

CABINET – 20 APRIL 2010**FINANCIAL MONITORING****Report by the Assistant Chief Executive & Chief Finance Officer****Introduction**

1. This report sets out the Council's forecast financial position for the 2009/10 financial year based on eleven months of actuals to the end of February 2010. It includes projections for revenue, balances, reserves and capital and a capital programme update. The report sets out explanations where the forecast revenue outturn is significantly different from the budget along with proposals to recover the position where appropriate.
2. The total in – year Directorate forecast is an overspend of +£3.619m or +0.96% of the latest budget. After taking into account supplementary estimates requested in this report, those agreed in March but not yet reflected in the forecast due to the timing of the decision, plus the supplementary estimate for ICT which requires Council approval in April, the overspend reported this month will reduce to +£0.884m or +0.24% of the latest budget. This is the penultimate report for the year. The final position for 2009/10 will be set out in the Provisional Outturn Report which will be considered by Cabinet on 22 June 2010.

Original Budget 2009/10 £m		Latest Budget 2009/10 £m	Forecast Outturn 2009/10 £m	Variance Forecast Feb 2010 £m ¹	Variance Forecast Feb 2010 % ¹
98.277	Children, Young People & Families	97.288	98.081	+0.793	+0.82
166.800	Social & Community Services	167.113	167.885	+0.772	+0.46
68.631	Environment & Economy	70.804	70.953	+0.149	+0.21
29.908	Community Safety & Shared Services	30.656	30.162	-0.494	-1.61
9.426	Corporate Core	10.239	12.638	+2.399	+23.43
373.042	In year Directorate total	376.100	379.719	+3.619	+0.96

Plus: City Schools Reorganisation		+0.775	
Plus: Reallocation of Dedicated Schools Grant (see paragraph 23)		+2.101	
Plus: City Council Contract ICT Refresh		+1.500	
Total Variation		+7.995	

¹ The variance has been calculated as the difference between the latest budget and forecast outturn. The percentage is a measure of variance to latest budget. Variations are shown as overspend (+) or underspend (-).

3. The current position for general balances is set out in Annex 5 and shows a forecast of £10.578m after taking account of the requests for supplementary estimates in this report. After taking into account the forecast Directorate overspend adjusted for supplementary estimates requested to date the consolidated revenue balances forecast is £9.321m. ²
4. Figures for each Directorate are summarised within the Annexes and individual Directorate reports setting out the detail have been placed in the Members' Resource Centre.
5. The following Annexes are attached:

Annex 1 (a-e)	Forecast Revenue Outturn by Directorate
Annex 2 (a-f)	Virements and Supplementary Estimates
Annex 3 (a-b)	Specific grants monitoring
Annex 3c	Area Based Grants
Annex 4	Forecast earmarked reserves
Annex 5	Forecast general balances
Annex 6 (a-g)	Capital monitoring
Annex 7	Treasury Management Lending List
Annex 8	2010/11 Green Book Pay Award virements
Annex 9	2010/11 CYP&F restructuring virements (to follow)

Part 1 - Revenue

6. The forecast revenue outturn by Directorate based on the position to the end of February 2010 is set out below. Significant issues or movement in the variances are commented on below along with the management action being taken.
7. Any requests for carry forwards to 2010/11 will be subject to approval through the Provisional Outturn Report to Cabinet on 22 June 2010.

Children Young People & Families: +£0.793m or +0.82% in-year Directorate overspend (£3.669m total overspend including £0.775m relating to the City Schools Reorganisation and £2.101m on services funded by Dedicated Schools Grant (DSG)).

Young People & Access to Education

8. The overall forecast for Young People & Access to Education is an underspend of -£0.101m, a reduction of £0.077m since the last report. Within this there are a number of offsetting variations.

² The consolidated revenue balances forecast is the forecast general balances less the forecast Directorate in-year overspend adjusted for supplementary estimates requested to date adjusted for possible calls on balances as set out in paragraph 80.

9. The continuing detailed review of future commitments has reduced the forecast overspend within Services to Disabled Children by a further £0.013m to £0.094m since the last report. Although the position has improved, this forecast continues to be subject to change as there are a number of cases where the funding which is split between the council and the Primary Care Trust and this is yet to be finalised.
10. Special Educational Needs Support Services are now forecasting a break even position after savings relating to delays in recruitment have been offset against an income shortfall of £0.185m.
11. The underspend of -£0.188m on Connexions is unchanged since the last report. This will need to be carried forward to 2010/11 to fulfil the contract commitments in place.

