

## CABINET – 15 DECEMBER 2009

### FINANCIAL MONITORING

**Report by the Assistant Chief Executive & Chief Finance Officer**

#### Introduction

1. This report sets out the Council's forecast financial position for 2009/10 financial year based on seven months of actuals to the end of October 2009. It includes projections for revenue, balances, reserves and capital. 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 £3.238m or 0.86% of the latest budget.

Original Budget 2009/10  £m		Latest Budget 2009/10  £m	Forecast Outturn 2009/10  £m	Variance Forecast Oct 2009 £m <sup>1</sup>	Variance Forecast Oct 2009 % <sup>1</sup>
98.277	Children, Young People & Families	96.863	97.256	+0.393	+0.41%
166.800	Social & Community Services	167.136	167.902	+0.766	+0.46%
68.631	Environment & Economy	70.364	70.369	+0.005	+0.01%
29.908	Community Safety & Shared Services	30.713	30.537	-0.176	-0.57%
9.426	Corporate Core	10.078	12.328	+2.250	+22.33%
<b>373.042</b>	<b>In year Directorate total</b>	<b>375.154</b>	<b>378.392</b>	<b>+3.238</b>	<b>+0.86%</b>

Plus: City Schools Reorganisation	0.775	
Plus: Reallocation of Dedicated Schools Grant (see paragraph 21)	3.322	
Plus: City Council Contract ICT Refresh (see paragraph 52)	1.200	
<b>Total Variation</b>	<b>+8.535</b>	

3. The current position for general balances is set out in Annex 5 and shows an forecast unchanged at £14.088m. After taking into account the forecast Directorate overspend, the consolidated revenue balances forecast is £10.850m. <sup>2</sup>

<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.

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	Treasury Management Lending List
Annex 7 (a-g)	Capital monitoring

## Part 1 - Revenue

6. The forecast revenue outturn by Directorate based on the position to the end of October 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: £0.393m or 0.41% in-year Directorate overspend (£4.490m total overspend including £0.775m relating the City Schools Reorganisation and £0.855m on services funded by DSG. The variations by Service Area shown below are net of the DSG reallocation.**

### Young People & Access to Education

7. The total forecast overspend in Young People & Access to Education is now £0.399m.
8. Special Educational Needs Support Services Autism recoupment is continuing to forecast an income shortfall of £0.185m due to a decrease in the income receivable from other authorities as a result of increased numbers of in-county pupils.
9. Services to Disabled Children is forecasting to overspend by £0.282m, an increase of £0.086m since the last report. The Connexions service is still anticipating an underspend of -£0.188m. This underspend needs to be carried forward to 2010/11 so that a breakeven position can be achieved by the end of the area based grant allocation in 2010/11.

### Children and Families

10. The forecast overspend across Children & Families is now £3.352m, a reduction of £0.552m since last month. The Placements budget remains the most significant area of overspending within the Directorate with a forecast pressure of £2.325m, an increase of £0.041m from last month.
11. Adoption and Special Guardianship Orders are forecast to overspend by £0.325m. This reflects additional placements and insufficient base budget to cover the cost of service provision, currently covering 47 orders. It is

anticipated that the projection will increase over the financial year on the basis of additional clients currently moving through the system.

12. The report to Cabinet on 24 July 2009 noted that due to the outcome of a judicial review (the "Southwark Judgement") all authorities will have to consider homeless children as looked after children that previously required more limited support. The forecast overspend relating to this is now £0.300m, reduced by £0.200m since the position reported previously to reflect updated assumptions about costs.
13. The forecast overspend on Asylum Seekers is now £1.466m and has reduced by £0.429m since last month. The forecast still assumes that £1.000m of the expenditure will be funded from the reserve created at the end of 2008/09 for anticipated future pressures.
14. Since last month the Council has been notified that it is has been awarded £0.429m Special Circumstances grant for 2008/09. This will be offset against the £1.049m overspend carried forward from 2008/09. Work is continuing to assess the full impact of changes to the grant methodology and an update will be provided in future reports.
15. As noted previously the Directorate has drawn up an action plan to mitigate pressures on the Placements budget. Work to complete this is continuing so updates will be provided in future reports along with requests for virements to offset the overspends against underspends, if appropriate.

