

## **CABINET – 19 April 2011**

### **FINANCIAL MONITORING**

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

#### **Introduction**

1. This report sets out the Council's forecast position for the 2010/11 financial year based on eleven months of actuals to the end of February 2011. Parts 1 and 2 include projections for revenue, balances and reserves. The Capital Monitoring is included at Part 3. Funding changes and Other Financial Issues are included in Part 4.
2. This is the last Financial Monitoring Report before the Provisional Outturn Report to Cabinet on 22 June 2011, which will set out the financial position for 2010/11.

#### Summary Revenue Position

3. To enable comparison to previous 2010/11 reports, the table on the next page has been adjusted to show the forecast Directorate position before the changes relating to IFRS have been made. The table also shows the comparable forecast included in the report to Cabinet on 15 March 2011. The in – year Directorate forecast underspend including the Council elements of the Pooled Budgets is -£3.318m (-0.86%) compared to -£0.494m (-0.13%) reported last month.
4. Directorates have been working hard to reduce costs in readiness for the savings which need to be achieved in future years in delivering the Business Strategies which has led to some of savings being achieved early. This is reflected in the underspend position being reported.
5. As set out in Annex 5 general balances are £13.763m. Taking into account the forecast underspend consistent with IFRS reporting requirements (-£6.817m), the consolidated revenue balances forecast as at 31 March 2011 is £20.580m.

	Latest Budget 2010/11	Forecast Outturn 2010/11	Variance Forecast February 2011	Variance Forecast February 2011	Variance Forecast January 2011	Variance Forecast January 2011
	£m	£m	£m	%	£m	%
Children, Young People & Families	96.938	94.512	-2.426	-2.50	-0.979	-1.01
Social & Community Services	204.699	204.344	-0.355	-0.17	+0.147	+0.07
Environment & Economy	71.809	71.562	-0.247	-0.34	-0.308	-0.43
Oxfordshire Customer Services	1.409	0.261	-1.148	-81.48	-0.853	-60.58
Chief Executive's Office	10.890	10.050	-0.840	-7.71	-0.732	-6.73
<b>In year Directorate total</b>	<b>385.745</b>	<b>380.729</b>	<b>-5.016</b>	<b>-1.30</b>	<b>-2.725</b>	<b>-0.71</b>
Add: Overspend on Council Elements of Pooled Budgets			+1.698		+2.231	
<b>Total Directorate variation including Pooled Budgets</b>			<b>-3.318</b>	<b>-0.86</b>	<b>-0.494</b>	<b>-0.13</b>

International Financial Reporting Standards (IFRS)

6. From 2010/11 all local authorities are required to prepare their accounts using International Financial Reporting Standards (IFRS). The basis for recognising income from grants and contributions relating to capital and revenue expenditure changes under IFRS and the Final Accounts will reflect unspent elements of grants as an underspend. The table below sets out the forecast position at year end, reflecting an underspend consistent with IFRS reporting requirements of -£6.817m.

Grant/Directorate	£m	£m
Dedicated Schools Grant (DSG)	-2.378	
Integrated Workforce Grant	-0.022	
Sports Competition Manager Grant	-0.015	
Total Children, Young People & Families		-2.415
Social Care Reform Grant	-0.976	
National Dementia Strategy Grant	-0.036	
New Dimensions Training Grant	-0.072	
Total Social & Community Services		-1.084
<b>Total All Grant Underspends</b>		<b>-3.499</b>
<b>Total Directorate Variation (incl. Pool)</b>		<b>-3.318</b>
<b>Total Underspend for IFRS Reporting Requirements</b>		<b>-6.817</b>

7. Figures for each Directorate are summarised within the Annexes and individual Directorate Financial Monitoring Reports setting out the detail

behind this report which have been placed in the Members' Resource Centre.

8. The following Annexes are attached:

Annex 1 (a-e)	Forecast Revenue Outturn by Directorate
Annex 2 (d-f)	Virements and Supplementary Estimates
Annex 3 (a-c)	Specific Grants and Area Based Grant
Annex 4	Forecast earmarked reserves
Annex 5	Forecast general balances
Annex 6	Funding of Redundancy Costs
Annex 7	Review of Charges
Annex 8	Capital Programme Monitoring
Annex 9	Treasury Management Lending List
Annex 10	2011/12 Virements to be approved

## Part 1 - Revenue

9. The forecast revenue outturn by Directorate based on the position to the end of February 2011 is set out below. Significant issues or movement in the variances are commented on along with the management action being taken.

