

INTEGRATED RESOURCES AND PERFORMANCE REPORT – MAY 2010

To: Cabinet

Date: 5th July 2010

From: Corporate Director: Finance, Property & Performance

Electoral division(s): All

Forward Plan ref: N/A **Key decision:** Yes

Purpose: To present financial and performance information to assess progress in delivering the Council's Integrated Plan.

Recommendation: That Cabinet:

1. Analyses resources and performance information and takes any remedial action as appropriate.
2. Approves the one-off revenue virement of £2.9m from the Pressures and Developments Reserve to the Services to meet the shortfall in funding following the announcement of cuts to Local Government funding in 2010/11 (see paragraph (para) 3.3).
3. Task Executive and Corporate Directors to resolve in-year budget pressures identified and commit to a 1% underspend as a contingency against further grant cuts and reductions (see para 3.3).
4. Task Executive and Corporate Directors to review capital programmes to take account of announced and possible further grant reductions (see para 3.3).
5. Approves the virements of £400k Social Care demography funding and £500k of mainstream Home to School transport funding to the Placements – Social Care budget (see para 4.4.5).

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1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Integrated Plan.

2 BACKGROUND

- 2.1 A joined-up reporting mechanism has been adopted as part of a drive to understand finance and performance together. In an attempt to combine the most important parts of the separate finance and performance reports the integrated report is broken down into three sections:
1. Executive summary (including Direction of Travel (DoT) information) (section 3)
 2. Detailed integrated scorecard and analysis of exceptions (section 4)
 3. Appendices showing financial tables (appendix 2 – appendix 5)
- 2.2 The executive summary provides a high level indicator of financial position across the 3 main themes: Income and revenue; resources and the capital programme. It also contains a summary of exceptions indicating areas of business that are underperforming and areas where performance is good.
- 2.3 The performance scorecard reports progress against the aspirations set out in the Integrated Plan, with an enhanced financial management section.
- 2.4 Each measure, whether financial or performance, has been awarded a status based on a simplified three banding system.

<i>Good performance</i> performing above target, or spend in line with budget profile. No action required	G - Green
<i>Acceptable performance</i> but not yet at or above target, or spend is not fully in line with budget profile. Amber performance is cause for concern, especially near the end of the financial year. Director to investigate continued amber performance, especially if the Direction of Travel in performance or budgetary terms is downwards	A - Amber
<i>Investigate urgently</i> – action is required immediately if the target is going to be achieved. Executive Director/Corporate Director/Office Management Team (OMT) to investigate	R - Red

3. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

3.1 The following **performance** issues are of note:-

- There are no new or changed exceptions to report this month.
- 2 indicators previously reported as exceptions have made significant improvements:
 - Local Indicator (LI) 206 % Young People Aged 13-19 Participating in Youth Service Activities (GREEN ↓) – a good start to the new financial year in both East Cambs and Fenland and Huntingdonshire. City and South Cambs have had a slow start, but it is anticipated that their performance will improve and will be reflected in the next month's figures.
 - LI 136a CCC - % of Contact Centre Calls Answered within 20 Seconds (GREEN ↑).
- Previously reported exceptions (2009/10) are:
 - National Indicator (NI) 008 Adult Participation in Sport (RED) – a project plan has been put in place by Living Sport, the Cambs and Peterborough Sports Partnership, and other key partners with the aim of achieving the target set for this indicator by the end of the 2010 survey of use period (Active People Survey, October 2010). The 2012 Olympic and Paralympic Games are also now being used as a focus for stimulating activity around participation in sport and active recreation.
 - NI 148 Care Leavers in Employment, Education and Training (EET) (RED ↑) – there was one addition to the cohort in March 10, and the continuing difficult economic environment remains challenging. This impacted on performance through to the last year-end, however, some improvement is visible.
 - NI 155 Number of Affordable Homes Delivered (gross) (RED ↔) – the 2009/10 outturn was just short of the 960 target (4% below). A couple of individual sites have experienced delays to completions, so a number of affordable homes will complete in 2010/11 rather than 2009/10. This is a matter of timing rather than delivery and the homes will still be completed in the very near future. This indicator remains on track to achieve the renegotiated 2010/11 LAA target of 1,146.
 - NI169 Non-Principal Roads where Maintenance should be considered (RED ↓) – latest provisional data indicates that maintenance should be considered on 7% of the non-principal classified road network. Subject to confirmation of the figure, the council's challenging 2009/10 target of 6% was not achieved. As a result of the cold spell in February 2009 there was a marked deterioration of the non-principal road network, so a slight reduction from target is a realistic outcome. In both absolute and relative terms, the council's performance remains very good and should still be placed within the top quartile of all county councils.
 - NI152a Working Age People on Out of Work Benefits in Fenland (LAA) (RED ↓) – exception reports are regularly submitted to the Cambridgeshire Together Board updating them on progress. A revised target for 2010/11 has recently been agreed with GoEast. Risk of not meeting the revised target will be revaluated for the end of year report for 2009/10.
 - NI171 New Business Registration Rate - % of Regional Average (RED ↑) – recently released figures for 2009 shows poor performance. Reduction in availability of finance for business has been a large factor in businesses' lack of growth, particularly in the high-tech sector. To reflect this the target for 2010/11 has been renegotiated down to 98%.
 - NI192 Household Waste Recycled and Composted (12 month rolling average) (RED ↓) – this is an area where the council performs very well. In 2008/09 the council was second best performing County Council (just 0.01% behind

