

## Summary of Financial Position at January 2022

### Introduction

1. This annex sets out the latest financial monitoring information for the 2021/22 financial year and is based on information to the end of January 2022. Key issues, risks and areas of emerging pressure are set out below.

The following additional information is provided to support the information in this

Annex:

Annex C – 1 (a) to (f)	Detailed directorate positions
Annex C – 2a	Virement Summary
Annex C – 2b	COVID-19 forecast and virement request
Annex C – 2c	Virements to Note
Annex C – 2d	2022/23 New Year Virements
Annex C – 3	Government Grants Summary
Annex C – 4	Earmarked Reserves
Annex C – 5	Review of Charges

### Overall Financial Position

2. The table below sets out that there is a forecast underspend of -£1.0m or -0.2% after taking account of funding for pressures arising from COVID-19. Further detail is set out in the directorate sections. Where variations to the budget are reported, management action is continuing to be taken and the forecast is likely to change by the end of the year.

Directorate	Latest Budget	Forecast Spend	Variance January 2022	Variance January 2022	Variance October 2021	Change
	£m	£m	£m	%	£m	£m
Adult Services	198.6	198.6	0.0	0.0	0.0	
Children's Services	140.1	142.3	2.2	1.6	2.6	-0.4
Public Health	0.7	0.3	-0.4	-57.1	0.0	-0.4
Environment & Place	61.2	61.8	0.6	1.0	1.7	-1.1
Commercial Development, Assets and Investments	50.7	49.5	-1.2	-2.4	-1.4	+0.2
Customers, Organisational Development & Resources	34.2	34.2	0.0	0.0	-0.3	+0.3
<b>Total Directorate Budgets</b>	<b>485.5</b>	<b>486.7</b>	<b>1.2</b>	<b>0.2</b>	<b>2.6</b>	<b>-1.4</b>
Corporate Measures	-485.5	-487.7	-2.2		0.0	-2.2
<b>Total Forecast Position</b>	<b>0.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.2</b>	<b>2.6</b>	<b>-3.6</b>

## Directorate Financial Positions

### Adult Services

3. The service is currently forecasting a breakeven position against a budget of £198.6m. The directorate forecast outturn includes £1.1m of costs relating to COVID-19.

Service Area	2021/22 Latest Budget	Variance January 2022	Variance October 2021	Change
	£m	£m	£m	£m
Better Care Fund Pooled Budget	82.7	0.2	0.0	+0.2
Adults with Care and Supporting Needs Pooled Budget	97.6	-0.2	0.0	-0.2
Non- Pool Services	12.4	0.0	0.0	
Commissioning	5.9	0.0	0.0	
<b>Total Adult Services</b>	<b>198.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Better Care Fund Pooled Budget**

4. 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.
5. A £0.2m overspend is being reported for the council elements, an increase from the breakeven position reported in the last report. There are on-going risks and uncertainties around activity levels and the on-going impact of the Hospital Discharge Scheme and COVID-19 pandemic on assessed needs and demand for care.
6. The council has seen an increase in the level of outstanding debt after six months. This is the result of a higher proportion of people being defaulted to being charged full cost between Quarter 4 2020/21 and Quarter 2 2021/22; an increase in cases where people lack capacity to manage their finances, coupled with lengthening delays with the public bodies who process applications; and the impact of a backlog of cases accumulated during Quarter 1 and Quarter 2 of 2020/21 when formal recovery procedures were paused as part of Oxfordshire's response to COVID-19.
7. The council is required to make provision in the accounts for the risk associated with the collection of adult social care service user income that is still due to be paid after six months. There is £1.5m increase in the level of bad debt requiring impairment built into the forecast. Work is ongoing to improve the process and timeliness of financial assessments, debt management and recovery. In 2021/22 the increase in the impairment will be funded from the Adult Social Care reserves, which is anticipated to be repaid from a reduction in the impairment expected in 2022/23 following targeted action to reduce the level of aged debt.
8. The budget contributions to the pooled budget in 2021/22 have been agreed by the

Joint Commissioning Executive (JCE). Because of the on-going impacts of COVID-19, the temporary financial regime that the Oxfordshire Clinical Commissioning Group (OCCG) are currently working under has been extended until the end of the financial year. The expectation is that each partner will continue to manage their own variations against the agreed contributions for the whole of the financial year as agreed by the JCE.

9. The council's share of the Better Care Fund held within the pool is £26.337m. This has increased by 5.3% (£1.3m) in 2021/22. As agreed by the JCE in November 2021, the additional funding supporting Adult Social Care services will be used to support the cost of supporting hospital discharges.
10. The Hospital Discharge Scheme continued to provide funding for up to six weeks for anyone who needs to be assessed on discharge from hospital or to avoid admission to hospital up until 30 June 2021. From 1 July 2021 to 31 March 2022 the scheme will fund up to four weeks of care for people discharged from hospital. As at 31 January 2021 £0.8m of social care costs had been charged against the schemes relating to 2021/22.
11. At the beginning of 2021/22 the total number of care home placements was 12% lower than the pre-pandemic level of activity in February 2020. As at the end of December 2021 the number of placements was 1,463, 8.9% lower than in February 2020. While there has been a reduction in the number of placements this has been offset by an increase in the average cost. The average weekly cost of a care home placement is now £879 compared to £807 in early 2020. The activity level and average cost will continue to be monitored to assess risks around the on-going impact of COVID-19 on levels of need.