### **Children Young People & Families (CYP&F): -£2.426m (-2.50%) in-year underspend**

10. The directorate intends to bring forward a business case to use £0.750m of the underspend achieved during 2010/11 to fund the infrastructure works necessary to establish the new Hub structure for Early Intervention Services during 2011/12 in line with the Directorate's Business Strategy. This is likely to include further development of the council's Framework-I installation to ensure that there is one computer based file per child instead of potentially many as at present. The remaining underspend will be transferred to the Efficiency Reserve.

#### Young People & Access to Education

11. Young People & Access to Education (YP&AE) is overspending by +£0.155m on services funded by the Council. The change mainly relates to the Youth Service now forecasting an underspend of -£0.027m compared to an overspend of +£0.075m reported last month. The change is due to a reduction in the redundancy costs associated with Connexions and reduced costs from keeping posts vacant.

#### Children and Families

12. An underspend of -£1.515m is forecast in the Children and Families Service an increase of -£1.165m since last month.
13. The Asylum Service is now forecasting an overspend of +£0.322m compared to +£0.531m last month. The change reflects a review of the forecast following the receipt of the interim grant claim from the Home Office and as previously reported not receiving any contract amendment penalties from ending and then restarting the contracts relating to All Rights Exhausted (ARE) clients.

14. An underspend of -£1.047m is forecast for Placements, an increase of -£0.385m since the last report. The change reflects further reductions being achieved in placement costs. In addition changes to the forecast spend in respect of contract transport, agency staff and relevant 16 and 17 year olds living independently have been made.
15. The Family Support and Assessment Service are underspending by -£0.381m (-£0.290m reported last month). The change relates to unplanned contributions from other services within the council in respect of Young Carers.
16. An underspend of -£0.169m is now forecast for Locality Working. It was previously anticipated that this amount would be spent on redundancy costs in this financial year but a decision has not yet been reached.
17. Services for Disabled Children are forecasting an underspend of -£0.274m an increase of -£0.209m since the last report. This is due to the cost and number of placements being lower than originally anticipated. The position also includes the full utilisation of the Aiming High Grant.

#### Raising Achievement Service

18. Raising Achievement Service are forecasting an overspend of +£0.174m a reduction of -£0.230m since the last report. Outdoor Education Centres are now reporting a surplus of -£0.067m. As the centres are becoming self-financing it is proposed that the surplus should be placed in their earmarked reserve for use in future years.
19. As previously reported the forecast includes anticipated redundancy costs of £1.129m in the Equality and Diversity Achievement Service and the Primary and Secondary National Strategies Teams (grant funding that was planned pre-May 2010 to cease). However, at Schools Forum on 2 February 2011 it was agreed to keep some of the Primary and Secondary National Strategies Team in post until August. This will be funded by an underspend of -£0.466m on the DSG funding in this area.
20. Oxford Education Business Partnership are forecasting an underspend of -£0.119m. This reflects the service holding a number of posts vacant in line with the Council's recruitment freeze.

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

21. CPQA continues to forecast an underspend of -£1.277m which includes an underspend on Home to School Transport of -£1.397m, or -9.36% compared to a budget of £14.929m.

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

22. Services funded by DSG are forecast to underspend by -£2.378m, an increase of -£1.262m since the last report. The change reflects -£0.836m carried forward from 2009/10 that has not been committed and -£0.160m of non-schools contingency that is still uncommitted. It also includes an underspend on the Success Project of -£0.466m of which -£0.240m will be required in 2011/12 as the project is due for completion by the end of the academic year.

23. The allocation of the underspend needs to be agreed between the authority and the Schools Forum. It is anticipated that Schools Forum may wish to see much of it used for ICT related development and improvements which would benefit the majority of schools.

**Social & Community Services: -£0.355m (-0.17%) in – year underspend**

Community Services

24. Community Services is forecasting an underspend of -£0.035m. As previously reported this includes an underspend of -£0.105m that relates to the 2010/11 contribution to the Cogges Trust. The Music Service is forecasting an overspend of +£0.076m. This will be carried forward and repaid over the next three years in line with the recovery programme.