Children and Families

12. Children & Families remains the most significant area of overspending for the Directorate with a forecast overspend of £3.501m. The forecast has decreased by £0.107m since last month after taking account of the supplementary estimate of £0.300m in relation to the Southwark judgement that was agreed by Cabinet on 16 February 2010. The forecast overspend for the Service Area assumes that £0.523m carry forward from 2008/09 which was placed in reserves to offset pressures will be utilised in this area on a one off basis. The final use of the carry forward will be noted through the Provisional Outturn Report.
13. The anticipated overspend on Placements is forecast to be £2.110m, compared to £1.817m last month. The increase of £0.293m relates to changes in client numbers and needs. At present there are 109 placements as compared to 107 at the end of January 2010. In February three high cost placements began pushing up the average placement cost significantly. In addition the actual number of placement days required was higher than originally forecast in January. This has also had an impact on the forecast for the remainder of the year.
14. The forecast overspend on Services for Asylum Seekers is unchanged at £1.019m. The forecast still assumes that £1.000m of the overspend will be funded from the reserve created at the end of 2008/09 for anticipated future pressure. Of the total overspend, £0.590m relates to the overspend carried forward from 2008/09 and the remaining £0.429m relates to this financial year. The forecast has also been updated to reflect new cases and the expected income for these clients. There was a joint councils meeting on 25 February 2010 where the potential for receiving Special Circumstances Grant for 2009/10 was considered. Generally the authorities who attended noted that they are taking a prudent approach and assuming that they will not receive any grant. In light of this and the uncertainty given the imminent general election no provision is included in the forecast for receiving this grant.

15. The forecast overspend on Transport costs associated with Children Looked After has reduced by £0.100m to £0.260m as a result of active management of costs. The pressure is due to an increase in the number of family visits required and has been recognised as part of the budget for 2010/11 agreed by Council in February 2010.
16. The overspends for Foster care placements and associated legal fees remain unchanged at £0.070m and £0.110m respectively. The forecast overspend for Adoption and Special Guardianship Orders has also remained stable at £0.394m. Of this, £0.289m relates to Special Guardianship Orders where the service has been experiencing increased demand as noted previously. As reported previously, there is also a pressure of £0.850m arising from pressures and savings that were not reallocated to the appropriate Service Area.

Raising Achievement Service

17. The Raising Achievement Service (RAS) is now reporting an underspend of -£0.164m compared to an overspend of £0.012m last month. The Outdoor Education Centres are forecasting an overspend of £0.152m. An overspend within Community Learning is now confirmed at £0.036m based on spend to date.
18. The main movements relate to a forecast underspend of -£0.103m within the RAS Special Educational Needs Team due to reduced staffing costs. Other underspends within the service have increased by -£0.099m to -£0.249m.

Commissioning, Performance & Quality Assurance (CPQA)

19. There has been a small increase in the total underspend for CPQA from -£0.790m to -£0.850m. Within the total, Home to School Transport is now projecting an underspend of -£1.225m. Extended Rights to Free Travel, which is funded from Area Based Grant, continues to forecast an underspend of -£0.300m.
20. The Children's Information & Integration Programme (ChIIP) which will provide improved information about the children in our care, is projecting an overspend of £0.326m. Of this £0.278m relates to ongoing costs associated with the project, including support for framework and contractual payments. From 2010/11 additional funding of £0.275m has been agreed to help meet costs.
21. As reported previously, included in the CPQA forecast is £0.471m. £0.202m relates to one-off costs of £0.399m arising from the restructuring of the Directorate in 2008/09. The £0.202m remaining will be carried forward to 2010/11 and met from continuing savings resulting from the restructure. The uncommitted balance on the Premature Retirement Compensation budget remains at -£0.343m. Pressures of £0.156m relate to recruitment costs within the Director's Office and Head of Service budgets.

Dedicated Schools Grant (DSG) Funded Services

22. The total overspend on DSG funded services is £0.508m. Out of County Placements and Special Outreach Workers are both predicted to overspend by £0.027m as reported last month. The remaining overspend relates to Nursery Education Funding and has reduced by £0.050m from £0.504m reported last month to £0.454m. The overspend relates in part to an increase in the number of 3 year olds and has now been revised downwards due to accurate details of pupil numbers from the January census.
23. As noted previously the allocation of DSG across non-school services has been reviewed. The total available to reallocate to County Council funded areas to reduce the overspend remains at £2.101m. The first call on this amount will be to offset the overspend of £0.508m on DSG funded services.