#### **Adults with Care and Support Needs Pooled Budget**

12. 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.
13. A £0.2m underspend is being reported a change from the break-even position within the previous report. There are currently no costs arising as a result of COVID-19 in 2021/22 that require additional funding.
14. The OCCG contribution to the pool is £18.3m a 3.9% increase on last year. It's been agreed that the council will continue to manage the majority of any variation for the whole of the financial year.
15. There is a £0.4m forecast underspend for services within the Learning Disability, High Functioning Autism and Acquired Brain Injury service areas, a £0.2m increase from the previous report.
16. An overspend of £0.2m relating to the cost of people with mental health needs falling outside the scope of the Outcome Based Contract with Oxford Health Foundation Trust (OHFT) is included within the forecast, with the council responsible for all of the £0.2m pressure under the current risk share arrangement, this is no change from the previous month.

### Non-Pool Services

17. A breakeven position is being reported for all non-pool services. Included in the forecast is £0.9m of expenditure relating to costs arising from the COVID-19 pandemic. This relates to additional staffing costs to support review activity.

### Commissioning

18. A breakeven position is being reported. The Health, Education & Social Care team has now been live since March 2021. The recruitment process for a number of posts continues so agency staff are providing interim cover to allow service delivery to be maintained. It is still anticipated that the additional cost of these staff will be offset by staff vacancies currently existing within the structure.

### COVID-19 Ringfenced Grants

19. The use of COVID-19 ring fenced grants expected to be received in 2021/22 is set out in the table below.

Period Covered	Grant	Care Homes £m	Domiciliary Care £m	Other Support £m	Returned to DHSC £m	Total £m
April 2021- June 2021	Infection Prevention & Control	1.18	0.96	0.26	0.06	2.46
	Rapid Testing	0.93	0.72		0.01	1.66
<b>Total</b>	<b>Tranche 3</b>	<b>2.11</b>	<b>1.67</b>	<b>0.26</b>	<b>0.07</b>	<b>4.12</b>
July 2021 – September 2021	Infection Prevention & Control	1.00	0.52	0.22	0.00	1.75
	Rapid Testing	1.03	0.25		0.05	1.33
<b>Total</b>	<b>Tranche 4</b>	<b>2.04</b>	<b>0.77</b>	<b>0.22</b>	<b>0.05</b>	<b>3.08</b>
October 2021 – March 2022	Infection Prevention & Control	0.93	0.32	0.46	0.00	1.71
	Rapid Testing	0.79	0.16	0.00	0.00	0.94
	Vaccine	0.09	0.06	0.02	0.00	0.17
<b>Total to Date</b>	<b>Tranche 5</b>	<b>1.81</b>	<b>0.54</b>	<b>0.48</b>	<b>0.00</b>	<b>2.83</b>

20. The fifth tranche of the Infection Control Testing Fund covers the period between October 2021 and March 2022 and is aimed at enabling providers to put in place key measures to prevent the transmission of COVID-19 within and between care settings, including restricting staff movement between settings, and ensuring that staff are paid full wages when required to self-isolate. Oxfordshire has been allocated £4.8m in total, £2.9m to support adult social care providers infection prevention control, £1.6m in relation to costs associated with rapid testing and £0.3m to support care providers and social care staff with the costs associated with accessing COVID-19 and flu vaccinations. The funding was received in two allocations, £2.9m in October and November with the balance of £1.9m being received in January 2022. The spend to date is reflected within the table above and it is currently anticipated that tranche 5 will be spent in full by the end of the financial year with any balance needing to be returned to Department of Health & Social Care (DHSC).

21. The council has also been notified that it will receive £1.5m as part of the Workforce Recruitment and Retention Fund (WRRF) from the DHSC. 60% of this grant was received during December with the remaining 40% being received in January 2022. The aim of the grant is to support local authorities to address adult social care workforce pressures in their geographical area this winter. The grant must be used to deliver measures that address local workforce capacity pressures for adult social care between 21 October 2021 and 31 March 2022 through recruitment and retention activity. The council has allocated the funding in three different ways:

- An invitation was given to providers to make specific bids to support WRRF schemes, awards were made to 10 providers.
- The council will host a recruitment campaign for all providers.
- The remaining balance being allocated on a pro rata basis based on the number of care beds and registered provider clients.

22. £2.8m is expected to be received for the Workforce Resilience Grant (WRG), 70% of this was received in December 2021 and the remaining 30% in February 2022. This is being used to enable care providers to bring forward the increase in the National Living Wage from 1 April 2022 to 10 December 2021.

23. £0.6m grant has been received for the Omicron Support Fund. Because this is un-ringfenced, the funding will be held corporately and this report includes a virement request to add the expenditure budget to Adult Social Care budgets. It is being used to:

- Provide support to strategic and zonal partners to provide transport to assist care workers with transport between homecare clients.
- Provide support to strategic and zonal partners to recruit agency staff to increase capacity during the ongoing emergency.
- Provide support to carers through the Community Support Contract.

#### **Other Government Grants**

24. The council will receive £0.2m funding from the DHSC to facilitate timely discharges into the community to reduce the number of people with learning disabilities who are inpatients, which was used to help fund housing modification within the service.

