

CABINET – 20 OCTOBER 2015

2015/16 FINANCIAL MONITORING & BUSINESS STRATEGY DELIVERY REPORT

Report by the Chief Finance Officer

Introduction

1. This report focuses on the delivery of the Directorate Business Strategies that were agreed as part of the Service and Resource Planning Process for 2015/16 – 2017/18. Parts 1 and 2 include projections for revenue, reserves and balances as at the end of August 2015. Capital Programme monitoring and update is included at Part 3 and Part 4 sets out a change to Fees and Charges.

Summary Position

2. The forecast directorate variation for the year is currently an anticipated overspend of +£5.9m or +1.4% against a net budget of £413.2m as shown in the table below. This compares to an anticipated overspend of +£5.6m or +1.4% reported to Cabinet in July 2015 and +£11.4m or +2.7% reported this time last year. The Directorates are working hard to reduce the forecast overspend by management action. If the overspend has not decreased later in the year additional measures such as a recruitment freeze and a freeze on non-urgent expenditure may need to be introduced.

Directorate	Latest Budget 2015/16 £m	Forecast Outturn 2015/16 £m	Forecast Outturn Variance 2015/16 £m	Forecast Outturn Variance 2015/16 %
Children, Education & Families (CE&F)	107.5	110.0	+2.5	+2.3
Social & Community Services (S&CS)	208.2	209.4	+1.2	+0.6
Environment & Economy (E&E)	77.7	79.8	+2.1	+2.7
Chief Executive's Office (CEO)	19.8	19.9	+0.1	+0.3
Public Health (*)	0.0	0.0	0.0	0.0
Total	413.2	419.1	+5.9	+1.4

Public Health (*)				
Expenditure	31.0	29.8	-1.2	-3.9
Grant and Other Income & Transfer to Reserves	-31.0	-29.8	+1.2	+3.9
Total¹	0.0	0.0	0.0	0.0

¹ In 2015/16 Public Health is funded by a ring-fenced grant of £30.4m from the Department of Health. The forecast underspend of -£1.2m would be placed in reserves at year end for use in 2016/17 so the overall forecast variation is nil.

3. The following annexes are attached:

Annex 1	Original and Latest Budget for 2015/16
Annex 2	2015/16 Virements & Supplementary Estimates
Annex 3	Ring-fenced Government Grants 2015/16
Annex 4	Treasury Management Lending List
Annex 5	Forecast Earmarked Reserves
Annex 6	Forecast General Balances
Annex 7	2015/16 Fees and Charges
Annex 8	Capital Programme Monitoring
Annex 9	Capital Programme Update

4. Directorate reports setting out the detail behind this report are available from the contact officers named at the end of this report or in the Members' Resource Centre.

Part 1 - Revenue Budget

Children, Education & Families (CE&F)

5. The directorate is forecasting an overspend of +£2.5m. There is also a -£0.3m forecast underspend on services funded by Dedicated Schools Grant (DSG). There are three main areas identified as overspending and in each case this reflects increasing activity and demand. These overspends are unlikely to be resolved in the short term. However, the Directorate is seeking to address the position by freezing vacancies other than for front line social workers, required to maintain safe caseloads, and is reviewing all areas of expenditure. In the longer term any change in organisation structure would aim to match resource with need.

CEF1 Education & Learning

6. The Education & Learning service is forecasting to overspend by +£0.2m.
7. In 2014/15 Home to School Transport overspent by £1.3m. This was due to increased costs associated with transporting primary school pupils and increased use of taxis, particularly for pupils with Special Educational Needs. The budget for 2015/16 was increased by £1.2m as part of the budget and medium term plan agreed by Council in February 2015. The current forecast for 2015/16 is a net overspend of +£0.4m largely relating to further additional routes for pupils with special educational needs (SEN). In the short to medium term the Route Efficiency programme was expected to reduce the over spend. This estimate will be refined as new arrangements at the start of the academic year are embedded and an update will be provided in the next report. Longer term the 'nearest school' policy is expected to generate savings.
8. This overspend is partly offset by underspends elsewhere in the service including Special Educational Needs (SEN), Foundation Years, Schools and Learning and School Organisation & Planning totalling -£0.2m.

