

CABINET – 19 APRIL 2016
2015/16 FINANCIAL MONITORING &
BUSINESS STRATEGY DELIVERY REPORT

Report by the Chief Finance Officer

Introduction

1. This report is the penultimate for the 2015/16 financial year. The final directorate variations will be set out in the Provisional Outturn Report to Cabinet in June 2016. The forecast directorate position for the year is currently an anticipated overspend of +£2.3m (+0.6%) against a net budget of £417.0m as shown in the table below. This compares to an anticipated overspend of +£4.1m (+1.0%) reported to Cabinet in February 2016 and +£1.2m (+0.3%) reported this time last year.
2. Directorates have, and continue to work to reduce the forecast overspend by management action which includes a freeze on non-essential recruitment, and a stop on any non-urgent or uncommitted expenditure. Annual reductions in the budget since 2010 mean there is less flexibility to manage pressures as they arise in year. The on-going impact of the increased demand particularly in Home to School Transport, Children's Social Care Staffing and Waste have been reflected in the 2016/17 budget agreed by Council in February 2016.
3. Whilst the in-year pressures are expected to reduce in part by the year-end, it is anticipated that the use of general balances will be required to bring the budget back into balance. This will be set out in the Provisional Outturn Report to Cabinet in June 2016. The Provisional Outturn report will also request a virement from Corporate Contingency of £1.5m to contribute towards the redundancy costs reflected in this report in Children, Education & Families. However, as the contingency budget is held for this type of expenditure, the virement is reflected in this report

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)	108.0	110.9	+2.9	+2.7
Social & Community Services (S&CS)	211.0	210.7	-0.3	-0.1
Environment & Economy (E&E)	83.5	83.5	0.0	0.0
Corporate Services (CS)	14.5	14.2	-0.3	-2.0
Public Health (*)	0.0	0.0	0.0	0.0
Total	417.0	419.3	+2.3	+0.6
Public Health (*)				
Expenditure	28.9	29.1	+0.2	+0.7
Grant and Other Income & Transfer from Reserves	-28.9	-29.1	-0.2	-0.7
Total ¹	0.0	0.0	0.0	0.0

4. The following annexes are attached:

¹ Public Health is funded by a ring-fenced grant of £30.4m from the Department of Health. On 4 November the Council received notification that this grant would be reduced in-year by £1.9m. The forecast overspend of +£0.2m will be funded by a transfer from reserves at year end.

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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	Capital Programme Monitoring

5. 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

6. The directorate is forecasting an overspend of +£4.4m. This position now includes a provision for redundancy costs of £2.0m associated with decisions Cabinet made on 23 February relating to Early Intervention and Children Centres, and Schools and Learning. A transfer of £1.5m from the Corporate Contingency will be requested as part of the Provisional Outturn Report to Cabinet in June 2016 but is reflected in this report. The virement reduces the forecast overspend to £2.9m. There is also a -£0.1m forecast underspend on services funded by Dedicated Schools Grant (DSG).
7. The two main areas identified as overspending throughout the year of Special Educational Needs (SEN) Home to School Transport and Children's Social Care reflect increasing activity and increasing demand.

CEF1 Education & Learning

8. The Education & Learning service is forecasting to overspend by +£1.0m.
9. The current forecast for SEN transport in 2015/16 is an overspend of +£2.1m. As reported previously, the overspend relates to a combination of growth in demand for services and an increase in the average cost per passenger journey. The increase cost of passenger journeys arises from an increase in the number of contracts and more single passenger journeys. This is partly offset by an underspend of -£0.6m on mainstream transport due in the main to the impact of the route efficiency programme with the number of routes and passengers reducing by 13% and 8% respectively.
10. There are predicted underspends totalling -£0.5m in other areas of the Education & Learning service. This mainly relates to underspends on staffing within the service.

CEF2 Children's Social Care

11. Children's Social Care is forecast to overspend by +£3.6m.
12. 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 from 2015/16 agreed by Council in February 2015. An underspend of -£1.2m on the increased budget for external agency placements is forecast. This forecast includes projected spend for

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existing clients and an estimate of £0.1m for new placements that could arise during the rest of the year. At the end of March 2015, there were 527 looked after children, an increase of 111 (27%) from April 2013. At the end of March 2016, the number had increased to an all-time high of 609.