Leicestershire). Prevailing weather conditions over the summer, together with the impact of the recession on consumer behaviour, saw lower than anticipated recycling and composting. In setting the target many factors such as population growth, infrastructure roll-out and educational campaigns are all taken into account to predict the annual performance. Although the opening of the Mechanical Biological Treatment (MBT) plant will have a positive impact, as will the changes to kerbside collection by the City Council, the full effects of these were not enough to achieve the 2009/10 target.

3.2 The following **resource** issues are of note:-

- Overall the budget position is showing a forecast year-end overspend of £3m (0.9%) (see table 3.4).
- In Environment Services (ES) a balanced budget is being predicted (see para 4.2).
- In Community and Adult Services (CAS) an overspend of £616k is being predicted, which is due to pressures identified within Adult Support Services and Libraries, Learning and Culture (see para 4.3).
- In Children and Young People's Services (CYPS) an overspend of £2.2m is being predicted, which is due to pressures within Strategy and Commissioning (see para 4.4).
- In Corporate Directorates (CD) an overspend of £200k is being predicted, which is due to pressures identified within the Customer Services and Transformation (see para 4.5).
- In Corporate Directorates – Financing, a balanced budget is being predicted (see para 4.5).
- Spending on the council's overall capital programme is currently proceeding slower than estimated (see para 4.6).
- Cabinet is asked to approve the one-off revenue virement of £2.9m from the Pressures and Developments Reserve to the Services to meet the shortfall in funding following the announcement of cuts to Local Government funding in 2010/11 (see para 3.3).
- Cabinet is asked to approve the virements of £400k of Social Care demography funding and £500k of mainstream Home to School transport funding to the Placements – Social Care budget (see para 4.4.5).
- There are no significant debt problems to report at this point in time. And there are no noticeable effects arising from the economic downturn (see para 4.7).

3.3 The following **general economic** issues are of note:-

Some details of the new Government's £1.165bn in-year cuts for Local Government are now known. Further cuts are expected within the Emergency Budget on the 22nd June and beyond. At present the known impact on the council's 2010/11 funding is a £2.9m revenue reduction (Area Based Grant), with the main reduction being in Department for Education (DfE) grants and a £2.5m capital reduction, with the main reduction being in Department for Transport (DfT) grants.

The most recent announcement sees the cancellation of the Local Authority Business Growth Initiative (LABGI) scheme, for which £315k income has been budgeted for in 2010/11.

Further cuts may follow as reductions in the funding to central government departments flow through the system. The following are thought to be vulnerable:

- Revenue funding from regional pots - possible £3m impact.
- Capital funding from regional pots - possible £3m impact.
- Cuts to existing LPSA reward grant - £4.5m of funding to projects within the County at risk.

As a result of the known reductions, the following actions are to be taken:

- £2.9m will be made available from the Pressures and Development Reserve, for this year only, to replace the revenue funding lost. Cabinet is therefore asked to approve the virement of £2.9m of corporate reserves to the respective Services.
- To restore flexibility, each Service and Corporate Directorate will be required to underspend against current budgets by 1%. Future Integrated Resources and Performance Reports will monitor spending based on this requirement.
- Capital programmes will be reviewed and recast to reflect reduced funding levels.

3.4 Revenue Income & Expenditure Summary

Previous Month's Outturn £000	Service	Budget for 2010/11 £000	Current Variance £000	Forecast Outturn (May) £000	Forecast Outturn (May) %	Overall Status	DoT
-	ES	51,607	-994	0	0.0%	G	↔
-	CAS	145,528	9,230	616	0.0%	A	↓
-	CYPS	81,904	18	2,212	2.7%	R	↓
-	CD Direct	33,262	-54	200	0.6%	A	↓
-	CD Financing	29,050	-7,113	0	0.0%	G	↔
0	Total Service Spending	341,351	1,087	3,028	0.9%	A	↓
-	Financing Items	-1,937	2,029	0	0.0%	G	↔
0	Total Spending 2010/11	339,414	3,116	3,028	0.9%	A	↓