CEF2 Children's Social Care

9. Children's Social Care is forecast to overspend by +£2.3m.
10. As a result of significant increases in the number of children becoming looked after in the last two to three years, additional ongoing funding of £7.4m was agreed as part of the 2015/16 budget and medium term plan agreed by Council in February 2015. A breakeven position is currently forecast and this includes projected spend for existing clients and an estimate of £1.5m for new placements that could arise during the rest of the year. However, it is extremely difficult to predict whether demand will continue at the very high levels seen in the first few months of the year. If it does, the £1.5m allocation for new placements may not be sufficient.
11. Service Management and Central Costs are forecast to overspend by +£1.2m, an increase of +£0.5m since the last report. The growth in numbers of children requiring services from Children's Social Care has increased workload across a number of services, and resulted in increased administrative staff to support front line social workers. In particular there has been a need for more support around Child Protection Conferences and the Multi Agency Safeguarding Hub (MASH). There has also been additional work around restructuring Early Intervention and Children's Social Care requiring interim consultant support. The Directorate is undertaking a review of all posts and budgets across the whole service, in order to identify the on-going resource requirement, any necessary realignment of budgets and how to address any remaining shortfall.
12. The growth in demand is also resulting in projected overspends in the Corporate Parenting area, although the overspend of +£0.2m has reduced by £0.1m since the last report. This mainly relates to overspends on the in-house fostering service (+£0.1m), housing and supporting people contracts (+£0.1m) and the inter-agency budget (+£0.2m) partly offset by an underspend on Placement Support and Outreach (-£0.2m).
13. Increased numbers of young people requiring intervention from Children's Social Care has had an impact across all Children's Social Care teams including Referral & Assessment (+£0.3m), Safeguarding (+£0.4m), and Looked After Children and Leaving Care (+£0.4m). These are partly offset by an underspend of -£0.1m on Family Support. Staffing has been increased to keep workloads at a safe level, including use of temporary agency staff.
14. The Youth Offending Service is forecasting an underspend of -£0.1m. This position is likely to change as the Council has received notification from the Youth Justice Board advising of a likely in-year grant reduction. An update will be included in future reports.

Dedicated Schools Grant (DSG)

15. Services funded from DSG are forecast to underspend by -£0.3m compared to the 2015/16 DSG funding of £262.6m. The Special Educational Needs Support Service is forecasting an overspend of +£0.4m which is offset by an underspend of -£0.4m on Early Years Sufficiency and Access and -£0.4m on Early Years Single Funding Formula due to low take up in the current academic year.

16. The use of one – off unspent DSG funding of £11.1m held in reserves at the end of 2014/15 will be considered by Schools Forum. Any funding not already committed is likely to be needed to aid pupil growth and basic needs revenue funding for the creation of new schools and academies.

Social & Community Services (S&CS)

17. The directorate is forecasting an overspend of +£1.2m. This includes the Council's risk based share of the joint Council and Oxfordshire Clinical Commissioning Group (OCCG) variation on the Older People and Equipment Pooled budget.

S&CS1 Adult Social Care

18. The majority of the variation for the directorate relates to Adult Social Care which is forecast to overspend by +£1.8m. +£1.2m of that relates to non-Pool services. There are also overspends of +£0.7m on the Learning Disability Pooled budget and +£0.8m on the Older People and Equipment Pooled budget. Under the risk share agreement there is an underspend of -£0.2m on the Physical Disabilities Pooled Budget. If the virement request set out in paragraph 34 is agreed by Council, the underspend of -£0.6m within the Independent Living Fund will be used to offset the overspend. This is already included in the reported overspend figure.