Social Care for Adults

25. Social Care for Adults is forecasting an overspend of +£0.155m, compared to +£0.535m last month.
26. Fairer Charging and Residential Client Income is forecast to be underachieved by £0.310m a reduction of £0.194m since the last report. The change represents the movement of clients from Physical Disabilities to Older People.
27. An underspend of -£0.149m is forecasted in the Integrated Mental Health Service compared to -£0.001m in the last report. This relates to the additional funding from Mental Health contingency being provided to fund the Council's element of the overspend on the Mental Health Pool.

Strategy & Transformation and Supporting People

28. The service is underspending by -£0.941m, of this £0.976m relates to an underspend on the Social Care Reform Grant which will be requested to be carried forward to 2011/12.

Pooled Budgets

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

29. The Older People, Physical Disabilities and Equipment Pooled Budget is forecast to overspend by +£4.507m. Including the +£0.686m overspend brought forward from 2009/10, the Council elements are forecast to overspend by +£0.733m (a decrease of -£0.565m since the last report). The Primary Care Trust (PCT) element is projected to overspend by +£3.774m (an increase of +£0.135m since the last report).

Original Budget 2010/11 £m	Latest Budget 2010/11 £m		Forecast Variance February 2011 £m	Variance January 2011 £m	Change in Variance £m
		<b>Council Elements:</b>			
53.052	51.417	<b>Older People</b>			
		Care Homes	-0.158	+0.123	-0.281
28.818	29.293	Community Support	-0.329	-0.132	-0.197
		Purchasing Budget			
<b>81.870</b>	<b>80.710</b>	<b>Total Older People</b>	<b>-0.487</b>	<b>-0.009</b>	<b>-0.478</b>
		<b>Physical Disabilities</b>			
2.450	2.450	Care Homes	+0.535	+0.570	-0.035
4.652	4.616	Community Support	+0.544	+0.575	-0.031
		Purchasing Budgets			
<b>7.102</b>	<b>7.066</b>	<b>Total Physical Disabilities</b>	<b>+1.079</b>	<b>+1.145</b>	<b>-0.066</b>
<b>1.169</b>	<b>1.169</b>	<b>Equipment</b>			
		Forecast in-year variance	<b>+0.141</b>	<b>+0.162</b>	<b>-0.021</b>
<b>90.141</b>	<b>88.945</b>	<b>Total Forecast in year variance – Council Elements</b>	<b>+0.733</b>	<b>+1.298</b>	<b>-0.565</b>
		<b>PCT elements:</b>			
17.917	23.760	Older People	+2.476	+2.313	+0.163
4.047	4.047	Physical Disabilities	+1.040	+1.071	-0.031
0.312	0.311	Equipment	+0.258	+0.255	+0.003
<b>22.276</b>	<b>28.118</b>	<b>Total Forecast in-year variance – PCT Elements</b>	<b>+3.774</b>	<b>+3.639</b>	<b>+0.135</b>
<b>112.417</b>	<b>117.063</b>	<b>Total</b>	<b>+4.507</b>	<b>+4.937</b>	<b>-0.430</b>

#### Council Elements

30. The Older Persons budget is underspending by -£0.487m compared to -£0.009m reported last month. This is due to reduced forecast spend on residential beds and external home support and a reduction in the amount owed to a creditor which was accrued last year.
31. Additional funding has been provided by the Oxford Radcliffe Hospital Trust and the PCT to relieve pressures on delayed transfers of care. Funding was also provided via the PCT from the Department of Health allocation for reablement linked to hospital discharge. This funding will be supplemented by the additional resource from the National Health Service (NHS) for adult social care announced by the Department of Health at the beginning of January 2011. The Council's allocation is £1.5m. Approximately £1m has been committed but most of this will be spent in future years. The principle that has been agreed with the PCT is that the carried forward resources will be earmarked for this purpose. The balance is available to reduce the overspend on the pool. This is not yet reflected in the report.

32. The Physical Disabilities Budget is forecast to overspend by +£1.079m on Residential and Nursing Beds plus External and Internal Home Support. The decrease of -£0.066m since the last report reflects a small reduction in client numbers in care homes and home support.

