

COUNTY COUNCIL – 27 JULY 2010

**2010/11 IN – YEAR GRANT REDUCTIONS
AND REQUESTS FOR VIREMENTS**

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

Introduction

1. The report to Council (**CC6**) states that, if necessary, updated recommendations to Council will be circulated following the Cabinet meeting on 20 July 2010.
2. This supplementary report sets out updated information and includes an amended version of Annex 2b.

Updates to In – Year Grant Reductions in 2010/11

Revenue Grants

Updated proposals to meet the reductions in Area Based Grant

3. A revised Annex 2b (attached) sets out proposed reductions in Area Based Grant and specific grant funded expenditure. This removes the £0.020m reduction for Young People Substance Misuse and Partnership Grant. In place of this a further £0.020m reduction is proposed for Extended Rights to Free Travel, taking the total reduction to this grant to £0.420m. An allocation of £0.059m will remain.
4. Notification has been received that Oxfordshire will now receive £0.346m Local Delivery Support Grant, a ring-fenced grant to help with preparations for the delivery of Diplomas, Functional Skills and Foundation Learning working in conjunction with the 14-19 Partnership and consortia. There was an expectation that this grant would not be received in 2010/11 and no funding was built into the budget. This is additional revenue funding.

Capital Grants

5. Further and/or new details are now available on the reductions to specific grant allocations relating to the programme for Children, Young People & Families.
6. Specialist Schools Capital Grant – specialist schools are no longer able to apply for a capital grant of £0.025m on redesignation. Six schools were notified before April 2010 that their applications for the grant had been successful and in these cases the grant will be paid in September 2010. Other schools which had applied for the grant after April have been informed that it is no longer available.

7. Play Capital Grant – on 15 July 2010 the Department for Education (DfE) advised that with immediate effect no new contractual liabilities in relation to this programme should be incurred. The DfE stated that they would cover the cost of expenditure already incurred for completed sites, and sites where groundworks/construction has already commenced. However, contractual commitments already entered into in relation to sites where groundworks/construction have not yet commenced will be subject to review by the DfE based on information to be completed by 23 July 2010.
8. Schemes in Oxfordshire potentially affected due to the start dates being later than July 2010, include Play Barton (Barton Adventure Playground) with funding of £0.8m where work was planned to start in September 2010. In addition a number of Playfinder Schemes each with funding of £0.047m may also be affected subject to feedback from the DfE. These include the Ark-T Centre (John Bunyan Baptist Church), and schemes in Carterton, Shipton Under Wychwood, Blewbury, Middle Barton Playing Fields, Hook Norton, Oxford (Sandfield Road & Bury Knowle Park), Appleton, South Oxfordshire Adventure Playground, and Banbury (St Louis Meadow).
9. Cabinet agreed to hold play pathfinder schemes in the moratorium; negotiate with the DfE about the release of schemes where building works have not yet commenced and make representations for other third parties who have made an investment in schemes; if funding is withdrawn, seek to recover as far as possible any money paid out.
10. Sure Start, Early Years and Childcare Grant (SSEYCG) – a meeting with the grant representatives has taken place and notification of any change to the Council's funding allocation is awaited. DfE asked local authorities to not to enter any further commitments for these programmes as of 16th July 2010.
11. £1.3m of the original £2.5m Harnessing Technology capital grant allocation was originally planned to be allocated to schools on a formula basis and £1.2m retained centrally. Subsequently notification was received that the total allocation will reduce by 50%.
12. The previous government made 25% of this grant payable to Local Authorities (LA) and 75% payable to schools. The Harnessing Technology Grant position for 2010/11 was originally:

LA Allocation (25%)	£0.625m
LA Additional from schools – Consultant support (8%)	£0.201m
Schools Contribution to Bandwidth Upgrades	£0.400m
Schools Retained Allocation	£1.275m
TOTAL Oxfordshire	£2.501m

13. On 19 July 2010, Schools Forum considered the reduction in the Harnessing Technology Grant 2010/11 grant and recommended that in addition to the remaining £1.25m, that £0.4m of 2009/10 Harnessing Technology grant currently in an ICT reserve for school broadband upgrades should

instead be used to supplement this year's allocation to schools. Schools Forum were advised that the original budget set aside to fund the school broadband upgrades was insufficient to achieve additional bandwidth across the county. The total allocation of £1.650m was recommended to be utilised as follows:

LA – Consultant support	£0.200m
LA – To be retained by LA with a decision on how this will be allocated will be made by the Schools Forum in the Autumn	£0.175m
Schools Retained Allocation	£1.275m
TOTAL Oxfordshire	£1.650m

14. This proposal to manage the reduction retains the consultant support for the learning platform in 2010/11 whilst retaining this year's allocation to schools. This provides schools with continued support to embed the learning platform in teaching and learning so schools maximise the benefits of the considerable investment made to date.
15. The Schools Forum also agreed to consider the continuing support for Schools through the potential offer of buy-back from 2011/12. It was agreed that this would enable planning for potential staffing implications.
16. These changes have not yet been incorporated in the Capital Programme and will be reflected in the October 2010 update as required.

Academies

17. Paragraph 26 of the report to Council states that there are currently '27' outstanding primary and secondary schools in Oxfordshire; this figure should be '30'.

RECOMMENDATIONS

18. The recommendation on the Council agenda contains references at (d) to 'paragraph 19' and at (e) to 'paragraph 23': these should read 'paragraph 20' and 'paragraph 24' respectively. In view of this, and the amendments arising from the Cabinet meeting on 20 July, as set out in detail above, an amended recommendation is set out below.
19. **The Council is RECOMMENDED to:**
 - (a) **note the report;**
 - (b) **approve the virements larger than £0.5m and the associated carry forwards from 2009/10 for Children, Young People & Families and Social & Community Services Directorates;**

- (c) approve the reductions in revenue grant funded expenditure and related virements as set out in the amended Annex 2b;**
- (d) approve the deferral of capital expenditure originally planned for 2010/11 as set out in paragraph 20 of the main report (CC6);**
- (e) note the reduction in capital grant funding and associated reductions in expenditure as set out in paragraph 24 of the main report (CC6);**
- (f) note the further reduction in capital grant funding and associated reductions in expenditure as set out in paragraphs 5 to 16 above;**
- (g) agree that any further changes to specific capital grant funding in 2010/11 should be made in accordance with the notification; and,**
- (h) agree that any further urgent changes associated with reductions in specific grants that are not ringfenced be delegated to the Chief Executive and Chief Finance Officer after consultation with the Leader of the Council and Cabinet Member for Finance & Property.**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

Background papers: Financial Monitoring Report to Cabinet on 20 July 2010
Addenda to Financial Monitoring Report to Cabinet on 20 July 2010

Contact Officers: Kathy Wilcox, Principal Financial Manager
Tel: (01865) 323981

Lorna Baxter, Assistant Head of Finance (Corporate Finance)
Tel: (01865) 323971

July 2010