Action Plan – Overall Plan for Children, Young People & Families Directorate

24. The forecast in-year overspend of £0.793m assumes the reallocation of DSG to core areas (£2.101m) and also the use of the a reserve created from 2008/09 underspends carried forward (£1.523m). It also assumes that the reported underspends will offset overspends in other service areas. Final adjustments to utilise the DSG in the most effective way will be reported through the Provisional Outturn Report.

Social & Community Services: £0.772m overspend

25. Social & Community Services are forecasting an overspend of £0.772m against a budget of £167.113m, a variation of +0.46%. The overspend has reduced by £0.026m since the last report but there are a number of offsetting changes within that as set out below.

Community Services

26. The forecast overspend for Adult Learning has decreased from £0.265m to £0.259m. As reported previously radical changes in the Service are being implemented as part of a four year action plan to balance the service to the funding available and repay supplementary estimates of £0.181m. These changes include senior management and service restructuring, a review of premises and changes to the level and range of provision in some areas. The final overspend at year end will be carried forward to 2010/11 and recovered in line with the plan.
27. The Music Service forecast overspend has reduced to £0.122m. A four year Music Service Change Programme has been drawn up to bring the service to a break-even position over this period.

Social Care for Adults

28. The overspend in Social Care for Adults is now £0.340m. This has increased by £0.013m since the last report.

29. The forecast underspend for Services for all Client Groups is now - £0.048m.
30. Within Older People and Physical Disabilities the overachievement of client income is now forecast to give an underspend of -£0.650m compared to -£0.706m last month. The additional client income is due to the increased numbers of clients using the services. A small reduction is expected in March in line with previous income patterns, and the transfer of two clients to the Learning Disabilities pooled budget.
31. Offsetting that, the Older People Care Management Teams are now forecasting an overspend of £0.527m. This is associated with costs of additional staff required for safeguarding work, to reduce waiting lists and delayed transfers of care and to meet other key performance targets. Older People fairer charging income is now forecast to be overachieved by -£0.110m.
32. The pressure within Learning Disabilities Internal Services is forecast at £0.468m compared to £0.458m last month. The Integrated Mental Health Services contribution to the Mental Health pooled budget is now forecasting to overspend by £0.128m, compared to £0.150m last month, due to an increase in client numbers.
33. Strategy & Transformation are now forecasting an overspend of £0.066m due to additional unplanned work and the staff turnover factor not being achieved.

Pooled Budgets

Older People, Physical Disabilities & Equipment Pool

34. The forecast outturn on the Older People and Physical Disabilities Pooled Budget is an overspend of £2.509m as shown in the table below. This has decreased by £2.890m since last month. The main reason for the reduction is due to additional contributions to the pool made by the Primary Care Trust (PCT). The forecast also takes account of the use of the Older People Pooled Budget Reserve of £1.130m created in 2008/09 to fund the extra commitments in 2009/10 resulting from the Continuing Care Framework and additional placements.
35. The Council element of the Pool is forecast to overspend by £0.104m, a decrease of £0.687m on the previous forecast. This is mostly due to reductions of £0.167m on the forecast spend on residential and nursing services and £0.412m on External Home Support.
36. The forecast overspend on the PCT element of the pool reflects the estimated year end position on Continuing Health Care. A further additional contribution of £2m has been made this month in relation to the projected overspend bringing the total additional contributions received to date to £4m. A further contribution of £2.318m will be made by the PCT in March to meet the remaining forecast overspend on the PCT element of the pooled budget.

37. In the 2008/09 financial year a provision of £1.893m was set up in respect of the estimated back dated costs of 172 named clients awaiting Continuing Health Care assessments. As only a small proportion of these clients have been awarded Continuing Health Care funding the full amount of the provision is not now required for these cases. £0.742m of this provision has been released to fund other pressures on the PCT lines of the pooled budget. Work is still continuing on this which may result in further amounts being made available before year end to help to reduce the forecast overspend.