#### Primary Care Trust Elements

33. The PCT element of the pool is forecast to overspend by +£3.774m, an increase of +£0.135m on the previous forecast. The PCT made an additional contribution of £3.8m in March 2011 in respect of their element of this overspend. The expectation is that the variation will be nil at year end.

#### **Learning Disabilities Pool**

34. The Learning Disabilities Pooled Budget is forecast to overspend by +£1.628m.

<b>Original Budget</b>	<b>Latest Budget</b>		<b>Variance February 2011</b>	<b>Variance January 2011</b>	<b>Change in Variance</b>
<b>£m</b>	<b>£m</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>
		<b>Council Contribution</b>			
9.688	9.677	Residential Services	+0.937	+0.828	+0.109
17.421	17.433	Supported Living	+0.092	-0.043	+0.135
15.307	15.314	Community Support	-0.064	+0.148	-0.212
<b>42.416</b>	<b>42.424</b>	<b>Council Total</b>	<b>+0.965</b>	<b>+0.933</b>	<b>+0.032</b>
		<b>PCT Contribution</b>			
7.236	7.270	Residential Services	+0.702	+0.620	+0.082
13.010	13.057	Supported Living	+0.069	-0.032	+0.101
11.432	11.447	Community Support	-0.108	+0.066	-0.174
<b>31.678</b>	<b>31.774</b>	<b>PCT Total</b>	<b>+0.663</b>	<b>+0.654</b>	<b>+0.009</b>
<b>74.094</b>	<b>74.198</b>	<b>Total</b>	<b>+1.628</b>	<b>+1.587</b>	<b>+0.041</b>

35. The forecast has increased by +£0.041m largely due to an increase in unachievable income of £0.020m and a reduction in the efficiency savings expected to be achieved this financial year. The PCT made an additional contribution of £0.600m in March 2011 in respect of their element of the overspend. The expectation is that the PCT element of the Pool will be nil at year end. The Council's element of the overspend will be carried forward and recovered in 2011/12 in line with the action plan agreed.

#### Community Safety

36. The Fire & Rescue Service is forecasting an underspend of -£0.557m, an increase of -£0.137m from the last report. The retained duty system (RDS) underspend has increased by £0.075m due to lower than forecast emergency call outs and management action taken to control non emergency expenditure. The full RDS underspend of -£0.135m will be returned to balances as in previous years. The remaining underspend in Fire & Rescue and the remainder of Community Safety is explained by delayed completion of projects (Fire Control, training hub etc), late receipt of a grant and tight control of expenditure.

**Environment & Economy: -£0.247m (-0.34%) in – year underspend**

Highways and Transport

37. The service continues to forecast an underspend of -£0.150m after taking account of not drawing down on the Parking Account to maintain the balance on the reserve and a planned transfer of £1m relating to pension costs. An action plan to deliver £0.987m additional road maintenance work including patching, defects and minor structural repairs by 31 March 2011 is in place.

Sustainable Development

38. Planning Implementation is underspending by -£0.200m and the rest of Sustainable Development are underspending by -£0.144m.
39. Waste Management is forecasting a break-even position after the estimated underspend of -£2.126m has been transferred to reserves. The underspend has increased by -£0.388m since the last report mainly due to a further decrease in tonnage being disposed of (2 kilo tonnes at £0.139m) and the final confirmation of the level of diversion credits (reduced by £0.235m) being payable to the district following an agreement at Oxfordshire Waste Partnership. The Waste Treatment Contract has now been signed and the first stage payment of £2.404m has been made. A contribution from the reserve has been made to fund this.
40. Property Asset Management are forecasting an underspend of -£0.018m a decrease of +£0.078m since the last report. The change reflects the cost of redundancies in Facilities Management of £0.134m. This also includes an underspend of -£0.140m on non-domestic rates which will be returned to balances at the end of the financial year in line with Council policy.

**Oxfordshire Customer Services: -£1.148m (-81.48%<sup>1</sup>) in – year underspend**

41. Oxfordshire Customer Services are reporting an underspend of -£1.148m an increase of -£0.295m since the last report. This includes an increase of -£0.110m in the underspend on the services formerly in Shared Services. This is due to Business Strategy savings being made earlier than expected and other savings from reduced office expenses and vacancies.
42. Meals supplied by Food with Thought are 4.1% above target to the end of January 2011 and a trading surplus of £0.260m is forecasted for 2010/11. This will be transferred to the reserve and used for future investment in the service. QCS Cleaning is on target to break-even.
43. ICT is continuing to forecast an underspend of -£0.400m because two large, complex projects relating to Oxfordshire Community Network and the Disaster Recovery Centre that will not be completed until the first or second quarters of 2011/12. The service will therefore be requesting to carry forward the underspend to enable the projects to be completed next year.

