The Children, Young People & Families directorate is forecasting to spend £38.8m in 2009/10, a decrease of £1.2m when compared to the latest capital programme.

78. £0.6m of expenditure on Marlborough School, Woodstock Science & Replacement Temporary Buildings has been re-profiled to 2010/11, as the forecast completion date has been extended due to delayed progress on site.

### **Social & Community Services**

79. The forecast spend for Social & Community Services is £6.1m, a decrease of £0.2m when compared to the latest capital programme.
80. £0.2m of expenditure on Extra Care Housing has been re-profiled to 2010/11, pending acquisition of sites and funding of core and cluster developments (currently nominally allocated to Greater Leys and Abingdon).

### **Environment & Economy**

81. The forecast spend for 2009/10 for Environment and Economy is £41.0m, which is no overall movement compared to the latest capital programme.
82. There are small movements in forecasts within the programme, including a £0.3m increase in forecast expenditure on the Waste Recycling Centre Programme, which reflects design and planning fees following the inclusion of new capital funding through the 2010/11 Capital Budget Setting Process.

### **Community Safety and Shared Services**

83. The forecast spend for Community Safety & Shared Services is £1.0m, an increase of £0.1m when compared to the latest capital programme. This is due to an increase in the forecast expenditure on the School Kitchen and Dining Refurbishment Programme.

### **Actual Expenditure**

84. As at the end of December actual capital expenditure was £54.4m, this is 52% of the total forecast expenditure of £104.0m. This represents a £7.9m increase from last month and is consistent with the position for the same period last year. Total commitments were a further £24.0m; therefore total committed expenditure was 75% of the total planned expenditure.

### **Five-Year Capital Programme**

85. The forecast expenditure for the 5-year capital programme is £501.5m (excluding schools). This is an increase of £26.1m compared to the capital programme update approved by Cabinet in January 2010 (position as at end of November 2009). This reflects the proposed changes to the Capital Programme following the 2010/11 Capital Budget Setting Process, which were reported as part of the Service & Resource Planning Report on 19th January 2010 and were recommended to Council for approval on 9th February 2010.
86. In addition to the changes to the 5 year programme set out in the January Service & Resource Planning Report, the various funding sources for the Council's contribution towards the Charlbury Skills Centre & Library

(Spendlove Centre) have been combined and are now included in the Property Services Capital Programme. The total contribution of £1.085m is funded by:

- £0.500m grant funding (previously shown in the CYP&F programme - £0.250m in 2009/10, £0.250m in 2010/11)
- £0.130m (previously shown in the Social & Community Services programme)
- £0.115m capital receipts
- £0.340m funding (including interest) held from disposal of Charlbury Primary School.

## **RECOMMENDATIONS**

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

- (a) **note the report;**
- (b) **approve the virements as set out in Annex 2a;**
- (c) **approve the proposed new music service charges as set out in Annex 8;**
- (d) **note the addition to the Older People & Physical Disabilities Pooled Budget of £0.320m extra residential and Fairer Charging income in 2009/10;**
- (e) **approve the supplementary estimate request of £0.300m for costs relating to the Southwark Judgement as set out in paragraph 11 and Annex 2f;**
- (f) **agree to recommend Council to approve the supplementary estimate request of £2.250m for ICT as set out in paragraph 57 and Annex 2f, at their meeting on 6 April 2010; and**
- (g) **approve the write off of the bad debt of £13,000 as set out in paragraph 71.**

SUE SCANE  
Assistant Chief Executive & Chief Finance Officer

Background papers: Directorate reports

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February 2010