





Forecast outturn 2020/21 at August 2020

Key:

RAG status
 Red
 Amber
 Green

Children's Services

A breakeven position is forecast by Children's Services against a budget of £131.9m. The directorate forecast outturn includes £1.7m of costs relating to COVID-19.

Education and Learning	<u>Variation</u> A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.
Budget £29.6m	
Variation breakeven	<u>Financial Impact of COVID-19</u> Included in the breakeven position are £0.2m of costs arising due to the COVID-19 pandemic.
RAG rating	
	
Outcomes Achieved Yes	There is also £0.2m related to lost income within Education and Learning which has been affected by the partial closure of schools. It is anticipated that most of the unachieved income will be recovered through the Sales, Fees and Charges Income Guarantee Scheme funded by MHCLG. There is a risk that demand for Education, Health and Care Plans will increase when schools return which may increase workloads for Educational Psychologists and the Casework Team resulting in additional costs. The pressure will be funded by Corporate Contingency.
	The overspend reported excludes any impact of the recovery phase for Home to School Transport. At the time of writing the School Transport Service has committed to an additional £0.2m of expenditure to fund extra transport capacity in the systems and anticipate further contingency to be released throughout the first half of the term. On 11 August 2020 the Department for Education (DfE) announced the Local Transport Authority funding allocations. The Council's allocation is £0.5m. This is additional grant to help with the extra costs of providing Home to School Transport in line with the COVID-19 guidance. Modelling is taking place to understand the financial impact of continued extra capacity throughout the school year. No further announcements have been made

about the DFE funding beyond the first six weeks of the autumn term.

On 19 August 2020, the Department for Education announced the first tranche of the Coronavirus (COVID-19) Schools Fund. The fund is intended to meet exceptional Covid-19 costs incurred by schools. Schools were asked to apply to the fund in July, the amount approved to date for Oxfordshire maintained schools is £0.2m. This will be received by the County Council to be paid out in full to schools.

Children's Social Care

Budget £30.7m

Variation breakeven

RAG rating 

Outcomes Achieved
Yes

Variation

A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.

Key Issues

At present there are no forecast variances other than those due to COVID-19. As in previous years there remains a risk around the cost of agency social workers to cover periods of extended leave or vacancies, but this is being managed carefully. There is a risk of additional spend on agency staff if there is a significant sharp or sustained increase in referrals and assessments following a period of lockdown and partial school closures. It may be possible to manage this within existing resources and the plan is to do this as far as possible.

Children's Social Care Countywide Services

Budget £65.5m

Variation breakeven

RAG rating 

Outcomes Achieved
Yes

Variation


A breakeven position is forecast for this area. This position includes the £3.3m virement relating to Corporate Parenting that was agreed by Council on 8 September


Financial Impact of COVID-19


Included in the breakeven position are £1.2m of costs arising due to the COVID-19 pandemic.

Key Issues

Although an additional £3.3m has been transferred to Corporate Parenting from the Corporate Contingency the forecast here remains risky, packages for individual children can cost in excess of £0.2m per annum, and therefore a small change in demand or children with significant support needs can have a significant impact on spend within this budget.


Children's Central Costs	<u>Variation</u> A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.
Budget £5.6m	
Variation Breakeven	<u>Financial Impact of COVID-19</u> No variance is reported due to COVID-19 at this time.
RAG rating 	<u>Key Issues</u> None to be reported
Outcomes Achieved Yes	

Dedicated School Grant	
High Needs	<u>Variation</u> The variation forecast is a forecast overspend of £11.5m
Budget £60.4m	
Variation £11.5m (19.0%) overspend	<u>Financial Impact of COVID-19</u> There is a forecast cost of £0.5m due to the potential for costs to rise and loss of income due to the COVID-19 pandemic. This is a forecast for the risk of additional resources required for all SEN settings to maintain appropriate standards as schools reopen.
RAG rating 	
Outcomes Achieved Yes	<u>Key Issues</u> The variance of £11.0m relates to the existing children and an expected growth in demand for Education, Health and Care Plans and support for the current year based on the currently announced high needs dedicated schools grant funding. Significant diagnostic work will be undertaken to analyse the relationship between activity, increased demand and spending pressures across the SEN funding system. Officers will work with Schools, Parents and other stakeholders to develop proposals for the High Needs Block to move into line with its operating budget in the medium term.

Early Years	<u>Variation</u> £0.2m of Covid-19 costs have been funded in the revised budget.
Budget £38.6m	
Variation £1.1m (2.85%) overspend	<u>Financial Impact of COVID-19</u> There remains a risk of £1.1m Covid-19 spend. This relates to provider sustainability payments to early years settings to meet statutory need, including a forecast risk into the future. It also includes additional opening (e.g. out of term-time), and key worker funding where they have been placed away from their usual setting.
RAG rating 	
Outcomes Achieved Yes	<u>Key Issues</u> At this time no variance is forecast outside the financial impact of COVID-19.

Adult Services

A breakeven position is forecast for Adult Services against a budget of £196.4m. The directorate forecast outturn includes **£6.9m** of costs relating to COVID-19.