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<sup>1</sup> Compared to Net Expenditure



44. The Adult Learning Service is overspending by +£0.092m an increase of +£0.010m since the last report. The overspend will be carried forward to 2011/12 and the service has a recovery programme in place to repay the overspend by March 2013.

**Chief Executive's Office: -£0.840m (-7.71%) in – year underspend**

45. Business Support is forecasting an underspend of -£0.181m and Strategy and Communications are underspending by -£0.508m. These underspends will be used to off set redundancy costs of £0.588m for the whole directorate.
46. Legal Services is forecasting an overspend of +£0.050m a reduction of -£0.050m since the last report. The improved position is based on lower expenditure on Counsel and legal fees and additional income. Democratic Services is forecasting an underspend of -£0.120m. As previously reported part of this will be requested as a carry forward to fund costs associated with Education Appeals in 2011/12.
47. The Coroner's Service is forecasting an underspend of -£0.095m an increase of -£0.025m. Any variance against this service will be returned to Council balances at the end of the year.
48. Human Resources is forecasting an underspend of -£0.189m. A carry forward request will be made to enable the completion of the two year funding for the Apprenticeship Scheme and the employment of a Performance and Engagement Lead.
49. Corporate Finance & Internal Audit is underspending by -£0.268m. This includes an underspend of -£0.168m on the External Audit fee which as previously reported will be returned to balances at year end.

**Redundancy Costs**

50. Redundancy costs of £4.022m are included in the forecasts in this report, an increase of £0.781m since the last report. As shown in annex 6, £2.948m is being met by Directorates and £1.074m from the Efficiency Reserve.

**Virements and Supplementary Estimates**

51. Virements previously approved are shown in Annex 2b and 2c and virements to note in Annex 2d. Annex 2e shows the cumulative virements to date and their status in respect of requiring Council approval where larger than £0.5m.

**Bad Debt Write Offs**

52. There were 300 general write offs to the end of February 2011 totalling £125,158 an increase of £3,020 since the last report. Most of these were very small and not economically effective to recover. In addition Client Finance has written off 134 debts totalling £61,270.
53. Due to insolvency, it is recommended that a debt of £21,406 be written off and the amount charged against the provision for bad debts. The client, who although was assessed under the Fairer Charging scheme as being required to contribute towards care, did not have any assets. Upon death

the client's estate was declared insolvent and no further claim could be made by the Council to recover the fees outstanding.

### **Strategic Measures**

54. The average cash balance during February 2011 was £230.7m and the average rate of return was 1.03%. It is expected that the budgeted income for deposits of £1.9m will be achieved. The Treasury Management Lending list and a list of the changes to the list since the last report are included in Annex 9.

## **Part 2 - Balance Sheet**

### **Reserves**

55. Forecast Reserves have increased by £3.696m to £72.323m since the last report. The variation is mainly due to the increase of £4.128m in the Carryforward reserve due to the change in overall forecast position. The other variations have been discussed elsewhere in the report and include the additional contribution to the Waste Management reserve and first stage payment of £2.404m for the Waste Treatment Contract from the Waste Management reserve.
56. As noted in the report to Cabinet on 21 September 2011 the balance from the in year grant reductions (£0.266m) that had not been allocated to the directorates would be met from the Efficiency Reserve if it could not be met by grant underspends at the end of the year. It is recommended that Cabinet agree a contribution from the Efficiency Reserve.

### Local Authority Business Growth Incentive (LABGI)

57. The estimated drawdown from the LABGI reserve is expected to be £0.359m less than the total allocation of £0.618m for 2010/11 agreed as part of the 2010/11 budget. An update and recommendation for the use of the unused allocations will be included in the Provisional Outturn Report.