#### **Bad Debt Write off Request**

25. Cabinet is recommended to write off three Adult Social Care contribution debts totalling £0.06m; these cases all relate to insolvent estates where financial issues were unable to be resolved before the death of the service recipients. In one case a third party was being pursued for the debt, but they were declared bankrupt. In the second case the council received part payment from the solicitors handling the estate but the remainder could not be recovered as the service user had multiple debts. In the last case suspected financial misappropriation could not be proved and advice from the legal and fraud team was no further action could be taken following person's death.

## Reserves

26. Reflecting the position at the end of 2020/21, £10.7m is held in the council's reserves. £7.9m of this is available to be used to meet future cost pressures within Adult Social Care (ASC). Of that total £6.0m will be used in 2021/22 and a further £1.9m in 2022/23. Current commitments against the reserve are as follows:

- £1.5m to cover the increase in the level of bad debt requiring impairment as noted in paragraph 7, which it is expected to be returned to the reserve in 2022/23 following targeted work to reduce aged debt.
- £0.5m to support contract and spot uplifts not included within the April 2021 uplift – with £0.6m held for the on-going pressure to be funded from the reserve in 2022/23.
- £0.6m pressure linked to increased social care costs within mental health in 2021/22; further funding of £2.1m is forecasted to be needed in 2022/23.
- £0.7m to offset backdated provider costs in 2021/22.
- £2.2m for anticipated pressures relating to mental health needs (£1.2m) and transformation costs (£1.0m). The council have received a request to fund £1.8m of the OHFT pressures linked to the increased social care costs for service users with mental health needs in 2021/22, this would cover six months of the total pressure. More detail is required from OHFT surrounding these pressures before any payment can be agreed. £0.5m of the transformation element of this reserve is expected to be used in 2021/22, with the balance of £0.5m expected to be used in 2022/23 as well as the remaining £0.2m held in the reserve.
- £1.0m towards ASC transformation costs in 2021/22.

27. The table below summarises the anticipated use of the reserve in 2021/22 and 2022/23.

Anticipated Use of Reserves	2021/22 £m	2022/23 £m
Bab Debt Requirement Impact (one off)	-1.5	1.5
Funding for Contract and Spot Uplifts	-0.5	-0.6
Offset Provider Costs	-0.7	
Adult Social Care Transformation	-1.0	
Increase in Social Care Costs within Mental Health	-0.6	-2.1
Mental Health Pressures	-1.2	
Mental Health Transformation	-0.5	-0.7
<b>Total</b>	<b>-6.0</b>	<b>-1.9</b>

28. The amount held in reserves also includes £2.5m that was released from the Council's contribution to the Better Care Fund Pool as a result of an additional contribution from the OCCG over the last two financial years. £2.0m will be used to support service risk and on-going costs relating to hospital discharges and other system pressures in 2021/22. The remaining £0.5m is expected to be used to support mental health commitments with OHFT in 2021/22.

## Virements

29. COVID-19-related virements outlined in this report, amounting to £0.5m are set out in Annex 2b. The total estimated spend is £1.1m, with £0.6m already approved. The additional £0.5m request relates to staffing costs of £0.4m to cover the cost of COVID-19 administration work, a system post, social care work, and commissioning responsibilities. There is also an increase in equipment costs.
30. Cabinet is asked to note the virements shown in Annex 2c, reflecting the receipt of both new workforce grant, the increase in the social care element of the Better Care Fund and the reallocation of centrally held budget required to respond to the number of people approaching adult social care plus an updated pooled budget contribution from the OCCG.

## Children's Services

31. As at the end of January 2022 a £2.2m overspend variance to the 2021/22 budget of £140.1m is forecast for Children's Services after taking account of £3.8m funding for pressures related to COVID-19. The pressure on social care is mitigated by an underspend on home to school transport.

Service Area	2021/22 Latest Budget	Variance January 2022	Variance October 2021	Change
	£m	£m	£m	£m
Education & Learning	32.6	-1.6	0.0	-1.6
Children's Social Care	36.6	0.5	0.4	+0.1
Children's Social Care Countywide	66.1	3.5	2.2	+1.3
Schools*	0.4	0.0	0.0	
Children's Services Central Costs	4.4	-0.2	0.0	-0.2
<b>Total Children's Services</b>	<b>140.1</b>	<b>2.2</b>	<b>2.6</b>	<b>-0.4</b>

\*Maintained Schools are funded by Dedicated Schools Grant

Dedicated Schools Grant Forecast (DSG) Overspend £15.9m

32. Recovery plans are being drawn up to address the two main areas of financial pressure – staffing (primarily the use of agency staff) and placement costs.
33. On placement costs, the pressure arises from both the increase in complexity of children's needs and additional costs arising from market conditions, including the impact of COVID-19. Detailed work on analysing the market prices is being carried out by Health, Education and Social Care Commissioning (HESC). However, financial analysis shows that unit costs have increased by at least 6% on residential and foster care.
34. The COVID-19 pandemic has impacted on Children's Services in Oxfordshire in the following ways:

- Significant increase in number of families removing their children from school rolls for the purposes of Elective Home Education
- Enhanced risk of children missing education due to schools opening and closing for all pupils during the pandemic
- Enhanced risk to pupils' mental health and well-being, resulting in poor attendance and enhanced risk of exclusion
- High workloads and need for reactive service delivery at pace negatively impacting on staff retention
- An increase in presentations of children at the Front Door
- Volatile demand for assessments and a significant increase in SEND and Social Care
- Fewer cases being closed in a timely way due to factors outside the control of children's services including but not limited to family and criminal court delays.