Better Care Fund Pool	<u>Variation</u> A breakeven position is forecast for the pool. No change from the previous month.
Budget £81.8m	
Variation breakeven	<u>Financial Impact of COVID-19</u> Included in the breakeven position is £3.8m of expenditure relating to costs arising from the COVID-19 pandemic. These include a 10% payment made to contracted care providers in April, May and June 2020 to support additional costs plus the cost of making payments on the basis of planned hours to home support providers.
RAG rating	
	
Outcomes Achieved	<u>Key Issues</u> The pool combines health and social care expenditure on care homes, activity relating to hospital avoidance and prevention and early support activities for older people and adults with physical disabilities.
Yes	<p>The existing arrangements for the Hospital Discharge Scheme ended on 31 August 2020, with a requirement to move everyone currently funded by the scheme onto business as usual arrangements by 31 March 2021. New arrangements for discharges from 1 September 2020 onwards, which support the provision of care for a period of up to six weeks until on-going care needs have been agreed, are now in operation. Work is continuing to agree the arrangements for the wind-down of Scheme 1 with health partners, so an update will be included in the next report. The funding for Scheme 2 is intended to support service activity that has been put in place specifically to support hospital discharge that is additional to business as usual provision so is more limited than for Scheme 1.</p> <p>The underlying level of demand for care home placements has reduced in 2020/21. However, activity has increased in August and the forecast assumes an increase in activity rising to an extra 85 placements compared to the current level by the end of the year.</p> <p>The forecast assumes that all the in-year savings agreed by Council in September will be achieved.</p>

Adults with Care and Support Needs Pool

Variation

A breakeven position is forecast for the pool. No change from the previous month.

Budget £96.3m

Financial Impact of COVID-19

Variation breakeven

Included in the breakeven position is **£2.0m** of expenditure relating to costs arising from the COVID-19 pandemic.

RAG rating 

These include a 10% payment made to contracted social care providers in April, May and June 2020.

Outcomes Achieved

Yes

Key Issues

The pool supports a mix of health and social care needs for adults of working age with learning disabilities, acquired brain injury or mental health needs. So far, the COVID-19 pandemic has not increased demand in the pool but there is a risk that this may change as the year progresses.

The 2019/20 health contribution to the pool was £16.4m. Because OCCG are continuing to work under a temporary financial regime, their contribution for 2020/21 has not been confirmed. Pending further information, the forecast assumes the 2020/21 contribution has been rolled forward at the same level as in 2019/20.

The forecast assumes that all the in-year savings agreed by Council in September will be achieved.

As part of the 20/21 service and resource planning process £2.75m was agreed on a one-off basis to support pressures relating to Mental Health and Autism within Oxfordshire. Further confirmation is awaited but temporary funding arrangements put in place for NHS providers in response to the COVID-19 pandemic may mean that some of this funding will remain available to meet future pressures.

Non-Pool Services

Variation

A breakeven position is forecast for this service. No change from the previous month.

Budget £11.8m

Financial Impact of COVID-19

Variation breakeven

Included in the breakeven position is **£1.1m** of expenditure relating to costs arising from the COVID-19 pandemic. These include additional staffing costs and a contribution to Homelessness costs in Oxford City.

RAG rating 

Outcomes Achieved

Yes

There is a forecast loss of income of **£0.1m** due to the COVID-19 pandemic. The Council is still waiting for the details of the Ministry of Housing, Communities and Local Government's (MHCLG) income guarantee scheme, but it

is hoped that most of the achieved income will be recovered from the scheme. The remaining pressure will be funded by Corporate Contingency.

The forecast assumes that all the in-year savings agreed by Council in September will be achieved.

Commissioning

Budget £6.5m

Variation breakeven

RAG rating 

Outcomes Achieved

- Yes

Variation

A breakeven position is forecast for this service. No change from the previous month.

Key Issues

The staffing element of the service is currently reporting a breakeven position although there is an on-going risk around the achievement of the 8.5% vacancy target built into the budget.

Public Health

A forecast breakeven position after the assumed use of the grant to fund Public Health eligible spend.

Variation

Breakeven against £31.2m ringfenced grant

RAG rating



Outcomes Achieved

Yes

Variation

A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.

Financial Impact of COVID-19

There has been no increase in costs arising from the COVID-19 pandemic or loss of income due to the COVID-19 pandemic but there have been one-off savings due to reductions in service provision in line with national directives.

Key Issues

The forecast breakeven position is after taking account of £1.1m reductions in planned spend. This includes a **£1m** reduction in spend due to reduced activity in sexual health services due to COVID-19 together with expediting a move to home testing previously scheduled for 2021/22 and a further **£0.2m** reduction in spend on NHS health checks due to a mandated ceasing of the face to face service during the pandemic. There is also a **£0.2m** underspend relating to staff vacancies at the start of the year.

Offsetting these savings are cost pressures of **£0.1m** in residential rehabilitation for drug and alcohol users due to

increased demand and **£0.2m** cost pressure related to additional requirement under the grant to fund NHS pay inflation in contracts.

Work is continuing to identify £1.1m of spend elsewhere in the council that contributes to Public Health outcomes and is eligible to be funded by the grant in 2020/21.

The council have received a £2.9m Test and Trace Service Support Grant to support the mitigation against and management of local outbreaks of COVID-19. To date there have been £0.6m of commitments recorded against this allocation.

Communities

£0.1m (0.1%) forecast underspend compared to a budget of £87.2m, a change of -£0.1m since last month.

Planning & Place

Change from previous report

Budget £4.9m

There is no change to the financial position previously reported.

Variation £0.0m
(0.0%) breakeven

Financial Impact of COVID-19

There is also a forecast loss of income of £0.1m of S38 income due to the COVID-19 pandemic. The Council is still waiting the details of the MHCLG's income guarantee scheme, but it is hoped that most of the achieved income will be recovered from the scheme. The remaining pressure will be funded by Corporate Contingency.

RAG rating



Outcomes Achieved

Yes

Key Issues

The breakeven financial position includes a shortfall on the Travel Planning team income target of £0.3m. In 2020/21 this will be mitigated through the use of Road Agreement income, however there could be a future impact next year.

Growth & Economy

Change from previous report

Budget £0.1m

There is no change to the financial position previously reported.