13. Service Management and Central Costs are forecast to overspend by +£1.7m. The growth in numbers of children requiring services from Children's Social Care has increased the workload across a number of services, and required additional administrative support for front line social workers as well as resulting in high legal costs. In particular there has been a need for more administrative 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.
14. As reported previously the growth in demand is also resulting in projected overspends in the Corporate Parenting area. The forecast overspend of +£0.4m relates predominantly to overspends on the in-house fostering service (+£0.1m) reflecting a 12% increase in children placed in foster care over the last 12 months. The inter-agency budget is forecast to overspend (+£0.1m) due to an increased number of children being placed with adopters from other authorities. There are also pressures in Family Placement teams (+£0.1m) reflecting the use of agency staff to cover vacancies and Special Guardianship orders (+£0.2m) due to demand levels. These overspends are offset by underspends of -£0.1m in the rest of the service.
15. The increase in the number of young people requiring intervention from Children's Social Care has had a significant impact across all Children's Social Care teams including Referral & Assessment (+£0.7m), Family Support (+£0.3m), Safeguarding (+£0.5m), Looked After Children and Leaving Care (+£0.3m), Early Intervention (+£0.7m) and Asylum (+£0.3m). Staffing has been increased to keep workloads at a safe level, including use of temporary agency staff, due to on-going problems with recruiting social workers.
16. As reported previously, the Youth Offending Service is forecasting an overspend of +£0.1m largely as a result of confirmation from the Youth Justice Board of an in-year grant reduction of an equivalent amount.

Dedicated Schools Grant (DSG)

17. Services funded from DSG are forecast to underspend by -£0.1m compared to the 2015/16 DSG allocation of £246.5m. This is based on current figures for DSG and reflects a significant pressure on High Needs being offset by an underspend in early years, predominantly relating to 2 year old funding. The final adjustment for early years DSG will not be announced until June 2016, and is likely to reduce the early years DSG funding available. Depending on the degree of this adjustment, there could be an overspend on DSG at the year end. In the event of an overspend there are two options - either to carry forward the overspend into future years, or to fund it from any remaining DSG balances subject to agreement with Schools Forum.

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18. The use of one – off unspent DSG funding of £11.1m held in reserves at the end of 2014/15 has been considered by Schools Forum. Approximately £6.1m of the balance is likely to be needed to contribute to the pupil growth and basic needs revenue funding (including pre-opening and diseconomy of scale costs) for the creation of new schools and academies, as approved by Schools Forum in December 2014. The remainder has been committed to projects and will be used in 2015/16 and 2016/17. A balance of £0.9m remains uncommitted.

Social & Community Services

19. The directorate is forecasting an underspend of -£0.3m. This includes the Council's risk based share of the joint Council and Oxfordshire Clinical Commissioning Group (OCCG) position on the various pooled budgets.

S&CS1 Adult Social Care

20. Adult Social Care is forecast to overspend by +£1.0m on non-pool services. There are also overspends of +£0.3m on the Older People and Equipment Pooled budget and +£0.5m on the Physical Disabilities Pooled Budget. The overspends are partly offset by an underspend of -£0.8m on the Learning Disabilities Pooled Budget and by using -£0.9m of funding from the Independent Living Fund and Social Care in Prisons Grant on a one-off basis in 2015/16.