35. A series of measures to increase capacity and mitigate the impacts outlined above have been put in place across the period of the pandemic. Virements totalling £2.0m to utilise one – off funding held in the COVID-19 reserve to meet COVID-19 pressures have already been approved in 2021/22. Proposals for a further £1.8m are set out in this report, and subject to approval. These are within the forecast COVID-19 expenditure reported previously for Children's Services.

### **Education & Learning**

36. Within Education & Learning, ongoing areas of risk and uncertainty have been reported throughout the year for both the Home to School Transport and the Special Educational Needs (SEN) service. Following further analysis, incorporating updated numbers of clients, there is now more confidence in reporting forecasts in these areas.

37. There was a significant underspend in Home to School Transport in 2020/21 that was in part linked to home learning for many children for part of the year due to the COVID-19 pandemic. The benefits realised through alternative or more efficient transport solutions have resulted in ongoing cost reductions. These reductions had been forecast to be offset by the impact of demographic and price growth with a balanced budget position forecast. However, a net underspend of £1.6m is now forecast. The majority of this relates to mainstream secondary school transport and reflects the following:

- a. Very stringent eligibility checks;
- b. Increasingly efficient lets of mainstream contracts;
- c. Increasing direct transport payments to families where it is cost efficient to do so; offset by increased SEN pupil usage arising from Education Health and Care Plans (EHCPs).

38. Within the Special Education Needs service there are considerable pressures on the SEN casework team and Educational Psychologists due to the continued high number of EHCP requests. This additional workload has resulted in a budget pressure as additional staff are required to manage the demand. Further work has identified that the level of demand for assessment and additional SEN support is also higher than anticipated. This is an effect of the COVID-19 pandemic and



funding from the COVID-19 reserve will be used to fund the additional staff.

### **Social Care**

39. The two key areas of pressure are staffing costs and placement costs.

#### Staffing costs.

40. Recruitment and retention of front-line children's social workers is an issue in the majority of local authorities and represents an increasing challenge in Oxfordshire. COVID-19 has amplified these pressures with workers dealing with higher levels of need and complexity of cases.
41. Based on the current use of agency social workers to fill vacancies it is anticipated that there will be an overspend within the front-line social care teams of at least £1.1m in 2021/22, and in addition a further £0.1m within the Youth Justice and Exploitation service. Work is ongoing to address all recruitment and retention issues, including the use of agency staff. Whilst there is some additional funding in 2022/23 to meet ongoing pressures, the priority remains to manage down these pressures as much as possible.
42. Consideration is also being given to the impact of COVID-19 on hourly rates and increased use of agency social workers. It is apparent that, during the pandemic, the national crisis in supply of social workers has deepened, making the agency market more competitive. The regional Memorandum of Cooperation, which aims to control the cost of agency staff, has been unable to continue to operate due to service demand regionally. This is creating increased competition for available experienced social workers, which in turn has led to increased hourly rates across the region. In addition, the high agency rates of experienced temporary staff appear to have had an impact on the ability of Oxfordshire to recruit and retain our own permanent experienced social workers, although recruitment of newly qualified social workers remains stable. Most south east authorities have agreed that an updated Memorandum of Co-operation should restart from 1 April 2022. However, if not all authorities are signed up to this, it may not remain effective. Therefore, the relaunch will be closely monitored to see if it helps to stabilise growth in agency costs. A three-month independent review of the council's recruitment and retention strategy for social workers started in December with a view to medium to long term recommendations to address our workforce challenges.

#### Placement costs

43. There is a forecast overspend of £3.4m (£2.9m on mainstream placements and £0.5m on children with disabilities placements). This has mainly been caused by two factors. Firstly, a substantial increase in the average residential unit cost since 2020/21. Secondly, a sharp rise in spend on increased placement staff to child ratios to manage significantly acute complex needs and risks for a very small number of high risk children
44. The number of children that the council cares for has increased by 22 since March 2021 – from 784 to 806. This includes 55 children with disabilities and 50 unaccompanied asylum-seeking children (of which 21 have been accommodated as part of the National Transfer Scheme). Excluding these, the total has increased

by 15 since March 2021 – from 686 to 701 – as at 31 January 2022. Whilst the number of children in mainstream residential care has remained static at about 80, there are more placements in higher cost arrangements.

45. The variance also reflects an increased reliance on specialist agency staff within placements. In addition to this the staff to child ratio and subsequent ratio of agency to core staff fluctuates considerably in response to the needs and risks for each child. Changes in staff to child ratios are unpredictable, making it difficult to forecast accurately; an increase in staffing for one child can result in an unexpected and steep increase in costs. This includes five recent placements costing more than £120,000 per week in aggregate.
46. The national increase in demand and complexity of need presents a challenge in identifying appropriate placements to meet children's needs in a timely way. On average there are over 50 children nationally waiting for a welfare secure bed every day. In September 2021 there were 21 eligible children in the South East waiting for a tier 4 mental health bed. In the absence of specialist secure and tier 4 beds children with the most complex needs and risks are being cared for in mainstream settings requiring increased and specialist staffing as outlined above.
47. The forecast overspend of £0.5m within Services for Disabled Children, is mainly as a result of an increase in the number of placements resulting from care proceedings. There has been a net increase of eight since March 2021 – from 47 to 55 at January 2022.