### **Balances**

58. General balances are £13.763m. Calls on balances in year, excluding the allocation of Performance Reward Grant, total £1.5m. Included in the report are further underspends totalling £0.538m that will potentially be returned to balances. These relate to the Audit Fee (paragraph 49), Rates (paragraph 40), Retained Duty System in Fire and Rescue (paragraph 36), and the Coroner's Service (paragraph 47).

## **Part 3 –Capital Monitoring**

59. The capital monitoring position set out in Annex 8, shows forecast expenditure of £86.8m in 2010/11 (excluding schools local capital), a decrease of £2.2m compared to the latest capital programme and a decrease of £1.4m compared to the position reported last month. The table on the next page summarises the variations by directorate and the main variations by scheme are explained in the following paragraphs.

## CA11

Directorate	Latest Capital Programme (Position as at end of Dec '10, approved by Cabinet Feb '11) £m	Forecast Expenditure (Position as at end of February 2011) £m	Forecast Variation  £m
Children, Young People & Families	56.2	56.0	-0.2
Social & Community Services	6.7	5.8	-0.9
Environment & Economy - Transport	19.9	19.1	-0.8
Environment & Economy - Other	5.3	5.0	-0.3
Oxfordshire Customer Services	0.9	0.9	0
Chief Executive's Office	0	0	
<b>Total Directorate Programmes</b>	<b>89.0</b>	<b>86.8</b>	<b>-2.2</b>
Schools Capital/ Devolved Formula	11.9	11.9	0
Earmarked Reserves	0.1	0.1	0
<b>Total Capital Programme</b>	<b>101.0</b>	<b>98.8</b>	<b>-2.2</b>

Children, Young People & Families

60. There are no significant variations to report.

Social & Community Services

61. The forecast for Extra Care Housing - Adaptations to Existing Properties has reduced by £0.4m as the first payment for the Greater Leys scheme will not take place this financial year. There have also been £0.2m reductions in forecasts for ICT programmes.

Environment & Economy – Transport

62. The forecast spend for the Transport Programme is now £19.1m, which is a reduction of £0.8m compared to the last approved capital programme and a reduction of £0.5m compared to the position reported last month.
63. There has been £0.3m reduction in the forecast for Didcot Parkway Forecourt due to delays obtaining Network Rail approvals and £0.2m overall decrease in forecasts on various other small schemes.
64. One developer funded scheme has been brought forward from Capital Programme Appendix B (restricted developer agreement where the scope of the scheme is to be confirmed) into the capital programme in 2011/12: Jack Straws Lane Cycle Measures (£0.075m).

Environment & Economy - Other

65. The Salix Energy Programme has been reduced by £0.1m as although several agreements are in place work will not now be carried out in this financial year.

Actual Expenditure

66. As at the end of February actual capital expenditure for the year to date was £58.9m (excluding schools local spend), which is an increase of £5.8m from last month. This is 68% of the total forecast expenditure of £86.8m, which is still around 4% below the expected position compared to the profile of expenditure in previous years. Committed spend is 91% of the forecast.

**Part 4 – Funding Changes & Other Financial Issues****Funding Changes for 2011/12**Grants for 2011/12 relating to services for which funding has already been agreed

67. The table below sets out grant notifications that the Council has received since the 2011/12 budget was agreed by Council on 15 February 2011. Final confirmation has been received for a number of grants where only provisional or indicative allocations were known. Three new notifications have also been received. In total additional funding of £1.941m is available. The agreed budget for 2011/12 includes funding for all of these services. Cabinet are recommended to delay a decision on how the extra funding is allocated until after the outcomes of the various consultations are known.

	<b>Budgeted £m</b>	<b>Confirmed £m</b>	<b>Difference £m</b>	<b>Notified</b>
<u>Final Confirmation</u>				
Music Grant	0.640	0.704	0.064	28 February 2011
Early Intervention Grant (EIG)	21.329	21.423	0.094	28 February 2011
Community Safety Grant	0.563	0.567	0.004	10 February 2011 <sup>2</sup>
Council Tax Freeze Grant	7.063	7.067	0.004	24 March 2011
<u>First Notification</u>				
Youth Justice Grant		0.924	0.924	21 March 2011
Extended Rights to Free Travel		0.630	0.630	4 April 2011
Natural England <sup>3</sup>		0.221	0.221	15 February 2011
<b>Total</b>			<b>1.941</b>	

Grants for 2011/12 provided for the provision of additional services

68. Further grants totalling £4.295m have also been notified for which additional services will be provided. As noted in the previous report the Department for Transport is providing funding for additional winter maintenance and this has now been confirmed at £3.525m. It is recommended that Cabinet agree that these grants are spent in accordance with the terms and conditions attached to them and are allocated to the appropriate Directorates.