Older People and Equipment Pooled Budgets

19. The Older People and Equipment Pool is forecast to overspend by +£2.2m. Oxfordshire Clinical Commissioning Group will make an additional contribution of £0.6m to offset part of the overspend which relates to Non-Emergency Patient Transport. Under the risk share agreement the County Council's share of the remaining overspend is +£0.8m.
20. Social Care expenditure on packages and placements is the most significant pressure on the Older People's Pool and there is a forecast overspend of +£2.0m for Social Care Home placements. This reflects a higher number of clients per week being admitted and a higher cost per admittance. An increase in expenditure has been added to the forecast following a review of placements in July but it is anticipated that the forecast relating to costs earlier in the year has now stabilised. Whilst there is an overspend against the budget for placements, total forecast spend is £2.0m lower than the actual expenditure in 2014/15.
21. The overspend on placements is partially offset by an underspend of -£0.3m on Home Support. This also needs to be seen in the wider context; forecast expenditure is £2.5m higher than in 2014/15 as there are expected to be more service users in receipt of home support packages. However, the Home Support forecast has been on a downward trend so far this year and there is a risk that the underspend will increase, potentially leading to higher demand for residential placements, if growth in hours is below that included in the forward forecast.
22. There are also estimated underspends of -£0.4m on Prevention and Early Support and -£0.2m on Staffing and Infrastructure costs. These relate

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primarily to the Re-ablement contract, the Crisis Service and running costs of the Pool.

23. Oxfordshire Clinical Commissioning Group services are forecast to overspend by +£0.9m, including the overspend of +£0.6m on Non-Emergency Patient Transport. As agreed last year, the Clinical Commissioning Group will meet this pressure in full and it will not be risk shared. The other significant pressure within the total is a forecast overspend of +£0.4m on equipment. The total spend is forecast to increase by £0.2m from the total spend in 2014/15. Under the risk share agreement the Clinical Commissioning Group's share of the overspend is +£1.4m.

Physical Disabilities Pooled Budget

24. The Physical Disabilities Pool is now risk shared between the Council and the Clinical Commissioning Group. In addition client income budgets have been moved into the pool for 2015/16.

25. The overall position for the pool is a forecast underspend of -£0.4m. Under the risk share agreement the Council's share of the underspend is -£0.2m.

26. The Care Homes budget is forecast to underspend by -£0.2m. This is due to the full year effect of the decrease in placements during 2014/15. The forward forecast reflects the assumption that the number of placements remains at the current level during 2015/16. If the overall downward trend in service users continues from 2014/15 into 2015/16 there will be an increase in the underspend. The number of placements remained static at 71 at the end of August.

27. The Home Support budget is forecast to underspend by -£0.2m. This is due to a forecast overachievement of service user income of -£0.3m. There were 598 service users supported by this budget at the end of August 2015, compared to an average of 595 during 2014/15.

28. There is also an overspend forecast on the Acquired Brain Injury budget of +£0.2m. There are 11 service users funded from this budget compared to an average of eight service users during 2014/15.

29. The Clinical Commissioning Group services are forecast to underspend by -£0.2m under the risk share agreement.

Learning Disabilities Pooled Budget

30. The Pool is forecast to overspend by +£0.8m. The County Council's share of this under the risk share arrangements is +£0.7m.

31. There has been a small net increase to the forecast. This reflects increased spend on Personalisation and ongoing Support offset by an underspend on Out of Area treatments.

Independent Living Fund

32. The Independent Living Fund was closed on 30 June 2015 and responsibility transferred to local authorities from 1 July 2015.

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33. Adult Social Care has undertaken a review of all 204 recipients of the Independent Living Fund in Oxfordshire in order to transition them into Local Authority funding. This process has resulted in a new personal budget and support plan for these people. In some cases, where this has resulted in a reduction in the total funding available to individuals, short term transition funding has been agreed. Additionally, a revised financial assessment has been completed for each person.
34. Following the Independent Living Fund closure, a grant of £3.0m has been transferred to the Council. As the grant is un-ringfenced and will be held corporately it is proposed that Cabinet recommend Council agree a virement to add expenditure budgets of £1.7m to the Learning Disabilities Pool and £0.6m to the Physical Disabilities Pool to meet the increased costs to the pools of the agreed personal budgets. The forecasts for the pooled budgets are based on the assumption that this will be agreed. Cabinet is also requested to recommend that Council agree the use of the £0.6m balance of the grant to offset the overspend on the Learning Disabilities Pooled Budget in 2015/16 and the full year effect of the additional expenditure from the closure of the Independent Living Fund in 2016/17.