Original Budget	Latest Budget		Forecast Variance February 2010			Forecast Variance January 2010	Change in Variance
			OP £m	PD £m	Total £m		
2009/10 £m	2009/10 £m					Total £m	Total £m
89.907	89.650	OCC Elements Forecast in-year variance	-0.460	0.564	0.104	0.791	-0.697
23.965	28.880	PCT elements Forecast in-year variance	0.016	2.059	2.075	4.248	-2.173
	118.530	Total Older People & Physical Disabilities	-0.444	2.623	2.179	5.039	-2.860
1.657	1.658	Equipment Pool	0.330	0	0.330	0.360	-0.030
115.529	120.188	Total - Older People, Physical Disabilities & Equipment Pool	-0.114	2.623	2.509	5.399	-2.890

38. An overspend of £0.330m is forecast on equipment, a reduction of £0.030m since last month. This is the fifth month when the forecast has been reduced. This reflects work commissioned to identify the reasons for the over spend and to develop an action plan to reduce the level of overspending. Any overspend at year end will be carried forward and managed in 2010/11.

Learning Disabilities Pool

39. As shown in the table below the Learning Disabilities Pooled Budget is forecasting an over spend of £0.091m, a decrease of £0.415m from the previous report.

Original Budget £m	Latest Budget £m		Variance February 2010 £m	Variance January 2010 £m	Change in Variance £m
42.630	42.903	OCC contribution	0.091	0.352	-0.261
31.078	31.261	PCT contribution	0	0.154	-0.154
73.708	74.164	Total - Learning Disabilities	0.091	0.506	-0.415

40. The Learning Disabilities Pooled Budget forecast over-spend has decreased by £0.415m.
41. Further efficiency savings of £0.405m have been included this month together with a reduction of £0.085m on In-Patient Service Contract and reduced forecast spend of £0.299m on the Learning Disabilities Development Fund due to delays in Care Management transition work and previous overforecasting of commitments. These savings have been partially offset by increased spends of £0.043m on Out of Area Treatments and increased commitments of £0.229m resulting from the February Panel decisions and transfer of clients from other services.
42. In January the PCT made an additional contribution of £0.168m to the pooled budget in respect of its proportion of the then forecast overspend of £0.400m. In view of the reduced forecast overspend a repayment of £0.102m to the PCT has been taken into account in the budget and forecast year end position. The remaining overspend is the responsibility of the County Council

Environment & Economy: £0.149m overspend

43. The overall position for Environment & Economy is a forecast overspend of £0.149m, or 0.21%, of the latest budget. This has decreased by £0.195m since the last report.
44. The net overspend position across Transport is now £0.331m, a decrease of £0.139m since last month. £0.118m of this reduction relates to a number of underspends on various projects. The forecast position does not yet include the supplementary estimate of £0.425m approved by Cabinet on 16 February to meet the net additional costs of winter maintenance as due to the timing of the decision this has not yet been actioned. The impact of the supplementary estimate will be shown in the Provisional Outturn report.

45. The current Transport contract is due to finish on 31 March 2010. Costs reflecting new working practices under the new contract, along with any costs associated with the changeover, may impact on the forecast revenue and capital outturn position. If relevant further information and an update on these will be included in the Provisional Outturn Report.
46. Within Sustainable Development the underlying Waste Management underspend has increased by -£0.103m since last month. However the forecast assumes that an additional £0.150m will be transferred to reserves to support the funding of the Waste Recycling Strategy. This would take the total available from £0.500m to £0.650m. As reported previously £0.695m budget set aside for the purchase of Landfill Allowance Trading Scheme (LATS) is also assumed to be available to support the Strategy. The net effect of the changes this month is a reduction of £0.047m in the overall underspend reported for Waste Management from -£0.157m to -£0.111m.
47. After the adjustments above the total underspend reported for Sustainable Development is -£0.306m. This includes an underspend of -£0.152m relating to the contribution the Council would have made to enhance the infrastructure of the project team for the West End Project and was reliant on the other partners contributing a similar amount.
48. Property Services is forecast to underspend by -£0.016m, a further increase of -£0.014m. Within this the forecast overspend on repairs and maintenance has increased to £0.199m. This is offset in part by a further increase in income from surplus properties of £0.038m. The remaining movement is related to a number of small offsetting variations. It should also be noted that the position currently assumes that an overspend of £0.113m on non – domestic rates will also be a call on balances at year end in line with Council policy subject to the receipt of any refunds in 2009/10.
49. As previously noted the position reported also assumes that an overspend of £0.200m relating to the Better Offices Programme will be funded from balances. Due to the improved position within Transport it is hoped that it will be possible to manage the pressure within the Directorate and so a supplementary estimate request has not been made this month. However, this is subject to any pressure resulting from the end of the current Transport contract as noted in paragraph 46. If necessary a call on balances will need to be approved through the Provisional Outturn Report.
50. Business Support is now forecast to overspend by £0.140m as a result of increased legal recharges and other pressures.