Variation £0.0m
(0.0%) breakeven

Key Issues



None to be reported

RAG rating



Outcomes Achieved

Yes

Communities Management	<u>Change from previous report</u> There is no change to the financial position previously reported.
Budget £0.4m	<u>Financial Impact of COVID-19</u> Included in the breakeven position is £0.1m of COVID-19 related expenditure covering Communities Directorate. This primarily relates to costs associated with re-opening the Household Waste Recycling Centres.
Variation £0.0m (0.0%) breakeven	
RAG rating	<u>Key Issues</u>
	None to be reported
Outcomes Achieved	
Yes	
Community Operations	<u>Change from previous report</u> There is no change to the financial position previously reported
Budget £57.9m	<u>Financial Impact of COVID-19</u> There is also a forecast loss of income of £5.0m of income due to the COVID-19 pandemic. This relates to parking and permit income (£3.6m), Supported Transport (£1.2m) and Waste Management (£0.2m). The Council is still waiting the details of the MHCLG's income guarantee scheme, but it is hoped that most of the achieved income will be recovered from the scheme. The remaining pressure of £1.3m will be funded by Corporate Contingency.
Variation £0.0m (0.0%) breakeven	
RAG rating	<u>Key Issues</u>
	The forecast for Waste Management is based on actual volumes for April to August, stabilising to normal activity levels for the remainder of the year. This is being closely monitored and any cost increase will be reported in future months.
Outcomes Achieved	
Yes	
<p>The recovery phase for Home to School Transport, at the time of writing this report, is underway and although there is a risk that social distancing restrictions may be reintroduced later in the year, the current forecast complies with Government Guidelines, which results in a largely Business As Usual return. Although there are still no firm figures on student growth, the budget build assumes an average 3-year growth profile and initial indications are that this is materially correct. The cost of additional transport needed for a limited number of larger schools requiring an increase in routes to satisfy current social distancing rules, will be funded for the first 6-weeks, by a Government grant. The outturn forecast at present for Mainstream assume a breakeven position and for SEND a -£0.7m underspend, due to a budget build increase for 2019/20 assuming at the</p>	

time that there would be an overspend, which by year end did not materialise.

Community Safety

Change from previous report

Budget £24.0m

There is a -£0.1m change to the financial position previously reported. This relates to cost savings in Trading Standards from shared management posts and the award of a new (non-Government) grant.

Variation £0.1m
(0.4%) underspend

Financial Impact of COVID-19

RAG rating



Included in the breakeven position is £0.1m expenditure relates to the costs arising from the COVID-19 pandemic. These include equipment costs, secondments to Ambulance services.

Outcomes Achieved

Yes

Key Issues

None to be reported

Customers & Organisational Development

£0.3m (1.1%) forecast overspend compared to a budget of £27.0m.

Corporate Services

Variation

Budget £2.0m

The forecast for this service is a breakeven position following the virements agreed by Council on 8 September 2020.

Variation breakeven

Financial Impact of COVID-19

RAG rating



Included in the breakeven position is £0.2m of COVID-19 related expenditure.

Outcomes Achieved

Yes

Key Issues

None to be reported

Human Resources & Organisational Development

Variation

Budget £2.4m

A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.

Variation breakeven

Key Issues

RAG rating



Whilst the forecast cost of COVID-19 related Occupational Health referrals for Directorate staff is reported, the potential cost implication of school-based referrals is still being explored. However, it is anticipated that costs may be offset against lower than average referrals for school staff across the summer term.

Outcomes Achieved

Yes

The review of unfunded posts, as noted in last month's report, has still to be completed.

**Communications,
Strategy & Insight**

Budget £2.5m

Variation breakeven

RAG rating



Outcomes Achieved

Yes

Variation

A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.

Key Issues

Whilst the service is forecasting to deliver 80% of the Strategic Capability savings this year, this is only a one-off solution due to in-year vacancies. The longer term saving still needs to be considered.

ICT & Digital

Budget £9.7m

Variation breakeven

RAG rating



Outcomes Achieved

Yes

Variation

A breakeven position is forecast for this service following the virements agreed by Council on 8 September 2020.

Key Issues

It has previously been reported that up to 40% of ICT transformation savings will be delivered in 2020/21. Due to the Covid-19 impact on progress, there is a risk that in-year savings will be less than anticipated and further analysis of non-staffing commitments and the transformation savings profile is currently being undertaken.

**Culture & Customer
Experience**

Budget £10.4m

Variation £0.3m
(2.8%) overspend

RAG rating



Outcomes Achieved

No

Variation

This report includes the historical unachievable income target and staffing budget shortfall within the Library service of £0.3m.

Financial Impact of COVID-19

Included in the above position is £1.9m of COVID-19 expenditure. These include the setting up and ongoing 'hibernation' costs of the COVID-19 Excessive Deaths facility, staff costs to meet the extra demand in the Customer Service Centre and Registration service as well as one-off costs of PPE in preparation of opening some of the public-facing services.

There is also a forecast loss of income of £1.6m of income due to the COVID-19 pandemic. This relates to closure of public libraries (£0.2m), cessation of music lessons (£0.6m) and cessation of all ceremonies and other Registration services (£0.8m). The Council is still waiting the details of the MHCLG's income guarantee scheme, but it is hoped that most of the achieved income will be recovered from the scheme. The remaining £0.4m pressure will be funded by Corporate Contingency.

Key Issues

As the Cultural Services estate is slowly re-opening, the impact of COVID-19 on the income could worsen throughout the year.

Commercial Development, Assets & Investment

£1.3m (4.0%) forecast underspend compared to a budget of £32.2m a change of +£0.2m since last month.

**Property, Investment
& Facilities
Management**

Budget £17.3m

Variation -£1.5m
(8.7%) underspend

RAG rating



Outcomes Achieved

Yes

Change from previous report

There has been no change to the underspend previously reported. The underspend primarily reflects the ongoing effect of continuing delays to implementing changes to the operating models across the business units, including restructuring and filling vacancies, which is now being progressed. It also includes an underspend of £0.3m relating to an expected increase in the cost of utilities that has not materialised.