#### Raising Achievement Service

16. The Raising Achievement Service is now reporting an overspend of £0.390m compared to nil reported last month. Outdoor Education Centres are now forecasting to overspend by £0.190m. This is associated with a shortfall in income and pressures relating to staffing and increased transport costs. This area will be monitored closely, particularly in light of savings being put forward as part of the Service & Resource Planning process.
17. The remainder of the service area is forecast to overspend by £0.200m. This pressure relates to changes made to school subscriptions Oxfordshire Quality Schools Association (OQSA). With the change of service priorities, advisers have been spending more of their time on core work and as a result the same level of income generation is no longer achievable.

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

18. The total underspend for CPQA has increased by -£0.507m from -£0.774m last month to -£1.281m. Within the total, Home to School Transport is now projecting an underspend of -£1.094m. In addition Extended Rights to Free Travel is now forecasting to underspend by -£0.300m.
19. As noted last month the Children's Information & Integration Programme (ChIIP) which will provide improved information about the children in our care, is projecting an overspend of £0.395m. This is associated with ongoing project costs, Framework-i support and contractual payments.

20. Joint Use is projecting an underspend of -£0.052m a change of £0.200m since the last report. Risks associated with repair and maintenance liability at these sites is being quantified and will be available in January/February. The reduction in the forecast underspend also reflects an increase in administrative support in this area as per audit recommendations.
21. Premature Retirement Compensation (Early Retirement) is forecasting an underspend of -£0.303m, as a result of increased clarity about likely retirements in the remainder of 2009/10.

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

22. The total overspend on DSG funded services is now £0.855m. Out of County Placements is forecast to overspend by £0.351m, an increase of £0.076m since last month. Nursery Education Funding (NEF) is projecting to overspend by £0.504m. This pressure reflects an increase in the number of 3 year olds together with the full time offer for all children in their final foundation stage year in the private, voluntary and independent sector.
23. As noted last month the allocation of DSG across non-school services has been reviewed. The total available to reallocate to core 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. To ensure variations by service area remain transparent virements to reallocate the DSG will be requested in the February report.

#### **Social & Community Services: £0.766m overspend**

24. Social & Community Services are forecasting an overspend of £0.766m against a budget of £167.136m, a variation of +0.46%.

#### Community Services

25. The forecast overspend for Adult Learning has decreased from £0.354m to £0.325m. 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.
26. The Music Service is projecting an overspend of £0.065m. A 4 year Music Service Change Programme has been drawn up to bring the service into a break-even position. The intention is that the over spend for 2009/10 will be carried forward into 2010/11 and recovered in future years as part of the programme.

#### Adult Social Care

27. The overspend in Adult Social Care has reduced by £0.059m to £0.376m since last month and an action plan to balance this by year end is in place.
28. The forecast underspend for Services for all Client Groups has decreased by -£0.020m to -£0.281m. Additional older people residential client income of -£0.400m is forecast and is largely unchanged since last month.

29. The Older People Care Management Teams are forecasting an overspend of £0.625m, an increase of £0.098m since last month. The overspend 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.
30. Older People Fairer Charing Income is forecasting an overachievement of income of £0.050m. This has improved by £0.150m since last month, due to increased client numbers and improved processes.
31. The pressure within Learning Disabilities Internal Services is forecast at £0.442m compared to £0.428m last month. This is principally associated with the forecast underachievement of income of £0.310m, based on income received to date in 2009/10, along with forecast overspends of £0.040m on Internal Supported Living and £0.092m on Internal Day Services.

#### Pooled Budgets

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

32. The forecast outturn on the Older People and Physical Disabilities Pooled Budget is an overspend of £5.778m, an increase of £0.876m 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.
33. The Oxfordshire County Council (OCC) element of the Pool is forecast to overspend by £2.869m, an increase of £0.929m from last month. This is mainly due to an increase in client numbers in nursing and residential placements during the month.
34. There is an increase in External Home Support costs due to higher client numbers resulting largely from the pressure to reduce delayed transfers of care and the costs of medication only visits. Action has been taken to review higher cost Home Support packages and procurement strategies and to control the number of additional hours purchased each week by the implementation of a quota system with a view to reducing the overspend to £1.5m by the end of the year.