Community Safety & Shared Services: £0.494m underspend

51. Community Safety is forecasting an underspend of -£0.494m, or -1.6%, compared to -£0.340m last month.
52. Within Fire & Rescue the forecast overspend on retained fire-fighters is unchanged at £0.197m. In previous years, any variances against this budget

have been met from / transferred to Council balances in line with Council policy. As noted last month the service is proposing that this year £0.100m of the overspend is met from balances at year end with the remainder offset from underspends elsewhere in Fire & Rescue. This will be finalised at year end through the Provisional Outturn Report.

53. The budget for ill health retirements is now expected to underspend by -£0.040m compared to break-even last month. As this is an uncontrollable budget the underspend will be returned to balances at year end. -£0.068m expenditure on health and safety and other training will now slip into 2010/11 and a request will be made to carry this amount forward to complete the programme.
54. The forecast underspend for the Oxfordshire sites managed by the Gypsy & Traveller Service has increased to -£0.080m (an increase of -£0.030m). This will be transferred to an earmarked reserve and used to provide the Council's contribution to grant funded capital work for the extension of amenity units at the Redbridge site in 2010/11. The reserve was set up last year and currently stands at £0.073m. Capital grant of £0.372m is also available.
55. The contract for the management of gypsy and traveller sites in Buckinghamshire is forecast to make a contribution to the overheads of the directorate of approximately £0.060m. The first calls on this underspend will be to cover overspends in Trading Standards (£0.015m) and Safer Communities (£0.010m).

Shared Services

56. A one off budget of £0.250m was approved for this year to cover the cost of implementing International Financial Reporting Standards (IFRS), a project spanning two financial years. As noted last month approximately £0.150m will be spent this year and the remaining £0.100m will be required next year.
57. The Corporate Learning & Development Plan is forecasting an underspend of -£0.200m due to a lower take up than forecast on courses and training provision. It is proposed that the underspend is carried forward to be used for training in 2010/11.
58. Excluding these underspends Shared Services is forecasting an underspend of -£0.506m against its other budgets. A request will be made to carry forward -£0.120m to cover one off pressures identified next year. The remaining -£0.386m will transfer to the Savings Reserve in line with the business case assumptions.
59. The remaining business case savings of approximately £0.422m will be delivered in full next year and this has been reflected in reductions in the appropriate 2010/11 budgets.
60. It is now forecast that £0.7m will be spent this year on system development and related project work for delivery of the remaining business case savings.

A further £0.7m will be required next year to complete these projects. In total the expenditure remains at £1.4m over the two years.

61. The current cash flow forecast is in Annex 1f. This shows that the full business case will be delivered around nine months later than originally planned.
62. Following the loss of sales during the January bad weather, school meal sales have recovered in February. Food with Thought and QCS Cleaning Services are forecasting a combined surplus in the region of £0.14m. This trading surplus will transfer to the reserve at year-end.

Corporate Core: £2.399m in year Directorate overspend

63. Corporate Core is forecasting an overspend of £2.399m. This has increased by £0.005m since last month.
64. The forecast overspend for ICT is unchanged at £2.650m. This includes one off redundancy costs of £0.400m. Subject to agreement these costs will be met from the Efficiencies Reserve.
65. On 6 April 2010, Council approved a supplementary estimate request of £2.250m for ICT. This will be reflected in the final accounts for 2009/10. The first call on underspends reported by other services within Corporate Core will be to offset part of the remaining ICT overspend unless a service can make a case to carry it forward to fund service pressures or commitments next year. Currently, the level of uncommitted underspend is very low.
66. Strategic Human Resources & Organisation Development are continuing to forecast a total underspend of -£0.206m. Within that the apprenticeship scheme is expected to underspend by -£0.076m. The remaining underspend of -£0.130m will be requested to be carried forward for the Council's organisational development programme and One HR agenda.
67. Finance & Procurement is forecasting an underspend of -£0.075m. This includes £0.035m relating to the Source Oxfordshire Website. The Policy Unit is forecasting an underspend of -£0.050m. Part of this may be required to complete the Local Information System project.
68. As reported previously, levels of activity in Legal Services have been high, especially in the planning and child protection areas. This is reflected in increased income generation compared to last year but also in higher costs. Current estimates of legal costs and income (internal and external) indicate an overspend of approximately £0.130m. The forecast includes two legal cases which will cost in the region of £0.060m this year. The policy for a number of years has been that exceptional legal costs over £0.025m, where no budget exists, are met from balances. Cabinet is requested to approve a supplementary estimate of £0.060m to cover the costs associated with these two cases. Any further adjustment will be made through the Provisional