#### Youth Services

48. Unanticipated government grant income for Holiday Activities and Food Programme has contributed to a forecast underspend of £0.7m in the budget for Youth Services

#### **Children's Services Central Costs**

49. The underspend of £0.2m relates to staff and project savings.

#### **Dedicated Schools Grant (DSG)**

##### High Needs DSG

50. The High Needs forecast has been increased following confirmation of autumn term numbers. Demand for High Needs support is high. There has been a 16% increase in the number of Education, Health and Care Plans (EHCP) and there were 1,300 requests made for assessment in the last 12 months. Some of this demand relates to COVID-19 and it is estimated that £1.2m of the additional spend is driven by COVID-19. The ESFA have given permission to offset these costs from council resources.
51. Council agreed a budget for High Needs which included a saving of £1.9m. The saving was calculated on reducing the use of independent settings by increasing places in Special Schools & bases. The saving has been achieved via the increased places and other initiatives under the SEND Transformation Project. Offsetting this has been a 15% increase in the use of independent placements. Independent placements are forecast to be £1m overspent.

52. Further Education colleges have recently shared the numbers of learners attending colleges. The numbers identified as High Needs learners by the colleges have increased by 31% and this may add a further £2m to the forecast. Of the additional spend, Oxfordshire will receive some additional grant funding for this, but not until 2022/23.

53. The High Needs Forecast now stands at a £15.2m overspend. The reduction since the previously reported position is due to the permission to fund COVID-19 costs from council resources, and a reduction in forecast college and placement spend.

#### Early Years DSG

54. Early Years DSG had been reported as breakeven but due to the previously reported technical adjustment to reserves, the variance is now £0.7m. There are forecast overspends on the deprivation and SEN Inclusion Fund elements of the funding formula, but these will be funded from the Early Years DSG Reserve.

#### **Contain Outbreak Management Fund (COMF)**

55. In 2020/21 Children's Services was allocated £1.0m of COMF funding, with £0.4m spent by the end of the 2020/21 financial year, leaving a balance of £0.6m, the majority of which is forecast to be spent during 2021/22. Significant programmes include £0.3m to provide additional support to young people in supported accommodation and £0.2m to support children at risk of exploitation to access education. Some schemes are likely to require funding in 2022/23 as a result of delayed implementation and/or completion (estimated at £0.07m).

#### **Virements**

56. COVID-19 related virements totalling £1.8m are set out in Annex 2b and summarised in the table below. The total estimated spend for 2021/22 is £3.8m, with £2.0m already approved.

<b>Anticipated Use of Reserves</b>	<b>2021/22 £m</b>
<b>Education &amp; Learning</b>	
EHCP backlogs – additional staffing capacity	0.2
Loss of income – traded services	0.2
Other	0.1
<b>Total Education &amp; Learning</b>	<b>0.5</b>
<b>Children's Social Care</b>	
MASH Agency staff	0.1
Family Solutions Plus	0.6
Placement costs	0.2
Children's housing occupational therapies staff redeployment – agency costs	0.1
Grants to support sustainability (Early Years)	0.2
Other	0.1
<b>Total Children's Social Care</b>	<b>1.3</b>
<b>Total</b>	<b>1.8</b>

### **Public Health**

57. In total there is a projected £2.1m underspend relating to public health activity of which £1.7m will be transferred to the Public Health reserve at year end.

<b>Service Area</b>	<b>2021/22 Latest Budget</b>	<b>Variance January 2022</b>	<b>Variance October 2021</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Public Health Functions	35.0	-2.1	-1.1	-1.0
Public Health Recharges	0.6	0.0	0.0	
Grant Income	-34.9	0.0	0.0	
Transfer to Public Health Reserve		1.7	1.1	+0.6
<b>Total Public Health</b>	<b>0.7</b>	<b>-0.4</b>	<b>0.0</b>	<b>-0.4</b>

58. There is a £1.7m projected underspend in services funded by the Public Health ringfenced grant. £0.2m of the underspend relates to staff vacancies. The remaining £1.5m, set out in the following paragraph, reflects reduced demand for some public health services during the pandemic as well as other impacts related to COVID-19.

59. The sexual health service is reporting a £0.5m underspend, an increase of £0.2m from the previous report. There is a £0.3m underspend now being reported within the Health check programme, an increase of £0.2m, and a £0.5m underspend linked to a delay in targeted action to address health inequalities, a £0.2m increase. The substance misuse service is now reporting a £0.1m underspend, a £0.1m reduction in variance from the last report. Smoking and tobacco control is now reporting a £0.1m underspend, a change from the previously reported breakeven position. This £1.7m underspend of Public Health Grant will be carried forward through the Public Health reserves and used to fund eligible spend in future years.