Latest Budget		Forecast Variance October 2009			Forecast Variance September 2009	Change in Variance
		OP £m	PD £m	Total £m	Total £m	Total £m
2009/10 £m						
89.333	<b>OCC Elements</b> Forecast in-year variance	2.354	0.515	2.869	1.940	0.929
24.880	<b>PCT elements</b> Forecast in-year variance	1.238	1.149	2.387	2.387	0
<b>114.213</b>	<b>Total Older People &amp; Physical Disabilities</b>	<b>3.592</b>	<b>1.664</b>	<b>5.256</b>	<b>4.327</b>	<b>0.929</b>
1.658	Equipment Pool	0.522	0	0.522	0.575	-0.053
<b>115.871</b>	<b>Total - Older People, Physical Disabilities &amp; Equipment Pool</b>	<b>4.114</b>	<b>1.664</b>	<b>5.778</b>	<b>4.902</b>	<b>0.876</b>

35. 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 takes account of the expected reduction in numbers resulting from the on-going reviews of clients currently qualifying for Continuing Health Care and reductions in the number of new placements. The PCT is responsible for any financial risk arising, and the forecast will be monitored monthly to take account of the actual activity levels.
36. No assessment has yet been made of the possible impact on the County Council elements of the pool in the current financial year of the withdrawal of Continuing Health Care funding from clients who may then qualify for social care funding.
37. In the 2008/09 financial year a provision of £1.8m was set up in respect of the estimated back dated costs of 172 named clients awaiting Continuing Care assessments. As only a small proportion of these clients have been awarded Continuing Care funding to date the full amount of the provision may not be required for these cases and so may be available to fund some of the other pressures in this budget. Work is being carried out with the PCT to clarify the position on each of these cases but it has not yet been completed. The outcome will be included in future reports.
38. An overspend of £0.522m is forecast on equipment, a reduction of £53k since last month.

### **Learning Disabilities Pool**

39. The Learning Disabilities Pooled Budget is currently forecasting an overspend of £1.106m, an increase of £0.419m from the previous report. This is due to increased commitments resulting from the October Panel decisions and a previous understatement of commitments in relation the re-commissioning of Supported Living and Supporting People contacts. The forecast does not take into account future panel decisions.
40. The forecast also includes the efficiency savings identified in the 2009/10 budget process which have already been achieved. Further efficiency savings of £1.1m are on track to be made during the year.

### **Environment & Economy: £0.005m overspend**

41. The overall Directorate position is a forecast overspend of £0.005m (or 0.01% of the latest budget). This has decreased by -£0.125m since September.
42. The net overspend position across Transport is £0.553m, an increase of £0.228m since last month. This is principally associated with an in – year staffing pressure of £0.525m where actions to re-balance staffing commitments within the service area have not been possible as a result of service commitments. £0.472m funding received from the Highways Agency a number of years ago will be used to offset this on a one off basis. In addition to the above there is a reduction in the Access to Oxford pressure of £0.200m as this will now be funded through the capital programme.
43. The underspend in Sustainable Development has increased by - £0.107m to -£0.726m. The increase is associated with additional funding for the West End project being underspent by -£0.153m, offset by several smaller variations of £0.046m.
44. In addition to the underspend reported and as noted in the last report 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. In light of the directorate position later in the year, consideration will be given to transferring this underspend to the Waste Management general reserve to contribute to the funding package required to support the business case for an additional recycling centre in Oxford City. Any further underspends could also be used to support the Waste Recycling Strategy.
45. The forecast overspend within Property Services has reduced by £0.246m to £0.056m. This relates to the reduction of the estimated Better Offices Programme (BOP) pressure to £0.142m and the recognition that a rates overspend of £0.120m will be funded from balances at the end of the year in line with Council Policy.

### **Community Safety & Shared Services: -£0.176m underspend**

46. Community Safety is forecasting an underspend of -£0.176m, or - 0.57%, compared to an underspend of -£0.188m last month, a movement of - £0.012m.