Adult Social Care: Non – Pool Services

35. There is a forecast overspend of +£1.2m for services outside of the Pools. This is a significant increase from the £0.6m reported last time. The total now includes an overspend of +£0.5m on the Mental Health budget due to increased demand for the services and partly as a result of the Supported Independent Living Pathway becoming blocked. The pressure in future years is being managed through the new Mental Health Outcomes Based Contract which includes risk share. The delay to the contract start date has contributed to this in year pressure.
36. There is a forecast overspend of +£0.3m on the Adult Protection and Mental Capacity service which has seen a significant increase in the number of requests for Deprivation of Liberty Safeguards assessments following the Cheshire West Judgement.
37. An estimated overspend on Money Management of +£0.2m relates to the non-achievement of an income target. This will be considered as part of the 2016/17 Service & Resource Planning Process.
38. There is a new pressure of +£0.1m to provide a service for Adult Survivors of Sexual Abuse.

SCS2 Fire & Rescue, Emergency Planning and Community Safety

39. The -£0.6m underspend is driven primarily by vacancies for whole-time firefighters, including the early delivery of efficiency savings arising from planned changes to staffing patterns at Carterton and Banbury Fire Stations. Plans are in place to step up recruitment across the service. However, if vacancies remain longer than currently forecast this underspend could increase.

Environment & Economy (E&E)

40. The directorate is forecasting an overspend of +£2.1m.

EE2 Commercial Services

41. Commercial Services is forecasting to overspend by +£1.2m.
42. Due to predicted increases in tonnages of waste disposal arising from the economic upturn and an increase in the number of households in Oxfordshire, an additional £1.0m of funding was added to the Waste Management budget from 2015/16 as part of the budget and medium term plan agreed by Council in February 2015. Despite this, there is currently a forecast overspend of +£1.6m for this service area. Approximately 58% of total waste disposed of is recycled and composted. An estimated overspend of +£0.9m partially relates to increases in tonnage, but is predominately due to the general increased cost of disposal, most significantly the cost of wood processing. Approximately 37% of waste disposed of is processed through the Ardley Energy Recovery Facility. An overspend of +£0.6m is mostly due to the cost of business rates payments being higher than originally budgeted for. The remaining 5% of waste is sent to landfill for disposal and the balancing overspend of +£0.1m is due to a mixture of cost and tonnage.
43. Supported Transport is forecasting an overspend of +£0.5m. This is due to higher Integrated Transport Unit (ITU) operational costs (+£0.2m), and programme implementation costs (+£0.3m) integral to the realisation of the £6m savings in Supported Transport included in the Medium Term Financial Plan (MTFP). Further work is being undertaken to consider recovering the increased cost of the ITU through recharging service directorates and the potential for carrying forward the implementation costs against future year's savings.
44. The overspends above are partly offset by the current unallocated (-£0.8m) element of the Highways Maintenance Delivery budget. The impact of offsetting this budget against overspends means that there is no funding available for further unplanned ad hoc works or increased external demand on maintenance budgets above that already forecast. Further work is also being undertaken to review the potential to capitalise highway patching expenditure with a view to reduce revenue spending and reduce the forecast overspend.

EE3 Oxfordshire Customer Services

45. Oxfordshire Customer Services is forecast to overspend by +£0.8m. This relates in part to the underachievement of income from schools (+£0.3m) due to a combination of academy transfers and maintained schools' uptake of services. A review is already underway to consider the mechanisms for managing the cost of service delivery as volumes change over time. ICT is forecast to overspend (+£0.3m) mainly due to the additional operational cost of the Data Centre, further management action is need to determine the funding for this pressure. The balancing overspend (+£0.2m) is due mainly to Business Development, which is being reviewed by the service with an expectation that a break-even position will be achieved by the year-end.