Older People and Equipment Pooled Budgets

21. The Older People and Equipment Pool is forecast to overspend by +£1.5m. It is assumed that the Oxfordshire Clinical Commissioning Group will make an additional contribution 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 +£0.3m.
22. The Social Care spend on packages and placements is the most significant pressure on the Older People's Pool. The forecast for Social Care Home placements is an overspend of +£3.7m which is partially offset by an underspend of -£0.4m on Home Support. Demand for care home placements has been significantly higher than expected during the year. The average number of weekly placements has increased from 11.5 to 11.9 during the year and is contrary to the trend seen in 2014/15 when the number of new placements fell. The budget was set on the basis of a decrease in demand to ten placements per week.
23. The Council's position also includes a forecast overspend of +£0.2m for the Social and Healthcare Team which is managed within the Customer Service Centre by Environment and Economy.
24. There is also an underspend on Prevention and Early Intervention of -£3.1m. This includes underspends on the Reablement service and Carers grants.
25. The Clinical Commissioning Group services are forecast to overspend by £1.0m, including the overspend of £1.0m on Non-Emergency Patient Transport. This pressure has arisen from the non-delivery of savings and increased activity, particularly for transportation of bariatric patients. The

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other significant pressure against the Clinical Commissioning Group's budget is a forecast overspend of +£0.7m on Home Support which is partially offset by an underspend -£0.6m on prevention and early support.

Physical Disabilities Pooled Budget

26. The Physical Disabilities Pooled Budget is forecast to overspend by +£0.9m. Under the risk share agreement the County Council share of the overspend is +£0.5m.
27. The Care Homes budget is forecast to underspend by -£0.1m. This is due to the full year effect of the lower number of placements made during 2014/15 and an on-going reduction in 2015/16. The forward forecast reflects the assumption that number of placements remains at the current level throughout the year
28. The Home Support budget is forecast to overspend by +£0.3m at year end. Although client numbers have been broadly stable over the last three months, there is an overall upward trend in year.
29. The Council's Acquired Brain Injury budget is now forecast to overspend by +£0.1m. There are 11 clients funded from this budget compared to an average of eight clients during 2014/15.
30. The Clinical Commissioning Group services are forecast to overspend by +£0.6m. This mainly relates to an overspend the Care Homes budget. This is due to a significant increase in the average cost of placements from £1,466 per week in November to £1,774 per week.

Learning Disabilities Pooled Budget

31. £4.6m was added to the Learning Disabilities pooled budget in 2015/16 to reflect pressures arising due to increased demand. On this increased budget, the Learning Disabilities Pool is forecast to underspend by -£1.0m. Under the risk share agreement the County Council is responsible for 85% of any variation.
32. The Personalisation and On-going Support budget which includes Social Care and Continuing Health Care funded service users is forecast to underspend by -£0.2m. This forecast includes the in-year impact of the closure of the Independent Living Fund and includes additional budget to meet this pressure. There are also underspends on -£0.2m on in-patient beds and -£0.5m on Out of Area treatments which reflects the low usage of bed based health provision in year.

Independent Living Fund

33. The Independent Living Fund was closed on 30 June 2015 and responsibility transferred to local authorities from 1 July 2015.
34. 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.

35. Following the Independent Living Fund closure, a grant of £3.0m has been provided to the County Council. In November 2015 Council agreed 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. Council also agreed that the £0.6m balance of the grant would be used 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. In light of the reduction in the overspend on the Learning Disabilities Pooled Budget the £0.6m will be used to offset overspends elsewhere in Adult Social Care.

Social Care in Prisons Grant

36. The Council receives an un-ringfenced grant of £0.2m for new responsibilities relating to the assessment of and meeting the care needs for offenders residing in prisons, approved premises or bail accommodation within Oxfordshire. This funding was originally put into the Older People's Pool to fund increased workload within the Locality teams relating to the new duty. However, the additional activity has been minimal and has been absorbed within existing budgets. This funding will be used to offset the overall directorate position in year.

Adult Social Care: Non – Pool Services

37. There is a forecast overspend of +£1.0m for services outside of the Pools. This includes an overspend of +£0.4m 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 a risk share arrangement. The delay to the contract start date has contributed to this in year pressure.
38. There are also overspends on Adult Protection and Mental Capacity (+£0.2m), Emergency Duty Team (+£0.4m), and Money Management (+£0.1m).