47. Shared Services still expect to deliver £0.422m savings in 2009/10. As noted last month, options are currently being considered and a proposal to repay the £1.4m balance of the loan of £4.2m in 2010/11 will be made in a future report.
48. School meal sales for Food with Thought from April to October were 10.0% higher than the equivalent period last year. Food with Thought and QCS Cleaning Services are forecasting a combined surplus in the region of £0.1m. This trading surplus will transfer to the reserve at year-end.

**Corporate Core: £2.250m overspend**

49. Corporate Core is forecasting an overspend of £2.250m compared to £1.770m overspend last month, an increase of £0.480m.
50. ICT is now projecting a forecast in year overspend of £2.250m compared to £1.750m last month, an increase of £0.500m.
51. The main areas contributing to the overspend are set out in the table on the following page.



	Forecast Overspend £m
<b>Government Connect;</b> This is a project which will provide an accredited and secure network between central government and local authorities. It is a major project which the council has to complete this year in order to comply with government policy and allow access to the secure government network.	0.480
<b>SAP Upgrade;</b> The upgrade to the new version of SAP was completed successfully in August. The final cost of the upgrade is £0.480m above original budget.	0.480
<b>Better Offices Programme (BOP);</b> ICT has incurred costs associated with the BOP, however, as they do not have a budget for this a variance has arisen.	0.250
<b>Foxcombe Court Re-build</b> is forecasting an overspend of £0.240m associated with a major refresh of IT.	0.240
<b>Oxfordshire Community Network (OCN);</b> The overspend is the result of continuing growth of the OCN network and increasing costs above the rate of inflation. A proposed one off investment of £0.600m next year should reduce future operating costs but will not eliminate this growing pressure in future years without an increase in base budget.	0.400
<b>IT Maintenance;</b> pressure relating to growth in the number of applications supported, quantity of data stored and the number of pc s supported together with inflation above RPI and unfavourable exchange rates.	0.300
<b>Other;</b> There are other smaller pressures within ICT with a forecast overspend of £0.100m, including telephony and the Corporate Information Management Unit (CIMU).	0.100
<b>TOTAL FORECAST OVERSPEND</b>	<b>2.250</b>

52. An action plan has been produced, setting out the measures being taken to reduce costs. Reducing the ICT establishment is unlikely to produce significant savings this year and could lead to redundancy costs if staff cannot be redeployed. Current and planned projects are being reviewed along with the proposal to defer projects until funding is made available. Additional recharges are being considered to charge directorates for enhancements and development of new systems. Any underspends reported by other services within Corporate Core will be used to offset some of the ICT overspend. Currently, these are not expected to be significant.

Provision of ICT Services for Oxford City Council

53. The Oxford City ICT Contract is in two parts – the provision of an IT support service and the supply and installation of replacement equipment to upgrade the council's IT infrastructure. It was agreed that most of the capital investment would take place in the first one of two years of the contract and that ownership of the hardware and software would pass immediately to the City Council at the date of purchase. The contract states that this loan will be spread over the first five years of the contract and included in the annual

contract price. Capital investment of £1.5m is planned for this year but some of this may slip into next year. Assuming the full amount is spent this year it is estimated that around £1.2m will be carried forward and spread over the following four years. The contract with the City is expected to break-even this year as planned.

### **Virements and Supplementary Estimates**

54. 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 a number of budget book lines in Children, Young People & Families and Social & Community Services where there are cumulative virements over £0.5m this month. These relate to restructuring changes or the movement of an existing service. As these have no impact on the service provided they do not constitute policy changes and do not require Council approval.

### **Grants Monitoring**

55. 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. £0.065m additional grant has been added to Annex 3a in relation to the Department for Children, Schools & Families (DCSF) National College of Leadership schools. Annex 3b includes adjustments to correct the allocation of Dedicated Schools Grant income. These do not change the service provision and reflect the actual use of the grant funding. Annex 3c details the Area Based Grant.

### **Bad Debt Write Offs**

56. During the first seven months of 2009/10 there were 57 debts written off totalling £5,400. The largest debt was £1,266 so most were very small and uneconomical to recover through the courts. In addition Client Finance wrote off 59 debts in relation to charges for care totalling £20,505. The largest of those was £4,115. Compared to this time last year, the number of write offs is smaller and the aged debt profile has also improved indicating that despite the economic environment we have improved control over collecting income.