Financial Impact of COVID-19

There is an underlying loss of income of £1.1m forecast due to the COVID-19 pandemic within catering. This includes the loss of income on parent purchased meals across the Summer term and into the Autumn. It is anticipated that most of the unachieved income will be recovered through the Sales, Fees and Charges Income Guarantee Scheme funded by MHCLG. The remaining £0.3m pressure will be funded by the COVID-19 budget for costs and income losses. In addition to that most of our main buildings have remained closed throughout COVID-19 which has resulted to an underspend from an operational point of view in relation to running costs of those sites. The Council has been able to gradually reopen some of the front line public facing sites, including libraries and registration offices, and is working towards establishing a new COVID-19 secure office space for staff for the near future. This may mean that there may be further cost savings arising from the reduced use of our full estate over the remainder of the year.

Law & Governance

Budget £5.7m

Variation £0.2m
(3.5%) overspend

RAG rating



Outcomes Achieved

Yes

Change from previous report

An overspend of £0.2m is reported.

Key Issues

It is noted that some large legal cases are upcoming which may increase the Counsel costs further.

Finance & Procurement

Change from previous report

There is no change to that reported in the previous financial report.

Budget £8.9m

Financial Impact of COVID-19

Variation £0.0m
(0.0%) breakeven

Included in the breakeven position is £1.3m of expenditure relates to the costs of PPE purchased in response to the COVID-19 pandemic. This central stock was for use across the Council to ensure all that all front-line workers met COVID-19 regulations.

RAG rating



Outcomes Achieved

Yes

Key Issues

The Provision Cycle transformation is cross-directorate and the implementation of Hub and spokes will be subject to timing differences. Depending on the outcome of the Hub consultation and appointment to posts there could be an in-year pressure of up to £0.1m, this will be monitored and reported as appropriate.

Corporate Measures

General Balances

The current forecast for general balances at 31 March 2021 is **£30.3m**, compared to the position at 1 April 2020 of **£28.7m**. This position assumes that forecast Directorate underspend of £1.1m and the Strategic Measures underspend of £0.5m are returned to balances.

RAG rating



	£m	£m
General Balances at 31 March 2020		24.1
Planned contribution as per MTFP in 2020/21		4.6
General Balances at 1 April 2020		28.7
Directorate and Strategic Measures Underspend		1.6
Projected Level of General Balances at 31 March 2021		30.3
Risk Assessed Level of General Balances 2020/21		23.4

Reserves

RAG rating



On the 31 March 2020 Earmarked Reserves totalled £102.864m. As set out in Annex 3 reserves are forecast to be **£80.0m** at 31 March 2021 a decrease of £1.8m from last month. The change reflects planned use of £0.8m of the Fire Vehicle Replacement Reserve and £1.0m less being transferred to the Public Health Reserve. The £1.0m will be released to achieve the in-year savings agreed by Council on 8 September 2020.

This position is after a transfer of £6.0m to a new Council Tax Collection Fund Reserve that is subject to agreement by Council 8 September 2020. The

This includes a £22.9m deficit on the High Needs DSG grant reserve which reflects the forecast overspend of £11.7m during 2020/21. This is forecast to be carried forward to future years via earmarked reserves in accordance with recent clarification and guidance from DfE.

Grants

RAG rating



Government grants totalling £381.1m will be received by the Council during 2020/21. This is an increase of £0.9m since the position reported to Council in February 2020. Changes this month include ringfenced grants relating to the Fire and Rescue Service from the Home Office for Protection Uplift Grant (£0.4m) and the Building Risk Review (£0.1m) and a grant from the DfE relating to Home to School Transport (£0.5m). There has also been a reduction in DSG Schools Block Grant of £0.1m.

On 12 August 2020, the Department for Education announced the “Wellbeing for education return” grant. The grant seeks to better equip education settings to support pupils and students’ wellbeing and psychosocial recovery as they return to full-time education this autumn. The Council’s allocation is £112,000 and although an unringfenced grant, as set out in Annex 2b it is recommended that Cabinet allocated this grant to Education & Learning to spend for the purpose intended.

It is also requested that the KS2 Moderation and KS1 Phonics Grant of £22,000 is allocated to Education and Learning to support the costs of carrying out this role.

**Medium
Term
Financial
Plan
Savings**

The 2020/21 budget agreed by Council in February 2020, includes planned savings of **£20.3m** of which £15.2m relates to Corporate saving plans and £5.1m relates to Directorate saving plans. Overall, 79.9% of these savings have been delivered or are forecast to be delivered by year end compared to the target of 95% set out in the budget agreed by Council in February 2020.

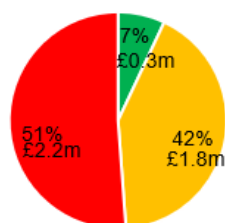
RAG rating



£15.2m, 100%, of Corporate Savings Plans have been or are forecast to be delivered by year end.

**% of
savings
expected to
be achieved**
79.9%

Directorate Saving Plans



■ Green & Delivered ■ Amber ■ Red

£0.3m, 7%, of Directorate savings plans have been or are forecast to be delivered by year end.

£1.8m, 42%, are assessed as amber and are at risk of not being delivered in full year.

A further £2.2m, 51% are assessed as red and are not expected to be delivered in year. This relates to savings from reduced costs relating to Street Lighting.

The budget pressures arising from the non-delivery of savings form part of the Directorate positions reported above.

Some of the service redesign savings due to be achieved in 2020/21 have been temporarily funded as part of the in-year savings proposals. Permanent savings proposals will be included in the 2021/22 Budget and Business Planning process.