SCS3 Fire & Rescue, Emergency Planning and Community Safety

39. The Service is forecasting an underspend of -£0.3m. An underspend of -£0.1m is forecast for Fire & Rescue and Emergency Planning. Of that, -£0.4m relates to the in – year position for the Fire & Rescue Service and -£0.1m to Emergency Planning. Those underspends are offset by one – off costs, currently estimated at £0.5m, relating to the incident and subsequent search and recovery operation at Didcot A Power Station in February 2016. Work is on-going to agree these costs and if it is possible to recover some of the costs from third parties. An update will be included in the Provisional Outturn Report to Cabinet in June 2016. As noted previously the forecast underlying underspend for the Fire & Rescue Service primarily reflects vacancies for whole-time firefighters and retirements during the year. The vacancies have been held ahead of savings planned for 2016/17.
40. In addition to the underspend above, there is currently a further underspend of -£0.2m against the budget for on-call firefighters. This forecast is likely to change due to its dependency on the number of

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emergency calls attended, which can fluctuate due to adverse weather and large incidents which by their nature are unplanned. Depending on the overall position for the directorate and council any underspend would be returned to balances at year end in line with Council policy.

Environment & Economy

41. The directorate is forecasting a breakeven position.

EE1 Strategy & Infrastructure

Strategy & Infrastructure are forecasting an underspend of -£ 0.3m which relates to Planning Regulation (-£0.1m) and Localities, Policy & Programme (-£0.2m) due to staffing vacancies and maximising infrastructure funding receipts.

EE2 Commercial Services

42. Commercial Services is forecasting to underspend by -£1.0m.
43. 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, and as reported previously, there is a forecast overspend of +£1.5m for this service area. Approximately 57% of total waste disposed of is recycled and composted. An estimated overspend of +£0.4m 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 36% of waste disposed of is processed through the Ardley Energy Recovery Facility. An overspend of +£0.5m is mostly due to the cost of business rates payments being higher than originally budgeted for. There is also a shortfall in income realisation of +£0.1m. The remaining overspend of +£0.4m is mainly due to increased site operations.
44. There are also forecast overspends on Network and Asset Management (+£0.4m), Commercial Services Management (+£0.3m), Supported Transport (+£0.2m) are forecasting an overspend
45. The overspends above are partly offset by the current unallocated (-£1.7m) element of the Highways Maintenance Delivery budget. The impact of offsetting this budget against overspends means that there was no funding available for further unplanned ad hoc works or increased external demand on maintenance budgets. There is also an underspend of -£1.0m on Property and Facilities Management which mainly relates underspends on repairs and maintenance.

EE3 Oxfordshire Customer Services

46. Oxfordshire Customer Services is forecast to overspend by +£1.2m. This relates in part to the underachievement of income from schools (+£0.7m) 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.

47. Transition and one-off costs associated with the transfer of services to Hampshire County Council total £2.9m in 2015/16. As reported previously, 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 seven years and borrowing from other reserves will also be repaid over this period.

Corporate Services

48. The directorate is forecasting an underspend of -£0.2m. The forecast position reflects overspends on Corporate Services and Business Support and Law and Governance offset by underspends on Policy and Human Resources. It is proposed that this underspend is transferred into the Efficiency Reserve to support restructuring and training activity in 2016/17.

Public Health

49. In November the Council received notification from the Department of Health of an in-year grant reduction of £1.9m. The directorate has brought forward savings planned for 2016/17 and 2017/18 to meet the majority of this reduction. A small overspend of +£0.2m is forecast which will be met by a transfer from the Public Health Reserve.

Virements and Supplementary Estimates

50. There are no new virements requiring Cabinet approval this month. Annex 2d shows virements Cabinet need to note.

Ringfenced Grants

51. As set out in Annex 3, ring-fenced grants totalling £322.9m are included in Directorate budgets and will be used for the specified purpose. 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

52. The forecasts shown in this report incorporate Business Strategy savings that were agreed by Council in February 2015 and previous years. In total £42.8m of savings are incorporated into the budget for 2015/16. £40.7m (95%) of the savings have been delivered or are on track to be delivered. £0.4m (0.9%) is currently at some risk of not being achieved and a further £1.8m (4.1%) is at significant risk of not being achieved. An update on the final position will be included in the Provisional Outturn Report in June.