### **Strategic Measures**

57. The average cash balance during October 2009 was £201.4m and the average rate of return was 0.79%.
58. The Treasury Management lending list is included at Annex 6. Svenska Handelsbanken (including the call accounts) and the DBS Bank (Development Bank of Singapore), Overseas Chinese Banking Corp, and United Overseas Bank have been removed from the list along with Nordea Bank AB and Skandinaviska Enskilda Banken AB.

### **Other Financial Issues**

#### Adult Learning Fees and Charges for 2009/10

59. As part of the Adult Learning Skills for Life recovery plan approval is sought to increase the fees for ESOL (English as a Second or Other Language) courses with effect from 1 January 2010. Currently these are £2 per hour - half the standard rate of £4, and aligned to the fees charged for another set of courses targeted at a particular group - Lipreading. Since this rate was set it has emerged that there is a recommended national rate of £3 per hour for this provision. It is recommended that the fee be increased to bring it in line with the national rate.
60. Raising fees to this level at this point in the year will raise around £10,000 and will make a useful contribution to closing the gap between income and expenditure in this area.

## **Part – 2 Balance Sheet**

### **Reserves**

61. Annex 4 shows the forecast movement on earmarked reserves.

### **Balances**

62. Annex 5 sets out the current position for general balances taking into account known changes. Total balances were £14.088m at the end of October, with the position unchanged from the end of September.

## Part 3 – Capital Programme and Monitoring

### Capital Monitoring

63. The capital monitoring position set out in Annex 7, shows the forecast expenditure for 2009/10 is £90.5m (excluding schools), an overall decrease of -£2.3m when compared to the latest capital programme approved by Cabinet in October 2009. This reflects a further change of -£1.2m compared to the variation reported to Cabinet on 24 November 2009. The table below summarises the variations by directorate and further detail is provided in the following paragraphs.

Directorate	Latest Capital Programme Budget	Forecast Expenditure	Forecast Variation October 2009	Variation Forecast September 2009	Change in Variation Forecast
	(Approved October 2009 Position as at end of August 2009)	(Position as at end of October 2009)			
Children, Young People & Families	£41.3m	£41.0m	-£0.3m	-£0.2m	-£0.1m
Social & Community Services	£7.3m	£6.9m	-£0.4m	-£0.2m	-£0.2m
Environment & Economy	£42.5m	£40.5m	-£2.0m	-£1.1m	-£0.9m
Community Safety & Shared Services	£0.7m	£1.1m	£0.4m	£0.4m	£0.0m
Corporate Core	£1.0m	£1.0m	£0.0m	£0.0m	£0.0m
<b>Sub-total</b>	<b>£92.8m</b>	<b>£90.5m</b>	<b>-£2.3m</b>	<b>-£1.1m</b>	<b>-£1.2m</b>
Schools Capital/Devolved Formula	£11.3m	£12.1m	£0.8m	£0.2m	£0.6m
Earmarked Reserves	£0.1m	£0.1m	£0.0m	£0.0m	£0.0m
<b>Total</b>	<b>£104.2m</b>	<b>£102.7m</b>	<b>-£1.5m</b>	<b>-£0.9m</b>	<b>-£0.6m</b>

### Children, Young People & Families

64. The Children, Young People & Families directorate is forecasting to spend £41.0m in 2009/10 compared to the latest capital programme budget of £41.3m, a variation of -£0.3m. This is a change of -£0.1m from the variation reported last month.
65. The replacement of temporary classrooms at Barley Hill, Thame is expected to cost £0.3m more in this financial year than previously estimated.

- 66. The phasing of expenditure on the Flexibility of Childcare Grant has been revised by a further -£0.2m and as a result, a total of £0.7m is now being slipped into later years of the programme.
- 67. £0.150m of spend on the Witney Young People's Centre has slipped beyond 2009/10.
- 68. The variation on schools' capital is due to £1.5m of the 14-19 Diploma programme in the main CYP&F programme now being issued to schools. It is anticipated that £0.6m will be spent in this financial year.