Outturn Report. If the supplementary estimate is agreed the overspend to be carried forward by Legal Services would reduce to £0.070m.

Virements and Supplementary Estimates

69. Virements previously approved are shown in Annex 2b and 2c and temporary virements to note in Annex 2d. Annex 2e shows the cumulative total virements to date. Annex 2a is included for completeness but there are no virement requests requiring approval this month.
70. Annex 2f shows supplementary estimates agreed previously, and a new request of £0.060m relating to legal fees over £0.025m incurred within Corporate Core as set out in paragraph 68.

Grants Monitoring

71. Annex 3a and 3b set out the movement on specific grants since the original estimate, along with a forecast of the grant funded expenditure in year. Annex 3c details the Area Based Grant. As shown in Annex 3a notifications for a National Dementia Strategy grant of £0.020m and Small Schools Making an Impact grant of £0.010m have now been received.

Bad Debt Write Offs

72. During the first eleven months of 2009/10 there were 215 debts written off totalling £28,727. The largest debt was £13,000 so most were very small and uneconomical to recover through the courts. In addition Client Finance wrote off 97 debts in relation to charges for care totalling £53,365. The largest of those was £8,763.
73. A client received home care from the Council from 1998 to 2008. Arrears of £7,136 were cleared following the sale of the client's home in 2004. From July 2004 to June 2006 the client continued to receive home care and was charged at full cost. Invoices and reminders were sent but no payments were forthcoming. In 2006 the case was re-assessed before being referred to Legal Services. Following this re-assessment the client was assessed not to contribute towards the cost of her care from April 2006 to the time of her death in 2008. In December 2006 Legal Services were instructed to recover the £16,456 homecare debt for the period from June 2004 to April 2006. Legal services have been unable to recover the money or obtain a complete account of how the outstanding capital from the sale of the house was spent but will not pursue court action because the client's estate is insolvent.
74. In view of the insolvency it is recommended that the debt of £16,456 be written off and the amount charged against the provision for bad debts.

Strategic Measures

75. The average cash balance during February 2010 was £182.6m and the average rate of return was 0.81%.

76. The Treasury Management lending list is included at Annex 7 for completeness but there are no changes since the previous report.

Part – 2 Balance Sheet

Reserves

77. Annex 4 shows the forecast movement on earmarked reserves. Changes since last month total £2.636m.
78. Of the total movement £1.013m relates to a reduction in the expected draw down on the Change Fund. It is now forecast that £1m will be carried forward to 2010/11. This includes £0.880m that is committed in respect of projects carried forward to 2010/11.
79. The expected contribution to the Waste reserve has increased by £0.150m as noted in paragraph 46.

Balances

80. Annex 5 sets out the current position for general balances taking into account known changes. Taking into account the request for a supplementary estimate of £0.060m for Legal Fees, balances at the end of January are £10.578m. As noted throughout the report a number of further calls on/additions to balances may be made by year end. The table on the next page shows the position if they are approved although this does not effect the consolidated position on revenue balances as any supplementary estimates approved will reduce the in-year overspend and therefore not effect the net total call on balances for the year.

	£m
Balances at 28 February 2010	10.578
Potential calls on/additions to balances:	
Community Safety & Shared Services: Retained Fire Fighters overspend (paragraph 52)	-0.100
Community Safety & Shared Services: Ill Health Retirements (paragraph 53)	0.040
Environment & Economy (Property Services): Better Offices Pprogramme (paragraph 49)	-0.200
Enviroment & Economy (Property Services) Non Domestic rates (paragraph 48)	-0.113
Potential position at 31 March 2010 before taking account of the revenue variation at year end	10.205

Part 3 – Capital Programme and Monitoring

Capital Monitoring

81. The capital monitoring position set out in Annex 6, shows the forecast expenditure for 2009/10 is now £86.1m compared to the latest Capital Programme of £89.8m. This is a reduction of -£2.3m from the position forecast at the end of January.