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46. Transition and one-off costs associated with the transfer of services to Hampshire County Council total £1.4m in 2015/16. This will be funded in part by using the Oxfordshire Customer Services Development Reserve and by temporary use of other E&E reserves. As planned, costs will be recouped over the next six years and borrowing from other reserves will also be repaid over this period.

Chief Executive's Office (Corporate Services from 1 October 2015)

47. The forecast variation of +£0.1m mainly reflects overspends on Cultural Services and the Music Service. These are partly offset by an underspend arising from staff vacancies in the Policy Team. It is expected that a breakeven position will be achieved by the year end.

Public Health

48. The majority of Public Health expenditure is currently funded by a ring-fenced grant of £30.4m from the Department of Health. The service is forecasting a revenue underspend of -£1.2m against the grant primarily due to underspends on Substance Misuse (-£0.3m), Smoking and Tobacco Control (-£0.3m), Obesity (-£0.2m) and staffing vacancies (-£0.2m). Under the grant guidelines any underspend will be placed in reserves at the end of the financial year to be used to meet Public Health expenditure in future years.

49. The Department of Health has proposed a £200m reduction nationally from the Public Health grant in 2015/16. This has been subject to a consultation which ended on 28 August 2015. Although the Council is yet to be notified of the outcome of the consultation, it is likely to result in an in year grant reduction of around £1.9m for Oxfordshire. This is being managed by in year underspend reported above.

Virements and Supplementary Estimates

50. Virements larger than £0.5m or relate to un-ringfenced grants requiring Cabinet approval under the Virement Rules agreed by Council on 17 February 2015 are included at Annex 2a. These include requests relating to the Independent Living Fund, the Fire & Rescue Transformation Fund. None of these virements represent a change in policy as the service is unchanged.

51. Annex 2d shows virements Cabinet need to note.

Ringfenced Grants

52. As set out in Annex 3, ring-fenced grants totalling £325.3m are included in Directorate budgets and will be used for the specified purpose. Since the last report the Council received notification from the Department of Health of the Delayed Transfers of Care Grant (£0.2m). Any grants unspent at year end will be held in the Grants & Contributions Reserve for use in 2016/17, or returned to the funding body.

Business Strategy Savings

53. The forecasts shown in this report incorporate Business Strategy savings that were agreed by Council in February 2015 and previous years. 71% of the savings for CE&F for 2015/16 are expected to be achieved. The £0.6m of savings to be realised by introducing a vacancy factor for

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administrative staff will be difficult to achieve given the consequential impact on administrative workloads arising from the increasing volumes of work in Children's Social Care. This is being addressed as part of a review of all posts and budgets being undertaken by the Directorate which is due to conclude in December 2015.

54. Within Social & Community Services £4.4m of the £8.8m of net savings have already been achieved. Of the outstanding savings still to be achieved £1.6m relate to the Learning Disabilities Pool. The service is monitoring the delivery of these savings and the further £8.5m required in future years. The Chief Finance Officer's report to Council on the budget acknowledged the risk in delivering these savings in year and some corporate contingency was built in to reflect this risk.
55. Within Environment & Economy £9.1m or 85% of the total savings are on track to be delivered in-year, with 15% of the total savings target estimated to be partially realised. Most of the partial realisation of savings is within Waste Management as noted in paragraph 42 and other services are considering alternative savings were possible.
56. 86% of the CEO savings are expected to be achieved. Services are working hard to identify alternative savings were possible.
57. The majority of the savings currently reported as not being achieved relate to the savings for reducing agency and contracted staff and introducing a vacancy factor. Directorates are expected to achieve the majority of these savings as the year progresses and general staff turnover takes place.

Bad Debt Write Offs

58. There were 50 general write - offs in the financial year to the end of August 2015 and these totalled £24,832. In addition Client Finance has written off 91 debts totalling £106,763.
59. An invoice valued at £43,891 is recommended to be written off as it is uneconomical to pursue further. This relates to a client in residential care whose estate was insolvent when they deceased. The case goes back a number of years and throughout that time, various attempts were made to recover the debt. Pursuing any further recovery through the legal route was deemed to be unlikely to result in a successful outcome.