The Revised Budget agreed by Council on 8 September 2020 included additional one off savings proposals in 2020/21 of £14.9m. A significant proportion of the savings have already been delivered as a result of reduced activity up to 31 July 2020 as the Council put in place measures to comply with the Coronavirus Act, Health Protection Regulations and government guidance to manage the impact of the COVID-19 pandemic. It is expected that 100% of the in year savings will be achieved by year end.

**Strategic
Measures**

The following table sets out average in-house cash balances and average rates of return for April to June 2020. The current forecast outturn position for in house interest receivable is **£2.9m**, which is **£0.5m** above budget.

RAG rating



Month	Average cash balance	Average rate of return
August	£395.27	0.90%

External Fund dividends are paid quarterly. The forecast outturn position for external fund returns is **£3.1m**, which is a breakeven position. This is £0.8m below the original budget which has been reduced to reflect the impact of COVID-19 on the performance of the external funds.

Interest Payable is forecast to be in line with the budgeted figure of **£15.0m**.

Performance Indicator	Actual	Target
Average interest rate achieved in-house compared to treasury Management Budgeted Rate	0.97%	>=0.85%
Average Annualised Return achieved compared to Benchmark Rate* (Pooled Fund)	3.80%	>=3.75%

On 8 September 2020 Council agreed to transfer £3.3m from the Corporate Contingency to support increased costs on the placement budget within Children's Social Care. The remaining £1.5m budget is being held to cover the risk of the Green Book pay award being higher than 2% which was included in the budget.

The virements agreed by Council on 8 September 2020 included creating expenditure budgets to fund COVID-19 costs that had been incurred or committed to at the end of July. It is expected that these costs will increase as the year progresses. It is expected that further virements will take place from the corporate COVID-19 Budget to services where further costs have been incurred as we go through the year. The Council submitted its first claim to the Sales, Fees and Charges Income Guarantee scheme on 30 September. The scheme allows the Council to claim 75% of lost unrecoverable income against 95% of the income budget. An update on how much of lost income will be recovered through the scheme be included in future reports. Where lost income is not covered by the income guarantee scheme this will also be funded from the COVID-19 budget. The total financial impact of COVID-19 is forecast to be £50.9m in 2020/21. If this remains unchanged, after taking account of additional funding, by the year end the COVID-19 Budget will be utilised in full. If there is insufficient funding in the COVID-19 Budget to meet costs or lost income, this will need to be met from general balances.

The current forecast of additional costs and lost income relating to COVID-19 for the financial year could change and we continue to revisit assumptions and implications as we move towards the autumn and winter.

As set out in the Corporate Debtors section below there is likely to be an increase in the debt impairment at the end of the year. This would need to be funded by Corporate Contingency or General Balances.

**Debt and
Loan Write
Offs &
Impairments**

The impact of COVID-19 on overall debt levels remains, primarily linked to settlement of S106 invoices. Issues collecting income linked to financial hardship from both business and individuals is still not a significant factor aside from S106, however, these impacts may be felt later in the year and have the potential to impact aged and bad debt at year end.

**Corporate
Debtors**



RAG rating

The average collection rate to date is still well below target, however, this is linked to a low value invoice run in May. Efforts remain focused on managing collection of higher value invoices; the rates on the value of invoices for this period is 99% and for invoices with a value over £10,000 was 86%.

Debt requiring impairment is stable this month but still well above target; 62% relates to S106 arrears. As reported last month, collection of contributions was paused for these cases in line with government guidance; the service is working with the developers to agree revised repayment dates.

	Target	June	July	August
Invoice collection rate	97.5%	87.8%	89.2%	83.6%
Avg. days outstanding	35	22	20	25
Debt requiring impairment	<£0.30m	£0.77m	£1.12m	£1.08m
Unsecure debt over 1 year	<£0.50m	£1.02m	£1.03m	£1.05m
Write offs as % of income YTD	<0.10%	0.00%	0.00%	0.00%

**Debt and
Loan Write
Offs &
Impairments**

Disruptions to case work is still in effect due to COVID-19 and levels of both bad and aged debt have increased. Examples of delays include probate; delays with property sales; face to face debt meetings. Some actions have restarted however, these include court proceedings and social worker face to face visits.

**– Adult
Contribution
to Care
Charges**

RAG rating



The invoice collection rate and days revenue outstanding continue to be stable with no material movement; work is underway to meet the target rate by the end of the year. Debt requiring impairment (DRI) has increased slightly, the team have completed and commenced detailed action plan linked to reducing the level of bad debt by year end.

A cross department panel made up of management representatives from social care, finance, fraud and safeguarding was started in July and has been invaluable in identifying opportunities for improvement across all teams in relation to complex high value debt cases. This group will continue to support all staff to progress complex cases more promptly to resolution and seek to ways to embed learnings into system improvements, policy and training.

Annex C
Business Management Report August 2020

	Target	June	July	August
Invoice collection rate	92%	90.5%	90.6%	90.3%
Avg. days outstanding	100	113	112	111
Debt requiring impairment	<£2.00m	£2.94m	£2.88m	£2.95m
Unsecure debt over 1 year	<£1.60m	£4.11m	£3.88m	£4.10m
Write offs as % of income YTD	<1.0%	0.21%	0.17%	0.16%