Directorate	Latest Capital Programme Budget (Position as at end of December 2009. Approved February 2010)	Forecast Expenditure (Position as at end of February 2010)	Forecast Variation February 2010	Forecast Variation January 2010	Change in Variation Forecast
	£m	£m	£m	£m	£m
Children, Young People & Families	38.8	38.0	-0.8	-0.5	-0.3
Social & Community Services	6.0	5.4	-0.6	-0.3	-0.3
Environment & Economy	41.1	39.1	-2.0	-0.6	-1.4
Community Safety & Shared Services	1.0	0.7	-0.3	0.0	-0.3
Corporate Core	2.9	2.9	0.0	0.0	0.0
Sub-total	89.8	86.1	-3.7	-1.4	-2.3
Schools Capital/ Devolved Formula	12.1	12.1	0.0	0.0	0.0
Earmarked Reserves	2.0	2.0	0.0	0.0	0.0
Total	103.9	100.2	-3.7	-1.4	-£2.3

Children, Young People & Families

82. Children, Young People & Families Directorate is forecasting to spend £38.0m in 2009/10, a decrease of £0.8m when compared to the latest capital programme and a decrease of £0.3m from the variation reported last month.
83. £0.150m of expenditure relating to the Schools Access Initiative programme has slipped into 2010/11. £0.050m has been allocated to the Marlborough School project and £0.100m funding for St Birinus will take place in 2009/10. This was initially expected to be incurred in 2010/11. £0.070m of the 14-19 Rural Areas grant will now be spent in 2011/12 rather than 2009/10 subject to the carry forward request and the budget provision earmarked for Charlbury.

Social & Community Services

- 84. The forecast spend for Social & Community Services is £5.4m, a decrease of £0.6m when compared to the latest capital programme. This is a £0.3m decrease from the forecast position reported last month.
- 85. £0.170m of expenditure on the Watlington Library scheme has been re-profiled to 2010/11.

Environment & Economy

- 86. The forecast expenditure for 2009/10 for Environment and Economy is £39.1m. This is a decrease of £3.0m when compared to the latest capital programme or £1.4m compared to the forecast variation reported to Cabinet in March.
- 87. There is a further £0.275m variation on Bridges Structural Maintenance (the total now being £0.817m for 2009/10). This variation has arisen from updated cost profiles and a number of underspends on individual projects. Of the total variation, £0.268m has been slipped into 2010/11 as projects have been delayed. £0.549m will be reallocated to other areas within the Transport Capital Programme once the outturn position for 2009/10, along with the arrangements for the new transport contract are finalised.
- 88. Expenditure of £0.100m on the upgrading of premium routes for public transport has slipped due to the adverse weather this winter.
- 89. The fit out of the new premises for Countryside Services will now take place in 2010/11 due to the lease being secured later than planned. Expenditure of £0.230m has been re-profiled into 2010/11.
- 90. The expenditure profile on three Waste Recycling Centre schemes has been reviewed and as a result a total of £0.275m has been slipped into 2010/11.

Community Safety & Shared Services

- 91. The Community Safety and Shared Services Directorate is forecasting spend of £0.7m for 2009/10, a decrease of £0.3m when compared to the latest capital programme and the position reported last month.
- 92. The project to clear the Redbridge Hollow Traveller site of fly-tipped waste has now been completed. The construction of one additional pitch on the site will commence in April 2010 and £0.120m has slipped into 2010/11 as a result. The capital grant bid for £1.160m to build eight additional pitches has been rejected. Alternative courses of action are being considered.

Actual Expenditure

- 93. As at the end of February 2010 actual capital expenditure was £64.5m, or 64% of the total forecast expenditure of £100.2m. This represents a £4.8m increase from last month and is consistent with the position for the same

period last year. Total commitments were a further £20.8m; therefore total committed expenditure was 85% of the total planned expenditure.

5-year Capital Programme

94. The forecast expenditure for the 5-year capital programme is £501.0m (excluding schools). This is a decrease of £0.5m compared to the capital programme update approved by Council in February 2010 and a decrease of £0.1m compared to last month. The table below summarises the variations by directorate and the main variations by scheme are explained in the following paragraphs.