Treasury Management

60. The latest treasury management approved lending list (as at 1 October 2015) is provided at Annex 4. This includes the following changes and additions:
 - Additions: Santander 95 day notice account, Barclays current account, Barclays 100 day notice account, Bank of Scotland and Danske Bank.
 - Limit increases to six months: Close Brothers Ltd, Coventry Building Society, Nationwide Building Society, Santander UK and Landesbank Hessen-Thuringen.
 - Limit increase to nine months: Lloyds Bank.
 - Limit increases to 364 days: HSBC Bank, Rabobank, Svenska Handelsbanken, Bank of Montreal, Bank of Nova Scotia, Canadian

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Bank of Commerce, Royal Bank of Canada, Toronto-Dominion Bank.

- Suspended from List: Goldman Sachs International Bank.

61. The table below shows average in-house cash balances and average rates of return for June to August 2015. Interest receivable for 2015/16 is currently forecast to be £2.7m, exceeding the budgeted figure by £0.7m. Interest payable is currently forecast to be in line with the budgeted figure of £18.1m.

Month	Average cash balance	Average rate of return
June	£319.7m	0.8%
July	£338.4m	0.7%
August	£341.3m	0.8%

Part 2 – Balance Sheet

62. Annex 5 sets out earmarked reserves brought forward from 2014/15 and the forecast position as at 31 March 2016. These reserves are held for specified one – off projects, contractual commitments and to support the Medium Term Financial Plan.

63. As set out in the Provisional Outturn Report to Cabinet on 23 June, revenue reserves were £63.6m at the end of 2014/15. These are currently forecast to reduce to £52.7m by 31 March 2016.

Grants and Contributions

64. £10.6m unspent DSG is likely to be needed to address expected budget pressures in future years in funding for pupil growth, or basic needs revenue funding for the creation of new schools and academies.

65. Other ring-fenced grant underspends held in the Grants and Contributions Reserve for use in 2015/16 in line with the grant criteria include £0.9m for revenue Section 106 contributions and £0.3m for the Social Work Improvement Fund. There is also £0.3m funding for the Local Enterprise Partnership.

66. Under the terms of the Public Health grant it is legitimate to use the funding on functions which have a significant effect on, or in connection with, the exercise of the public health functions specified in Section 73B(2) of the National Health Service Act 2006. Contributions of £0.2m towards domestic violence prevention and support and £0.4m to Cycle Improvement Capital schemes will be made during 2015/16. It is proposed that Cabinet recommends Council agree to transfer £2m to the capital programme to fund the development of Children's Homes. This is in addition to the £2m Council agreed on 20 May 2014. The total £4m contribution will reduce the need for prudential borrowing to fund the scheme from £0.5m to £0.2m. After these additional contributions the balance of Public Health grant funding is forecast to be £2.0m by 31 March 2016.

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Children, Education & Families

67. School balances are currently forecast to be £20.9m as at 31 March 2016. A report setting out the reasons why schools have held high balances for a number of years was considered by Education Scrutiny Committee on 1 October 2015. It was agreed to continue to remind schools of the need to spend revenue funding on current cohorts of pupils as part of the annual budget setting process and to continue to challenge schools that have consistent surplus balances.
68. Other reserves held by CE&F are forecast to reduce from £4.2m to £1.9m by 31 March 2016. Many of the key projects and pressures supported by reserves in 2014/15 are continuing in 2015/16 and beyond. The forecast reflects this use.
69. £0.5m accumulated balances on self-financing services will be used as required in 2015/16 and future years.

Social & Community Services

70. Social & Community Services reserves are forecast to reduce from £3.8m to £3.0m by 31 March 2016.
71. £2.9m held in the Older People Pooled Budget Reserve will be used to help meet expected pressures relating to Delayed Transfers of Care work in 2015/16 and future years and the trial rehabilitation at home project which has been delayed.