60. In 2021/22 the council received a £1.1m un-ringfenced grant to support delivery of the duties of the Domestic Abuse Act 2021, including having a strategic partnership board, undertaking a safe accommodation needs assessment and publishing a safe accommodation strategy. All Local Authority tier 1 duties have been met, and further work is now ongoing to produce a broader needs assessment and strategy which will inform the recommissioning of the core Domestic Abuse services during 2022/23. The grant was also used to provide enhance provision of domestic abuse services in the community. Any unspent funding will be requested to be moved into reserve to be used in 2022/23.

61. The council funded element of the Domestic Abuse service is now reporting a £0.4m underspend after ensuring all available grant funding for Domestic Abuse is utilised. The use of this budget will be linked to the recommissioning of the services mentioned above from 2022/23 onwards.

62. There are no anticipated increases in costs or loss of income arising from the

COVID-19 pandemic for this financial year.

### **Government Grants**

63. The Public Health grant is £31.7m in 2021/22. This includes £0.2m awarded to Oxfordshire to support us to deliver routine commissioning in relation to pre-exposure prophylaxis (PrEP) for HIV.
64. The Community Testing Programme grant (CTP) aimed to accelerate a reduction in prevalence of COVID-19 by identifying asymptomatic cases through local testing. The county council worked in collaboration with the district councils and testing in Oxfordshire began in early February 2021. The four Community Testing Sites closed at the end of June 2021 and a final grant claim for those arrangements was submitted to the DHSC in July 2021. The total cost of the four sites from April to June 2021 was £0.645m.
65. From August 2021, home test kits have been available for collection from 38 libraries in Oxfordshire. In addition, there is an ongoing expression of interest process to identify community-based projects who can assist in handing out home test kits to disproportionately affected and underrepresented Groups. Grant funding is now capped based on the number of sites and hours of operation and additional costs incurred over and above existing budgeted activity need to be claimed from DHSC monthly. The submitted plan includes costs totaling £0.094m until the end of September 2021. Based on expected activity the anticipated costs are within the maximum capped grant funding for each month and total £0.107m.
66. £0.2m grant funding from Public Health England for Adult Weight Management has been used to support additional weight management programmes addressing dietary intake, physical activity, and behaviour change for adults who are overweight or living with obesity.
67. The Drug Treatment, Crime and Harm Reduction Grant (£1.1m) has been used to enhance support for criminal justice clients including additional harm reduction interventions such as needle exchange and Naloxone, additional residential treatment capacity, dedicated workers for the Criminal Justice pathway, and a further community based “Refresh Café” recovery project.
68. In 2020/21 the council received £2.9m Test and Trace Service Support Grant to support the mitigation against and management of local outbreaks of COVID-19. As at the end of January 2022, all of the remaining £1.6m had either been spent or committed.

### **Reserves**

69. Public Health earmarked reserves are expected to be £4.8m at 31 March 2022. This incorporates the £1.7m underspend partly offset by a budgeted £0.4m contribution to the Family Safeguarding service. The overall in-year increase to the Public Health reserve is forecast to be £1.3m
70. £0.3m of the £0.8m Rough Sleeping Drug and Alcohol Treatment Grant was not spent during 2020/21. This has been used to continue to support homelessness

and rough sleeping initiatives in line with the grant agreement in 2021/22.

71. £0.5m of the Community Outbreak Management Fund (COMF) was allocated to Public Health under the assumption that any unspent Test and Trace grant could not be carried forward into 2021/22, this was not the case and so the COMF allocation has been returned to corporate reserves.

### **Virements**

72. Cabinet is asked to note the virement relating to the addition of the Drug Treatment and Harm Reduction Grant in Annex 2c.

### **Environment & Place**

73. The Directorate is made up of three service areas: Planning & Place, Community Operations and Growth & Economy plus a directorate management area, Communities Management. Each area is responsible for a specific function to ensure an effective delivery of the council's corporate objectives through an effective and efficient use of council's resources.
74. An overspend of £0.6m (1.0%) is forecast compared to a budget of £61.2m. This represents a reduction of £1.1m in the overspend compared to the October position.

<b>Service Area</b>	<b>2021/22 Latest Budget</b>	<b>Variance January 2022</b>	<b>Variance October 2021</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Planning & Place	3.3	0.0	0.0	
Community Operations	58.9	-0.4	0.7	-1.1
Communities Management	-1.1	0.0	0.0	
Growth & Economy	0.1	1.0	1.0	
<b>Total Environment &amp; Place</b>	<b>61.2</b>	<b>0.6</b>	<b>1.7</b>	<b>-1.1</b>

75. There is still a forecast overspend of £1.0m reported for Growth & Economy with no further change reported. The Infrastructure Delivery Team provides project management and other support for the delivery of the Growth Deal, Housing Infrastructure Fund and other major projects. Because the work does not relate to specific schemes these costs cannot be funded through the capital programme. The ongoing impact of this has been addressed through the 2022/23 Budget and Business Planning Process.
76. The £1.1m reduction in the overspend since October relates to Community Operations. The previous overspend of £0.7m in Transport and Highway Maintenance is now forecast to be offset by an underspend of £0.5m in concessionary fares as a result of reduced bus usage and COVID-19 funding mechanisms, and higher than budgeted for income from licensing and works permits as this has risen £0.2m above previous service expectations. The remaining variation relates to the safety defects forecast which has been adjusted

due to the mild winter. It is not yet clear if the increased income from license fees and permits for street works is a one-off or sustained increase so on-going monitoring will be needed for both this and future concessionary fare income and reimbursements.