Treasury Management

53. The latest treasury management approved lending list (as at 30 March 2016) is shown in Annex 4. Standard Chartered Bank has been suspended from the list.
54. The table overleaf shows average in-house cash balances and average rates of return for January and February 2016. The forecast outturn for interest receivable and return on investments for 2015/16 currently totals £3.5m, exceeding the budgeted figure of £2.1m. Interest payable is currently forecast to be in line with the budgeted figure of £18.136m.

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Month	Average cash balance	Average rate of return
January	£310.688m	0.86%
February	£318.517m	0.87%

Part 2 – Balance Sheet

55. 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.

56. As set out in the Provisional Outturn Report to Cabinet on 23 June 2015, revenue reserves were £63.6m at the end of 2014/15. These are currently forecast to reduce to £49.8m by 31 March 2016.

Grants and Contributions

57. The balance of unspent DSG is forecast to be £10.0m by 31 March 2016. This is likely to be needed to address expected budget pressures in future years in funding for pupil growth, or basic need revenue funding for the creation of new schools and academies.

58. 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.

59. 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. As previously reported a total of £2.6m of contributions have been made to support such schemes during 2015/16. After these additional contributions and a £0.2m contribution to offset the 2015/16 overspend the balance of Public Health grant funding is forecast to be £0.6m by 31 March 2016.

Children, Education & Families

60. School balances are forecast to be £20.9m as at 31 March 2016. Other reserves held by the Directorate are forecast to reduce from £4.2m to £2.8m by 31 March 2016. Many of the key projects and pressures supported by reserves in 2014/15 are continuing in 2015/16.

Social & Community Services

61. Social & Community Services reserves are forecast to reduce from £3.8m to £3.6m by 31 March 2016. Within this, the Older People Pooled Budget Reserve will reduce from £2.9m to £2.2m as £0.7m has been transferred to the pool in year to support additional Discharge to Assess activity, the Workforce programme and Dementia services.

Environment & Economy

62. Reserves held by the Directorate are forecast to reduce from £8.3m to £5.1m by 31 March 2016. As previously reported the forecast includes the temporary use of £2.9m of reserves (including the Catering Investment Fund, Dix Pit Reserve and Joint Use Reserve) to fund

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transition and one-off costs relating to the transfer of services to Hampshire County Council and the Supported Transport Programme. This will be repaid over the next seven years as originally planned.

Corporate Reserves

63. The Efficiency Reserve totalled £1.7m at 1 April 2015. Of this £1.1m is committed to be used for one-off projects during 2015/16. The remaining £0.6m, along with an additional contribution of £2.0m will be used for one – off projects supporting the Medium Term Financial Plan.

Other Reserves

64. Other Reserves, which include Insurance, Capital and Cash flow reserves, are forecast to total £46.6m at 31 March 2016. The Budget Reserve is forecast to be £8.7m at the year end and is required to manage the cash flow implications of the pressures and savings included in the Medium Term Financial Plan.

Balances

65. As set out in Annex 6 general balances are forecast to be £18.3m 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.
66. In setting the budget for 2015/16, a Corporate Contingency of £3.6m was agreed. In addition, in July 2015, Cabinet has agreed virements totalling £1.0m from S&CS to Corporate Contingency taking the total to £4.6m. The contingency is held predominantly to manage any high risk demand led budgets. A transfer of £1.5m from the Corporate Contingency to CE&F will be requested as part of the Provisional Outturn Report to Cabinet in June 2016 but is reflected in this report. As part of the 2016/17 Service & Resource Planning Process it was agreed to add £3.1m to the Budget Reserve.

Part 3 – Capital Monitoring

67. The capital monitoring position set out in Annex 7a, shows the forecast expenditure for 2015/16 is £129.3m (excluding schools local capital), which is a decrease of £3.9m compared to the latest approved capital programme. The table below summarises the variations by directorate.