Environment & Economy

72. Reserves held by E&E are forecast to reduce from £7.2m to £5.0m by 31 March 2016. As set out in paragraph 46 this forecast includes the use of £1.4m of E&E reserves which will be used to fund transition and one-off costs relating to the transfer of services to Hampshire County Council. This will be repaid over the next six years as originally planned.

Corporate Reserves

73. The Efficiency Reserve totalled £1.7m at 1 April 2015. Of this £0.9m is committed to be used for one-off projects during 2015/16. The remaining £0.8m, along with an additional contribution of £2.0m will be used for one – off projects supporting the Medium Term Financial Plan.

Other Reserves

74. Other Reserves, which include Insurance, Capital and Cash flow reserves, are forecast to total £44.4m at 31 March 2016. This includes £7.0m in the Budget Reserve which includes the additional £2.9m agreed by Council on 14 July 2015.

Balances

75. As set out in Annex 6 general balances are forecast to be £14.4m as at 31 March 2016 after taking into account the projected Directorate overspends. This compares to an expected £17.5m as set out in the MTFP approved by Council in February 2015 and the risk assessed level of £17.4m. After taking into account a £2.0m contribution to the Efficiency Reserve and a £2.7m contribution to the Budget Reserve in 2015/16 agreed by Council in July 2015, balances at the start of the year were £19.5m.

Part 3 – Capital Programme

Capital Monitoring

76. The capital monitoring position set out in Annex 8a, shows the forecast expenditure for 2015/16 is £134.6m (excluding schools local capital), which is an increase of £3.6m compared to the latest approved capital programme. The table on the next page summarises the variations by directorate.

Directorate	Last Approved Programme * £m	Latest Forecast Expenditure £m	Variation £m
Children, Education & Families	50.0	51.3	+1.3
Social & Community Services	2.6	6.3	+3.7
Environment & Economy - Transport	63.7	62.1	-1.6
Environment & Economy - Other	10.9	11.2	+0.3
Chief Executive's Office	3.8	3.7	-0.1
Total Directorate Programmes	131.0	134.6	+3.6
Schools Local Capital	2.0	2.0	0.0
Earmarked Reserves	0.6	0.3	-0.3
Total Capital Programme	133.6	136.9	+3.3

* Approved by Cabinet 21 July 2015

77. Significant in-year variations for each directorate are listed in Annex 8b. New schemes and total programme/project budget changes are listed in Annex 8c.
78. In the Children, Education & Families programme the in-year increase is mainly due to £1m being re-profiled into 2015/16 for the first new primary school at the Great Western Park development in Didcot. This includes additional provision towards the rectification of site levels for the new school. Overall there was a shortfall of £2.2m in developer funding for this scheme which has been met from the earmarked reserves held within the capital programme.
79. On the Children's Home Programme, £0.5m has been brought forward into 2015/16 from 2016/17 following the project approval of the third home.
80. In the Social & Community Services programme, Cabinet is recommended to approve the inclusion of the £1.3m ring-fenced capital grant allocated through the Better Care Fund in to the capital programme. This will fund the increased cost of implementing the new adult social care management system primarily arising due to the agreed expansion of the project scope.
81. Cabinet is also recommended to approve the inclusion of the £2.4m Disabled Facilities Grant into the programme. This capital grant was previously received by the district councils but from 2015/16 forms part of the Better Care Fund. The Health and Wellbeing Board agreed for 2015/16 this would be passed onto district councils for the provision of adaptations

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to disabled people's homes to help them to live independently in their own homes for longer.