77. A forecast underspend of £0.4m in Waste Management is due to the OCC share of the benefit through the Energy Recovery Facility. This service area has been previously reporting a breakeven position throughout the year. However, due to the volatile nature of waste tonnages it is difficult to forecast the year end budget position.

78. There is an expected loss of income of £1.1m in Parking Services, due to the COVID-19 pandemic which will be managed through the Parking Account. Usage and associated income continue to recover, but slowly. Longer-term, parking services are trying to mitigate the loss of income through generating additional income streams in enforcement and charging.

### **Virements**

79. COVID-19-related virements outlined in this report, amounting to £0.1m are set out in Annex 2b. The total estimated spend is £0.4m, with £0.3m already approved. An additional £0.1m is being requested as virement to cover costs of PPE (Personal Protective Equipment) and its delivery across the county. Moreover, there was further increased expenditure in additional staff requirement and traffic regulation around COVID-19 testing and vaccinations centres.

### **Commercial Development, Assets & Investment**

80. Commercial Development, Assets & Investment directorate are forecasting an underspend of £1.2m (2.4%) position when compared to the budget of £50.7m.

<b>Service Area</b>	<b>2021/22 Latest Budget</b>	<b>Variance January 2022</b>	<b>Variance October 2021</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Property & Facilities Management	18.4	-1.8	-1.5	-0.3
Law & Governance	6.7	0.6	0.1	+0.5
Fire & Rescue and Community Safety	25.0	0.0	0.0	
CDAI Management Costs	0.6	0.0	0.0	
<b>Total Commercial Development, Assets &amp; Investments</b>	<b>50.7</b>	<b>-1.2</b>	<b>-1.4</b>	<b>0.2</b>

81. The overall underspend position within the directorate mainly reflects the impact of an ongoing restructure in Property, Investment & Facilities Management services. The new structure is anticipated to be finalised by the end of the financial year.

82. Legal services are forecasting an increased overspend of £0.5m compared to the last report. There is an underlying budget pressure due to increases in Counsel (Barrister) spend relating to Childcare cases and the increased reliance upon locum provision due to recruiting difficulties. It has proven extremely difficult to recruit permanent staff during this period as the cost of undertaking locum roles has increased making the locum market more attractive to candidates. Permanent recruitment has taken place which is due to come on stream in March/April which should partly reduce the cost pressure. The ongoing impact of this has been addressed through the 2022/23 Budget and Business Planning Process.

83. Community Safety are working to a breakeven budget position with no significant areas of concern.

84. Cabinet is recommended to write off a Community Safety debt totalling £11,225. In this case the debt relates to unpaid rent and utilities. The tenant has left the area and cannot be traced to take civil action to recover the arrears.

### **Virements**

85. Within CDAI, £0.6m of expenditure arising from COVID-19 is the forecast of which £0.4m has already been transacted to date leaving a new request of £0.2m as set out in Annex 2b. The virement is primarily attributable to increased expenditure on cleaning staff, materials and security requirement in Property as a result of the pandemic.

### **Customers, Organisational Development & Resources**

86. Customers, Organisational Development & Resources is forecasting a breakeven position against a budget of £34.2m.

<b>Service Area</b>	<b>2021/22 Latest Budget</b>	<b>Variance January 2022</b>	<b>Variance October 2021</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Services	2.6	0.0	0.0	
Human Resources & Organisational Development	3.1	0.0	0.0	
Communications, Strategy & Insight	2.6	-0.4	-0.3	-0.1
ICT & Digital	10.7	0.0	0.0	
Culture & Customer Experience	9.0	0.1	-0.3	+0.4
Finance	6.2	0.3	0.3	
<b>Total Customers, Organisational Development &amp; Resources</b>	<b>34.2</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.3</b>

87. Culture & Customer Experience are forecasting an overspend of £0.1m due a reduction in income when compared to expectations from library services and overspends in branch network staffing costs.

88. As reported previously, Finance is forecast to overspend by £0.3m. This is



primarily attributable to additional demand on the service resulting in an increase of resource within the function. Due to the immediate requirement to meet the existing demand there is a reliance on more temporary agency staff to deliver the work required.

89. There is a continuing underspend within Communications, Strategy & Insight of £0.4m from vacancies due to recruitment challenges in the pandemic.

#### **Funding for COVID-19 Recovery and Renewal**

90. As set out in the update elsewhere on the agenda funding of £19.3m has been received through the Contain Outbreak Management Fund. After taking account of actual and planned spending totalling £18.0m there is an unallocated balance of £1.3m. This will be added to £0.6m remaining balance of the Clinically Extremely Vulnerable Support Grant and £0.4m remaining balance of the funding for Practical Support Payments and used to fund on-going priorities in 2022/23.

#### **Virements**

91. COVID-19-related virements outlined in this report, amounting to £1.1m are set out in Annex 2b. The total estimated spend is £1.3m, with £0.2m already approved. The £1.1m relates to ICT (£0.8m) and staffing (0.3m). The majority of the ICT cost are additional equipment required as a result of working at home. The additional staffing projection relates to interim costs within Culture and Customer experience service.

#### **Corporate Measures**

##### **General Balances**

92. General Balances at 31 March 2021 were £34.6m and are forecast to be £35.6m by 31 March 2022, after taking into account the current overall forecast underspend of £1.0m. The risk assessed level is £28.8m.