<sup>2</sup> Announced after papers were published for Council

<sup>3</sup> £0.300m grant but £0.094m needs to be ringfenced as only £0.221m of service provision in budget & it's a ringfenced grant

	<b>Confirmed Allocation £m</b>	<b>Notified</b>
Winter Maintenance Funding	3.525	24 March 2011
New Homes Bonus	0.491	21 February 2011
Community Transport	0.279	9 March 2011
<b>Total</b>	<b>4.295</b>	

#### Unaccompanied Asylum Seeker Children Grant

69. The Home Office has confirmed that authorities will be able to reclaim reimbursement for qualifying costs incurred in supporting Unaccompanied Asylum Seeker Children during 2011/12 at the same daily rates as applicable to 2010/11. The amount claimed for 2010/11 is £1.550m, however it is anticipated that 2011/12 will see a continued tightening of eligibility rules. Indicative income from this reimbursement for 2011/12 is estimated at £1.200m which would be in addition to the confirmed grants above.

#### Pupil Premium Grant

70. Further information regarding the Pupil Premium Grant was released on 18 March 2011. The grant is not part of the school's budget shares and is not part of the Individual Schools Budget. The grant is ring-fenced and the majority of the grant will be passported to schools, which is estimated to be £3.7m. The authority has discretion over a small proportion of the grant relating to pupils not in school. The grant does not have to be completely spent by schools in the financial year beginning 1 April 2011; some or all of it may be carried forward to future financial years. Allocations of the grant will be confirmed in June 2011 once pupil data from the January 2011 Census has been validated and agreed.

#### Performance Reward Grant

71. Notification of the Performance Reward Grant for 2010/11 for the Adult Skills target which had been running to a longer timescale was received in mid March. The total of the grant is £0.968m of which 30% (£0.290m) is to be spent on Capital and 70% (£0.678m) to be spent on Revenue. The grant will be allocated as agreed by a special meeting of the Public Services Board in early summer.

#### Review of Charges

72. Within the Review of Charges included in Annex 4b of the Business Strategy & Service and Resource Planning Report that was agreed by Cabinet on 25 January 2011, several elements of the directorates new charges were either not yet developed or in draft form. The tables below provide information of the proposed charging rates for pre-planning application advice and the suite of charges for archaeology. Cabinet are recommended to agree the charges in the table included in annex 7

#### Changes to presentation of the 2011/12 Budget

73. Annex 10 includes requests for restructuring virements in respect to changes to the Quality and Compliance Service in Social & Community Services and Commissioning Performance and Quality Assurance in Children, Education & Families. These services will continue to be managed

under existing arrangements in the separate directorates in the short term. As this is a restructuring virement it does not represent a policy change.

## **RECOMMENDATIONS**

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

- (a) note the report;**
- (b) Agree the contribution of £0.266m from the Efficiency Reserve to offset the shortfall of in-year grant reductions as set out paragraph 56;**
- (c) Agree the bad debt write off as set out in paragraph 53;**
- (d) Agree the Pre-Planning and Archaeology charges set out in paragraph 72 and Annex 7;**
- (e) Agree to defer a decision on the use of the extra funding of £1.941m, notified for services for which funding has already been agreed, until the outcomes of the consultations are known as set out in paragraph 67;**
- (f) Agree that the grants provided for the provision of additional services of £4.295m are spent in accordance with the terms and conditions attached to them and are allocated to the appropriate Directorates as set out in paragraph 68;**
- (g) Approve virements for financial year 2011/12 included in Annex 10 and set out in paragraph 73.**

### **SUE SCANE**

**Assistant Chief Executive & Chief Finance Officer**

Background papers: Directorate Financial Monitoring Reports 28 February 2011

Contact Officers: Kathy Wilcox, Principal Financial Manager  
Tel: (01865) 323981  
Lorna Baxter, Assistant Head of Finance (Corporate Finance)  
Tel: (01865) 323971

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