82. In the Transport programme, £1.7m has been re-profiled from 2015/16 to 2016/17 and 2017/18 on the Featherbed Lane improvements project as the start of works is dependent on on-going land acquisitions.
83. £0.7m has been re-profiled from 2015/16 to 2016/17 on the Harwell Oxford Entrance junction improvement project as the start date has been deferred to summer 2016. Additional land requirements have arisen due to utility constraints and a change in design may be required to better accommodate planned growth in the area.
84. £0.8m has been re-profiled from 2015/16 to 2016/17 on the Chilton Slip Road project to reflect the updated programme of works which have now commenced.
85. The cost of delivering the improvements to Frideswide Square is expected to exceed the current approved budget. This is mainly due to additional unplanned construction activities such as improvements required to the existing drainage system. To allow sufficient contingency to complete the project, Cabinet is recommended to approve a budget increase of £0.4m to be met from corporate capital contingencies. This is in addition to a previous budget increase of £0.5m approved by the Director for Environment & Economy and the Chief Finance Officer under authority delegated in the Financial Procedure Rules and reported to Cabinet in July 2015.
86. In the Environment & Economy programme, £0.4m has been included in the capital programme to install rooftop solar panels on some Council buildings.

Actual & Committed Expenditure

87. As at the end of August actual capital expenditure for the year to date (excluding schools local spend) was £17.5m. This is 13% of the total forecast expenditure. Actual and committed spend is 60% of the forecast.

Five Year Capital Programme Update

88. The total forecast 5-year capital programme (2015/16 to 2018/19) is now £426.4m, an increase of £10.8m compared to the last capital programme for this period approved by Cabinet in July 2015. The full updated capital programme is set out in Annex 9. The table on the next page summarises the variations by directorate and the main reasons for these variations are explained in the following paragraphs.

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Directorate	Last Approved Total Programme (2015/16 to 2018/19) * £m	Latest Updated Total Programme (2015/16 to 2018/19) £m	Variation £m
Children, Education & Families	135.1	138.4	+3.3
CEF Reductions to be identified	-5.8	-5.8	0.0
Social & Community Services	34.9	38.6	+3.7
Environment & Economy - Transport	165.6	167.0	+1.4
Environment & Economy – Other	30.1	35.5	+5.4
Chief Executive’s Office	5.4	5.3	-0.1
Total Directorate Programmes	365.3	379.0	+13.7
Schools Local Capital	4.3	4.3	0.0
Earmarked Reserves	46.0	43.1	-2.9
Total Capital Programme	415.6	426.4	+10.8

* Approved by Cabinet 21 July 2015

89. In the Children, Education and Families programme, the basic need programme has increased by £1.1m as a result the inclusion of developer funding for projects that have reached contract let stage for September 2016.
90. In the Environment & Economy programme, Cabinet is recommended to approve the increase of £5m to the Broadband programme. This increase is funded by contributions from the District Councils and the Local Enterprise Partnership and will extend the programme to cover a greater area and upgrade the connection to the Enterprise Zone.

Part 4 – Fees and Charges

91. New fees and charges for the Archaeology Team which are proposed to come in to force from 1 November 2015 are set out in Annex 7a.

RECOMMENDATIONS

92. **The Cabinet is RECOMMENDED to:**
- (a) note the report;**
 - (b) approve the virement requests set out in Annex 2a;**
 - (c) Recommend Council to approve:-**
 - i. the virement in respect of the unringfenced grant received by the Council relating to the closure of the Independent Living Fund as set out in paragraph 34;**
 - ii. the transfer £2m from Public Health reserves to the Children’s Homes Capital Project as set out in paragraph 66;**
 - (d) approve the bad debt write off as set out in paragraph 59;**
 - (e) note the Treasury Management lending list at Annex 4;**
 - (f) approve the fees and charges as set out in Part 4 and Annex 7a;**
 - (g) approve the updated capital programme in Annex 9 (changes to the Capital Programme set out in Annex 8c);**

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- (h) approve the inclusion in the capital programme of :
- i. **£1.3m adult social care capital grant to fund the adult social care management system in the capital programme;**
 - ii. **£2.4m Disabled Facilities Grant which will be pass ported to District Councils;**
 - iii. **an increase in budget of £0.4m for Frideswide Square;**
 - iv. **£5m increase in the Broadband programme reflecting contributions from District Councils and the Local Enterprise Partnership.**

LORNA BAXTER
Chief Finance Officer

Background papers: Directorate Financial Monitoring Reports to the end of July and August 2015

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