### **Social & Community Services**

- 69. The forecast spend for Social & Community Services is £6.9m, a variation of -£0.4m when compared to the latest capital programme and a movement of -£0.2m from the position reported last month. This is due to slippage of expenditure into 2010/11 on the Headington Library where the scheme has been delayed due to a lease agreement and Watlington Library schemes.

### **Environment & Economy**

- 70. The spend forecast for 2009/10 for Environment and Economy is £40.5m compared to the latest budget of £42.5m, a variation of -£2.0m. This is a movement of -£0.9m from the position reported in November 2009.
- 71. The phasing of expenditure on the Controlled Parking Zones has been revised by -£0.2m as a result of schemes having to go back for public consultation.
- 72. The expenditure on Street Lighting Column replacement has been reduced by £0.5m. This is because there has been a change in the split between capital and revenue expenditure. The revenue contribution to capital has been reduced by the same amount. This is a technical adjustment and does not reflect the programme delivery.
- 73. £0.2m of expenditure for relocating the staff of the Youth Offending Service from the Westgate Centre has been slipped into 2010/11.

### **Community Safety**

- 74. The forecast spend for Community Safety & Shared Services is £1.1m, a variation of £0.4m when compared to the latest capital programme. This is the same position as reported last month.

### **Actual Expenditure**

- 75. As at the end of October actual capital expenditure was £38.8m. This is 38% of the total planned expenditure of £102.7m. This represents a £7.5m increase from last month and is consistent with the position for the same period last year. Total commitments were a further £24.6m, so total committed expenditure was 62% of the total planned expenditure.

### Movement on the Overall Capital Programme

76. The forecast expenditure for the capital programme is £481.3m (excluding schools); compared to the latest capital programme update of £491.3m this is a variation of -£10.0m. This is a change of -£3.3m to the variation reported to Cabinet in November 2009. The directorate variations are shown in the table below.

Directorate	Latest Capital Programme Budget	Forecast Expenditure	Variation Forecast October 2009	Variation Forecast September 2009	Change in Forecast Variation
	(Approved October 2009 Position as at end of August 2009)	(Position as at end of September 2009)			
Children, Young People & Families	£298.5m	£287.3m	-£11.2m	-£8.1m	-£3.1m
Social & Community Services	£23.0m	£23.1m	£0.1m	£0.0m	£0.1m
Environment & Economy	£160.2m	£160.8m	£0.6m	£0.9m	-£0.3m
Community Safety & Shared Services	£5.6m	£6.1m	£0.5m	£0.5m	£0.0m
Corporate Core	£4.0m	£4.0m	£0.0m	£0.0m	£0.0m
<b>Sub-total</b>	<b>£491.3m</b>	<b>£481.3m</b>	<b>-£10.0m</b>	<b>-£6.7m</b>	<b>-£3.3m</b>
Schools Capital/Devolved Formula	£62.0m	£64.0m	£2.0m	£0.5m	£1.5m
Earmarked Reserves	£1.7m	£1.4m	-£0.3m	-£0.3m	£0.0m
<b>Total</b>	<b>£555.0m</b>	<b>£546.7m</b>	<b>-£8.3m</b>	<b>-£6.5m</b>	<b>-£1.8m</b>

77. The decrease on Children, Young People & Families is due to £1.5m of revenue funding from the Early Years Development Fund being removed from the Forward Plan. This is likely to have an impact on the programme for the Children's Centres. Work is ongoing to determine the effect on the latter and to identify further resources to deliver the planned programme in 2010/11.
78. The £1.5m increase on the Schools Capital with a corresponding decrease in the CYP&F main programme is due to the 14-19 Diploma funding being issued to Schools as mentioned above.

## **RECOMMENDATIONS**

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

- (a) note the report;**
- (b) note the use of £0.472m one – off funding from the Highways Agency to offset the overspend in Transport (paragraph 42);**
- (c) approve the virements as set out in Annex 2a;**
- (d) agree the proposed changes to Adult Learning charges from January 2010 (paragraph 59).**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

Background papers: Directorate reports

Contact Officer: Kathy Wilcox, Principal Financial Manager  
Tel: (01865) 323981

December 2009