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring

Directorate	Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
	£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
Children's Services	131,880	131,880	0	0.0%	0	0	G
Adults Services	196,432	196,432	0	0.0%	0	0	G
Public Health	0	0	0		0	0	
Communities	87,203	87,109	-94	-0.1%	0	-94	G
Customers & Organisational Development	26,953	27,253	300	1.1%	300	0	R
Commerical Development, Assets and Investments	32,191	30,891	-1,300	-4.0%	-1,500	200	R
Directorate Total Net	474,659	473,565	-1,094	-0.2%	-1,200	106	G
Contributions to (+)/from (-)reserves	-3,773	-3,773	0	0.0%		0	
Contribution to (+)/from(-) balances	4,591	6,185	1,594	34.7%	1,700	-106	
Public Health Saving Recharge	-1,571	-1,571	0	0.0%		0	
Transformation Savings	-300	-300	0	0.0%		0	
Contingency	1,523	1,523	0	0.0%		0	
COVID-19 Contingency	18,267	18,267	0	0.0%		0	
Insurance	2,942	2,942	0	0.0%		0	
Capital Financing	24,077	24,077	0	0.0%		0	
Interest on Balances	-9,649	-10,149	-500	-5.2%	-500	0	
Strategic Measures Budget	36,107	37,201	1,094	3.0%	1,200	-106	
Unringfenced Government Grants	-35,061	-35,061	0	0.0%		0	
Council Tax Surpluses	-8,589	-8,589	0	0.0%		0	
Business Rates Top-Up	-40,546	-40,546	0	0.0%		0	
Business Rates From District Councils	-35,125	-35,125	0	0.0%		0	
Council Tax Requirement	391,445	391,445	0	0.0%	0	0	

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Children's Services

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
CEF1	Education & Learning	29,612	29,612	0	0.0%	0	0	G
CEF2	Children's Social Care	30,741	30,741	0	0.0%	0	0	G
CEF3	Children's Social Care Countywide Services	65,483	65,483	0	0.0%	0	0	G
CEF4	Schools	402	402	0	0.0%	0	0	G
CEF5	Children's Services Central Costs	5,642	5,642	0	0.0%	0	0	G
Directorate Total		131,880	131,880	0	0.0%	0	0	G

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Adult Services

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
SCS1-1A	Better Care Pool	81,848	81,848	0	0.0%	0	0	G
SCS1-1B	Adults with Care and Support Needs Pool	96,259	96,259	0	0.0%	0	0	G
SCS1-2 to SCS1-9	Other Adult Social Care	11,839	11,839	0	0.0%	0	0	G
	Subtotal Adult Social Care	189,946	189,946	0	0.0%	0	0	G
SCS3	Commissioning	6,486	6,486	0	0.0%	0	0	G
Directorate Total		196,432	196,432	0	0.0%	0	0	G

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Public Health

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
PH1& 2	Public Health Functions	30,607	30,607	0	0.0%	-1,000	1,000	G
PH3	Public Health Recharges	633	633	0	0.0%	0	0	G
PH4	Grant Income	-31,240	-31,240	0	0.0%	0	0	G
	Transfer to Public Health Reserve	0	0	0	0.0%	1,000	-1,000	G
Directorate Total		0	0	0	0.0%	0	0	

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Communities

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
PG1	Planning & Growth Management	0	0	0	0.0%	0	0	G
PG2	Planning & Place	4,862	4,862	0	0.0%	0	0	G
PG3	Growth & Economy	88	88	0	0.0%	0	0	G
Subtotal Planning & Growth		4,950	4,950	0	0.0%	0	0	
COM1	Communities Management	436	436	0	0.0%	0	0	G
COM2	Community Operations	57,853	57,853	0	0.0%	0	0	G
COM4	Community Safety	23,964	23,870	-94	-0.4%	0	-94	G
Subtotal Communities		82,253	82,159	-94	-0.1%	0	-94	G
Directorate Total		87,203	87,109	-94	-0.1%	0	-94	G

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Customers and Organisational Development

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
COD1	Corporate Services	1,962	1,962	0	0.0%	0	0	G
COD2	Human Resources & Organisational Development	2,375	2,375	0	0.0%	0	0	G
COD3	Communications, Strategy & Insight	2,466	2,466	0	0.0%	0	0	G
COD4	ICT & Digital	9,736	9,736	0	0.0%	0	0	G
COD5	Culture & Customer Experience	10,414	10,714	300	2.9%	300	0	R
Directorate Total		26,953	27,253	300	1.1%	300	0	G

Business Management & Monitoring Report
Position to the end of August 2020
Budget Monitoring - Commercial Development, Assets and Investments

		Net Budget (Latest Estimate)	Outturn Forecast Year End	Total Projected Year End Variance	Total Projected Year End Variance	Variance Last Month	Change in Variance	Projected Year End Traffic Light
		£000	£000	underspend- overspend+ £000	%	£000	£000	Red > 1% Green on track
CDAI1	Property, Investment & Facilities Management	17,311	15,811	-1,500	-8.7%	-1,500	0	R
CDAI2	Law & Governance	5,738	5,938	200	3.5%	0	200	R
CDAI3	Finance & Procurement	8,878	8,878	0	0.0%	0	0	G
CDAI4	CDAI Management Costs	264	264	0	0.0%	0	0	G
Directorate Total		32,191	30,891	-1,300	-4.0%	-1,500	200	G

Business Management & Monitoring Report: Children's Services
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
CEF1	Education & Learning			
	Gross Expenditure	92,408	-959	91,449
	Gross Income	-61,899	62	-61,837
		30,509	-897	29,612
CEF2	Children's Social Care			
	Gross Expenditure	36,328	-3,346	32,982
	Gross Income	-3,260	1,019	-2,241
		33,068	-2,327	30,741
CEF3	Children's Social Care Countywide Services			
	Gross Expenditure	65,463	4,364	69,827
	Gross Income	-4,245	-99	-4,344
		61,218	4,265	65,483
CEF4	Schools			
	Gross Expenditure	190,476	1,466	191,942
	Gross Income	-190,260	-1,280	-191,540
		216	186	402
CEF5	Children's Services Central Costs			
	Gross Expenditure	6,182	-21	6,161
	Gross Income	-519	0	-519
		5,663	-21	5,642
	Expenditure Total	390,857	1,504	392,361
	Income Total	-260,183	-298	-260,481
	Total Children's Services Net Budget	130,674	1,206	131,880
MEMORANDUM: DEDICATED SCHOOLS GRANT - DSG Funded Expenditure (Gross)				
	Schools DSG	121,258	-2,560	118,698
	High Needs DSG	52,798	7,575	60,373
	Early Years DSG	37,375	1,264	38,639
	Central DSG	4,118	8	4,126
	Total Gross	215,549	6,287	221,836