Directorate	Latest Capital Programme Budget (Position as at end of December 2009. Approved February 2010)	Forecast Expenditure (Position as at end of February 2010)	Forecast Variation February 2010	Forecast Variation January 2010	Change in Variation Forecast
	£m	£m	£m	£m	£m
Children, Young People & Families	281.8	280.8	-1.0	-0.5	-0.5
Social & Community Services	47.5	47.5	0.0	0.0	0.0
Environment & Economy	162.5	162.5	0.0	0.1	-0.1
Community Safety & Shared Services	3.8	4.3	0.5	0.0	0.5
Corporate Core	5.9	5.9	0.0	0.0	0.0
Sub-total	501.5	501.0	-0.5	-0.4	-0.1
Schools Capital/ Devolved Formula	64.0	64.0	0.0	0.0	0.0
Earmarked Reserves	7.8	7.8	0.0	0.0	0.0
Total	573.3	572.8	-0.5	-0.4	-0.1

95. The variation of £0.5m in Children, Young People & Families relates to staff costs in the School Organisation and Planning Team. This is due to £0.100m per annum of staffing costs being capitalised. This cost will be included as part of the revenue / capital funding switch.
96. In Community Safety & Shared Services, a grant bid of £0.372m for the refurbishment of the amenity block at the Redbridge Hollow Traveller Site in 2010/11 was successful and this is 25% match-funded, giving a total of £0.496m to be spent in the next financial year. This is in addition to the funding available from 2009/10 as noted in paragraph 92.

Part 4 – Adjustments to the 2010/11 budget

97. The 2010/11 budget agreed by Council on 9 February 2010 includes £1.4m in relation to the estimated costs of implementing the Personal Care Bill in

2010/11. The Department of Health has now issued provisional allocations for the Personal Care at Home Grant for 2010/11 which will be paid as Area Based Grant. Subject to parliamentary approval final allocations will be issued later in the year. The allocation for Oxfordshire is £2.481m and Cabinet are asked to note the increase of £1.081m. The 2010/11 budget will be adjusted to reflect this provisional allocation. Whilst the Bill was defeated in the House of Lords it is unclear whether or when it will now be implemented, and we may still be asked to backdate implementation to October 2010. Further updates will be provided as information becomes available.

Green Book and Teachers' Pay Inflation

98. As noted in the Assistant Chief Executive & Chief Finance Officer's Supplementary Report Service & Resource Planning report to Council on 9 February 2010, the Employers' Side of the National Joint Council informed trade unions on 20 January 2010, that in view of the difficult financial position facing councils they will not be able to offer any increase in pay for 2010/11.
99. The report noted that the 0.5% inflation allowed in Directorate budgets would be earmarked against the final pay settlement and/or be available to fund the costs associated with job reductions. As set out in Annex 8, £0.6m will be removed from directorate budgets and placed in the Efficiency Savings reserve.
100. As noted in the Commentary on the budget 2010/11 – 2014/15 by the Assistant Chief Executive & Chief Finance Officer, the three year Teachers' pay award agreed in 2007 included increases of 2.3% from September 2009 and 2010. The increase for 2010 is indicative and subject to review in light of inflation. Most teachers' pay budgets will fall within the Dedicated Schools Grant which has the scope to cover this rise. However, £0.1m of the total Green Book saving in CYP&F has been reallocated to increase the inflation on budgets funded by the Council from 0.5% to 2.3%.

Restructuring of Budgets in Children, Young People and Families

101. Annex 9 includes requests for restructuring virements in respect of the changes required to reflect locality working in the Children, Young People & Families Directorate, and where relevant to allocate cross directorate savings agreed by Council on 9 February 2010 to the appropriate Service Areas.

RECOMMENDATIONS

102. **The Cabinet is RECOMMENDED to:**
- (a) **note the report;**
 - (b) **approve the supplementary estimate request of £0.060m in relation to legal fees over £0.025m in Annex 2f and paragraph 68;**

- (c) **note the increase of £1.081m in the provisional allocation for the Personal Care at Home Grant for 2010/11 as set out in paragraph 97;**
- (d) **note the removal of £0.6m Green Book pay inflation from 2010/11 budgets as shown in Annex 8 and paragraph 98 & 99;**
- (e) **note the addition to Council budgets of £0.1m Teachers' pay inflation as set out in paragraph 100; and**
- (f) **agree the virements to CYP&F budgets for 2010/11 as set out in Annex 9 and paragraph 101.**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

Background papers: Directorate reports

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April 2010