Directorate	Last Approved Programme *	Latest Forecast Expenditure	Variation
	£m	£m	£m
Children, Education & Families	52.7	52.3	- 0.4
Social & Community Services	5.6	5.5	- 0.1
Environment & Economy - Transport	52.4	50.5	- 1.9
Environment & Economy - Other	10.3	8.8	- 1.5
Chief Executive's Office	12.2	12.2	0.0
Total Directorate Programmes	133.2	129.3	- 3.9
Schools Local Capital	2.0	2.0	0.0
Earmarked Reserves	0.3	0.3	0.0
Total Capital Programme	135.5	131.6	- 3.9

* Approved by Council 16 February 2016

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68. Significant in-year variations for each directorate are listed in Annex 7b. New schemes and total programme/project budget changes are listed in Annex 7c.
69. For the Children, Education & Families programme, the capital monitoring position shows forecast expenditure of £52.3m (excluding schools local capital) in 2015/16. There has been a decrease of £0.4m in the overall forecast compared to the programme approved by Council in February 2016.
70. A number of re-phasing values under £0.3m have been undertaken on several projects to reflect the latest delivery timescale. This has been offset by £0.250m bought forward from the School Structural Maintenance Programme for 2016/17 to cover a cost pressure and in year completion on one project that was expected to be complete in the first part of next year. A further £0.1m has been returned from the School Access Initiative Programme.
71. The capital monitoring position for Highways and Transport shows forecast expenditure of £50.5m in 2015/16. This is a £1.9m reduction compared to the programme approved by Council in February 2016.
72. There have been reductions in forecast of £0.8m on Cuttleslowe and Wolvercote roundabout major schemes due to revised programming, £0.3m on the Oxford Riverside to City Centre cycle routes project as Thames riverbank repairs will now take place in June, and £0.3m on Milton Park Access Link Backhill Tunnel as enabling works will now start at the end of March.
73. An underspend of £0.4m is forecasted on the drainage programme due to cost reductions and a number of minor schemes in the Highways Maintenance Programme that required little or no work on inspection due to previous measures carried out.
74. The capital monitoring position for Environment & Economy programme shows forecast expenditure of £8.8m in 2015/16. This is a £1.5m reduction compared to the programme approved by Council in February 2016.
75. The relocation from Speedwell to County Hall is now planned in 2016/17 and this revised programme has forecasted £1.0m to be re-phased. A further £0.4m has been re-profiled from the Energy Programme.

Actual & Committed Expenditure

76. As at the end of February actual capital expenditure for the year to date (excluding schools local spend) was £85.3m. This is 66% of the total forecast expenditure. Actual and committed spend is 95% of the forecast.

Five Year Capital Programme Update

77. The total forecast 5-year capital programme (2015/16 to 2018/19) is now £595.9m, an increase of £0.3m compared to the last capital programme for this period approved by Council on 16 February 2016. The table

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below summarises the variations by directorate and the main reasons for these variations are explained in the following paragraph.

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	205.9	205.9	0.0
Social & Community Services	38.9	38.9	0.0
Environment & Economy - Transport	196.8	197.8	+1.0
Environment & Economy – Other	38.6	38.6	0.0
Chief Executive’s Office	27.3	27.3	0.0
Total Directorate Programmes	507.5	508.5	+1.0
Schools Local Capital	6.1	6.1	0.0
Earmarked Reserves	82.0	81.3	-0.7
Total Capital Programme	595.6	595.9	+0.3

* Approved by Council 16 February 2016

78. The increase in value in the Highways & Transport Programme is mainly due to the increase in budget of £0.9m for Milton Interchange approved by Cabinet on 23 February 2016.

RECOMMENDATIONS

79. **The Cabinet is RECOMMENDED to:**
- (a) note the report;
 - (b) note the Treasury Management lending list at Annex 4;
 - (c) to approve the transfer of £0.2m to the Efficiency Reserve as set out in paragraph 48;
 - (d) note the changes to the Capital Programme set out in Annex 7b and 7c.

LORNA BAXTER
Chief Finance Officer

Background papers: Directorate Financial Monitoring Reports to the end of January and February 2016

Contact Officers: Katy Jurczynszyn, Strategic Finance Manager –
Financial Strategy & Monitoring (01865 323975)

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