Business Management & Monitoring Report: Adult Services
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
SCS1	Adult Social Care			
SCS1-1A	Better Care Fund Pool Contribution			
	Gross Expenditure.	79,720	2,128	81,848
	Gross Income.	0	0	0
		79,720	2,128	81,848
SCS1-1B	Adults with Care and Support Needs Pool Contribution			
	Gross Expenditure.	95,358	901	96,259
	Gross Income.	-2	2	0
		95,356	903	96,259
SCS1-2 to SCS1-9	Other Adult Social Care Services			
	Gross Expenditure	32,914	-1,274	31,640
	Gross Income	-19,582	-219	-19,801
		13,332	-1,493	11,839
	Total Adult Social Care	188,408	1,538	189,946
SCS2	Commissioning			
	Gross Expenditure	6,700	1,097	7,797
	Gross Income	-1,061	-250	-1,311
	Total Commissioning	5,639	847	6,486
	Expenditure Total	214,692	2,852	217,544
	Income Total	-20,645	-467	-21,112
	Total Adult Services Net Budget	194,047	2,385	196,432

**Business Management & Monitoring Report: Public Health
Position to the end of August 2020
Revenue Budget Monitoring**

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
PH 1 & 2	Public Health Functions			
	Gross Expenditure	29,317	1,518	30,835
	Gross Income	-228	0	-228
		29,089	1,518	30,607
PH3	Public Health Recharges			
	Gross Expenditure	633	0	633
	Gross Income	0	0	0
		633	0	633
PH4	Grant Income			
	Gross Expenditure	0	0	0
	Gross Income	-29,722	-1,518	-31,240
		-29,722	-1,518	-31,240
	Expenditure Total	29,950	1,518	31,468
	Income Total	-29,950	-1,518	-31,468
	Total Public Health Net Budget	0	0	0

Business Management & Monitoring Report: Communities
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
Planning & Growth				
PG1	Planning & Growth Management			
	Gross Expenditure	0	0	0
	Gross Income	0	0	0
		0	0	0
PG2	Planning & Place			
	Gross Expenditure	11,412	2,661	14,073
	Gross Income	-6,198	-3,013	-9,211
		5,214	-352	4,862
PG3	Growth & Economy			
	Gross Expenditure	625	0	625
	Gross Income	-537	0	-537
		88	0	88
Total Planning & Growth		5,302	-352	4,950

Business Management & Monitoring Report: Communities
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
Communities				
COM1	Communities Management			
	Gross Expenditure	0	0	0
	Gross Income	0	0	0
		0	0	0
COM2	Community Operations			
	Gross Expenditure	100,345	1,354	101,699
	Gross Income	-41,386	-2,460	-43,846
		58,959	-1,106	57,853
COM4	Community Safety			
	Gross Expenditure	27,865	-1,074	26,791
	Gross Income	-3,120	293	-2,827
		24,745	-781	23,964
Total Communities		83,704	-1,451	82,253
Expenditure Total		140,247	3,377	143,624
Income Total		-51,241	-5,180	-56,421
Total Communities Net Budget		89,006	-1,803	87,203

Business Management & Monitoring Report: Customers and Organisational Development
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
COD1	Corporate Services			
	Gross Expenditure	1,751	211	1,962
	Gross Income	0	0	0
		1,751	211	1,962
COD2	Human Resources & Organisational Development			
	Gross Expenditure	3,621	-76	3,545
	Gross Income	-1,179	9	-1,170
		2,442	-67	2,375
COD3	Communications, Strategy & Insight			
	Gross Expenditure	4,127	-571	3,556
	Gross Income	-1,108	18	-1,090
		3,019	-553	2,466
COD4	ICT & Digital			
	Gross Expenditure	11,531	-752	10,779
	Gross Income	-317	-726	-1,043
		11,214	-1,478	9,736
COD5	Culture & Customer Experience			
	Gross Expenditure	16,570	1,540	18,110
	Gross Income	-8,408	712	-7,696
		8,162	2,252	10,414
	Expenditure Total	37,600	352	37,952
	Income Total	-11,012	13	-10,999
	Total Customers & Organisational Development Net Budget	26,588	365	26,953

Business Management & Monitoring Report: Commercial Development, Assets & Investment
Position to the end of August 2020
Revenue Budget Monitoring

		BUDGET 2020/21		
		Original Budget	Movement to Date	Latest Estimate
		£000	£000	£000
CDAI1	Property, Investment & Facilities Management			
	Gross Expenditure	30,532	-5,480	25,052
	Gross Income	-11,058	3,317	-7,741
	Total Property, Investment & Facilities Management	19,474	-2,163	17,311
CDAI2	Law & Governance			
	Gross Expenditure	6,637	-102	6,535
	Gross Income	-797	0	-797
	Total Law & Governance	5,840	-102	5,738
CDAI3	Finance & Procurement			
	Gross Expenditure	9,820	1,856	11,676
	Gross Income	-2,485	-313	-2,798
	Total Finance & Procurement	7,335	1,543	8,878
CDAI4	Finance & Procurement			
	Gross Expenditure	9,820	264	264
	Gross Income	-2,485	0	0
	Total Finance & Procurement	7,335	264	264
	Expenditure Total	56,809	-3,462	43,527
	Income Total	-16,825	3,004	-11,336
	Total Commercial Development, Assets & Investment Net Budget	39,984	-458	32,191