##### **Reserves**

93. As set out in Annex C-3 Earmarked Reserves are forecast to be £150.4m at 31 March 2022. The decrease of £10.4m since the last report consists of a £1.7m increase in the anticipated balance held in the COVID-19 reserve offset by a reduction in the grants and contributions reserve (including £8.9m COMF funding now assumed to be spent in 2021/22).

##### **Use of COVID-19 Reserve**

94. £3.5m use of funding held in the COVID-19 reserve has been approved in the first two quarters of 2021/22. Based on the updates set out in this report, a further drawdown of £3.7m is now requested from the reserve bringing the total use of this reserve to £7.2m. The following table that sets out the virements approved to date and additional requests for the remainder of the year. After taking account of £20.1m use of the reserve agreed as part of the 2022/23 budget and Medium Term Financial Strategy, £5.0m remains uncommitted and can be used to support future pressures.

Directorate	Already drawn down form reserve £m	Proposed drawdown Q3 & Q4 £m	Total £m
Children's	2.0	1.8	3.8
Adult Services	0.6	0.5	1.1
Public Health	0.0	0.0	0.0
Environment & Place	0.3	0.1	0.4
Customers, Organisational Development & Resources	0.2	1.1	1.3
Commercial Development, Assets & Investments	0.4	0.2	0.6
<b>Total</b>	<b>3.5</b>	<b>3.7</b>	<b>7.2</b>

### Grants

95. As set out in Annex C- 4 government grants totalling £432.3m will be received by the Council during 2021/22 and have increased by £4.6m since the last report. Changes include the addition of the Drug Treatment, Crime and Harm Reduction Grant (£0.7m), Omicron Support fund (£0.6m), Social Care Workforce Recruitment and Retention Grant (£2.9m), Community Discharge Fund (£0.2m), and Rough Sleeping Grant (£0.2m).

### Medium Term Financial Strategy Savings

96. The 2021/22 budget includes planned directorate savings of £16.1m. £13.0m or 81% are expected to be delivered by year end.

97. The remaining £3.1m or 19% are rated amber. £2.9m of this total relates to savings in Adult Social Care. This includes savings of £2.0m to be achieved through reducing demand pressures in the pools by 1% as well as savings anticipated to be achieved through reducing the use of residential beds. The process to maintain the savings related to the reduction in demand was on-going as at the end of January 2022 so this is continuing to be shown as amber. Savings related to reducing the use of residential beds are also rated amber. However, the forecast spend across the pools is expected to be managed within the funding available.

98. The anticipated delivery of the savings is built into the directorate positions reported above.

### Strategic Measures

99. The budgeted interest receivable for in-house Treasury Management in 2021/22 is £1.94m, based on an average interest rate of 0.58%. Whilst interest rates remain very low, it is unlikely that interest rate will be achieved, however as cash balances are higher than originally expected, the forecast outturn remains in line with budget.

100. Externally managed funds in Strategic Pooled funds are forecast to return £3.8m, in line with budget. Financial markets are expected to remain volatile in the near future, and there remains a risk that there could be fluctuations to the capital value of the funds, however the statutory override for movement in value of such funds mean that any fluctuations will be reversed out of the general fund.

101. The corporate contingency budget for 2021/22 is £5.6m. The National Joint Council for local government has recently reached a pay agreement for 2021/22. The agreement is an increase of 1.75% on all rates of pay from April 2021 to be included in March 2022 pay. Cabinet is recommended to approve virements of £2.8m included in Annex 2b to reflect the estimated increase in pay. The remaining balance, currently estimated at £2.2m, will offset any forecast Directorate pressures at year end and is now reported as an underspend.

## **Debt Management**

### **Corporate Debtors**

102. The 120-day invoice collection rebounded this period to 97.8% up from 94.5% in October. The average for the year is now above the 95% target with 95.3% of invoices collected with 120 days of being issued.

103. Debt requiring impairment has increased this period to £0.34m, £0.04m above target. The top two cases account for 40% of the total bad debt. The top value case accounts for £0.12m of the total debt requiring impairment balance; a mediation report was received in December 2021 and actions are now with the service to progress.

### **Adult Social Care Debtors**

104. The 120-day invoice collection rate remains at 88.9% and below the 92% target. However, more positively the collection of invoices by direct debit has maintained during this period and the quarterly collection rate remains nearly 2% points above quarter one 2021/22 performance. We expect this to have a positive impact on collection rates in the first quarter of 2022/23.

105. The level of bad debt has increased from £3.8m to £4.0m, £1.3m above the current impairment balance, and £1m above the level this time last year. Increases in bad debt levels seen this year primarily relate to: a higher proportion of people being defaulted to being charged the full cost of their social care between the last quarter in 2020/21 and first quarter of 2021/22; an increase in cases where people lack capacity to manage their finances, coupled with lengthening delays with the public bodies who process applications; and the impact of a backlog of cases accumulated during the first half of 2020/21 when formal recovery procedures were paused as part of Oxfordshire's response to COVID-19.

106. The service has now undertaken more detailed reviews of COVID-19 impacts, procedures, staffing and action needed to address this increase. New procedures to complete financial assessments have been in place since September 2021 and enhancements continue to be made to that process.