Business Management Report
Position to the end of August 2020

CABINET IS RECOMMENDED TO APPROVE THE VIREMENTS AS DETAILED BELOW:

Directorate (CD = Cross Directorate)	Month of Cabinet meeting	Month of Directorate MMR	Narration	Budget Book Line	Service Area	Permanent / Temporary	Expenditure + increase / - decrease £000	Income - increase / + decrease £000
CS	Oct	Aug	KS2 Moderation and KS1 Phonics Grant	CEF1-3	Learning & School Improvement	T	22	0
				VSMMGT	Strategic Measures	T	0	-22
			Wellbeing for Education Return Grant	CEF1-1	Management & Central Costs	T	112	0
				VSMMGT	Strategic Measures	T	0	-112
Grand Total							134	-134

Business Management Report
Position to the end of August 2020

CABINET IS RECOMMENDED TO NOTE THE VIREMENTS AS DETAILED BELOW:

Directorate (CD = Cross Directorate)	Month of Cabinet meeting	Month of Directorate MMR	Narration	Budget Book Line	Service Area	Permanent / Temporary	Expenditure + increase / - decrease £000	Income - increase / + decrease £000
Grand Total							0	0

Business Management & Monitoring Report - August 2020**Cabinet - 13 October 2020****Earmarked Reserves**

	2020/21			Last reported forecast as at 31 March 2021 £000	Change in closing balance to last forecast £000	Commentary
	Balance at 1 April 2020 £000	Movement £000	Balance at 31 March 2021 £000			
Schools' Reserves	14,565	13	14,578	14,578	0	In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual schools surpluses and deficits. These reserves are committed to be spent on schools. Other School Reserves cover a number of miscellaneous education activities, including amounts loaned to individual schools against school reserves, and School Partnership Accounts which are operated in respect of inter-school activities, primarily relating
Vehicle and Equipment Reserve	2,871	-871	2,000	2,854	-854	This reserve is to fund future replacements of vehicles and equipment.
*Grants and Contributions Reserve	21,415	-32,661	-11,246	-10,296	-950	This reserve has been set up to hold unspent grants and contributions committed to be spent in future years. This includes the Dedicated Schools Grant and Public Health Grant

Business Management & Monitoring Report - August 2020
Cabinet - 13 October 2020
Earmarked Reserves

	2020/21			Last reported forecast as at 31 March 2021 £000	Change in closing balance to last forecast £000	Commentary
	Balance at 1 April 2020 £000	Movement £000	Balance at 31 March 2021 £000			
Government Initiatives	806	-605	201	235	-34	This reserve is used to hold underspends on budgets funded by unringfenced grants held that relate to specific agreed outcomes or the implementation of Government initiatives.
Trading Accounts	542	-240	302	302	0	This reserve holds funds relating to traded activities to help manage investment.
Council Elections	531	218	749	749	0	This will be used to fund future elections. In years where no County Elections take place any underspend on the Council Elections budget will be transferred to this reserve.
Partnership Reserves	3,003	0	3,003	3,003	0	To be spent on OxLEP related project expenditure and the Growth Deal
On Street Car Parking	2,010	0	2,010	2,010	0	This surplus has arisen under the operation of the Road Traffic Regulation Act 1984 (section 55). The purposes for which these monies can be used are defined by statute.

Business Management & Monitoring Report - August 2020
Cabinet - 13 October 2020
Earmarked Reserves

	2020/21			Last reported forecast as at 31 March 2021 £000	Change in closing balance to last forecast £000	Commentary
	Balance at 1 April 2020	Movement	Balance at 31 March 2021			
	£000	£000	£000			
Transformation Reserve	3,134	-934	2,200	2,200	0	£1.0m allocated over 2019/20 and 2020/21 to provide seed funding for locality based youth provision
Demographic Risk Reserve	3,000	3,000	6,000	6,000	0	In light of the significant pressures relating to High Needs DSG and other budgets with demographic volatility. This reserve will help to manage demographic risk.
Youth Provision Reserve	1,000	-1,000	0	0	0	This reserve is needed to fund the implementation costs of the Council's Transformation programme.
Budget Prioritisation Reserve	3,444	-1,459	1,985	1,985	0	This reserve is being used to support the implementation of the Council's priorities and the Medium Term Financial Plan.
Insurance Reserve	11,392	-1,000	11,392	11,392	0	This reserve covers the County Council for insurance claims that, based on the previous experience of the County Council, are likely to be received, as well as a number of insurance related issues.

Business Management & Monitoring Report - August 2020
Cabinet - 13 October 2020
Earmarked Reserves

	2020/21			Last reported forecast as at 31 March 2021 £000	Change in closing balance to last forecast £000	Commentary
	Balance at 1 April 2020 £000	Movement £000	Balance at 31 March 2021 £000			
Business Rates Reserve	1,049	0	1,049	1,049	0	This reserve is to smooth the volatility of Business Rates income.
Capital Reserves	33,554	1,685	35,239	35,239	0	This reserve has been established for the purpose of financing capital expenditure in future years.
Budget Equalisation Reserve	0	0	0	0	0	This reserve is being used to manage the cash flow implications of the variations to the Medium Term Financial Plan.
Investment Pump Priming Reserve	0	2,000	2,000	2,000	0	
Council Tax Collection Fund Reserve	0	6,000	6,000	6,000	0	
Redundancy Reserve	548	2,000	2,548	2,548	0	
Total Reserves	102,864	-23,854	80,010	81,848	-1,838	
*Includes DSG High Needs Deficit Reserve	-11,221	-11,700	-22,921			