3.5 Capital Programme Summary

Revised Budget (May) £m	Capital Summary	Outturn Estimate (May) £m	Outturn Variance (May) £m	Overall Status	DoT
162.4	Total Capital Spending	162.2	-0.2	A	↑
45.4	Total General Financing	45.4	0.0	G	↔
117.0	Total Specific Financing	116.8	-0.2	G	↑
	Unsupported Expenditure (Funding Difference)	0.0	0.0	G	↔
162.4	Total Capital Financing	162.2	-0.2	A	↑

4. EXCEPTION REPORTING – PERFORMANCE & RESOURCES

4.1 Where performance/financial expectation falls into or remains in the bottom banding (red), or is in the amber banding with performance falling for the second consecutive month an explanation as to why this has happened and what actions are being taken to correct performance/overspend has been invited from the lead officer concerned. Directors are asked four specific questions to ensure that exception reports are able to drive improvement and for Cabinet to offer robust challenge. These questions are:

- What are the reasons for performance/budget falling behind target/profile?
- What actions are planned?
- In what timescales will performance be back on track?
- Who is responsible for dealing with this?

4.2 Environment Services (balanced budget)

4.2.1 There are no significant issues to report as at the end of May.

With the economic downturn, income streams could be affected such as planning fees, section 106 contributions and section 38 fees. Currently all of these are being closely monitored by Officers and will be reported if there becomes a problem in achieving the expected level of income.

4.3 Community and Adult Services (£616k overspend)

4.3.1 Physical Disability and Sensory Services (PD/SS) (£400k overspend)

PD is anticipating an overspend of £400k. This is mainly due to the number of new packages that began in the last quarter of 2009/10 (that have a full year effect in 2010/11), plus higher demand and lower attrition than expected for the first part of the financial year. A thorough review is being undertaken and management actions are being put in place to address this pressure.

4.3.2 Libraries, Archives and Information (£196k overspend)

An outturn pressure of £196k is being forecast in relation to the Library Service, which is due to a combination of factors. These are: the increased demand at the new / refurbished libraries; the necessary timescales for the detailed work to implement the planned savings in 2010/11; and the continued general decline in take-up of chargeable services. Actions are being actively pursued to mitigate the impact of this pressure, including:

- increasing fees and charges and reviewing concessions to ensure the Integrated Plan target increase for income is achieved in 2010/11.
- a freeze on non-frontline vacancies.
- close scrutiny of local library running costs.
- close scrutiny of all one-off expenditure.

4.4 Children and Young People Services (£2.2m overspend)

4.4.1 At the end of May CYPS is forecasting an overspend of £2.2m. This pressure arises largely as a result of significant recent increases in Looked After Children numbers, which have now risen to over 500 for the first time. These increase have caused a forecast overspend of £2.6m on the Social Care placements budget. A review within CYPS has been undertaken to free up available resources wherever possible to reduce the impact of this and other pressures, but a £2.2m overspend is forecast for the year in advance of this work being concluded. A Placement strategy is in draft form setting out the expectations on future numbers of children looked after, the placement mix and the actions to be delivered to achieve this. For the longer term service redesign will be influenced significantly by the need to reduce the number of children and young people being looked after.

4.4.2 Teachers Pensions (£250k overspend)

A pressure exists on Teachers Pensions as a result of higher than normal pension costs of teaching staff made redundant, related to a higher proportion of redundancies being long service / senior teaching staff.

4.4.3 Catering and Cleaning Services (CCS) (£212k overspend)

It is unlikely the service will be able to achieve sufficient surplus to pay the £212k CYPS traded services deficit contribution expected in 2010/11.

4.4.4 Groomfields (£200k overspend)

A deficit of £200k is forecast for 2010/11. As part of the recent restructuring of the service, a new post was created to focus on increasing the levels of new business the service can generate. However, it will take time for this role to become fully embedded and to start generating the levels of income required to break-even.

4.4.5 Placements – Social Care (£2.6m overspend)

A pressure of £3.5m has been identified due to the continuing growth of numbers of children needing to be looked after and associated growth in complexity of needs. Cabinet is asked to approve the virements of £400k of Social Care demography funding and £500k of mainstream Home to School transport funding to the Placements – Social Care budget to reduce the pressure from £3.5m to £2.6m

4.4.6 Placements – Education (£600k overspend)

An overspend of £600k is forecast due to a historical pressure on the Out of School budget, higher than anticipated costs for music therapy and the need to commit fees for a placement for a pupil who has moved out of Cambridgeshire.

4.4.7 As a consequence of the significant pressures faced, CYPS has undertaken a thorough review of all budgets and developed strategies to offset as much of the known pressures as possible. Key elements of this strategy are the removal of savings from unplanned vacancies (assumed saving -£1.4m), transfer of £400k of Social Care demography funding and £500k of Home to School transport funding to the Placement budget, and the commitment of savings in other areas being maintained throughout the year to offset pressures.

4.5 Corporate Directorates (200k overspend)

Customer Services and Transformation (£300k overspend):

- 4.5.1 Business Support and Facilities Management is forecasting an overspend of £250k. This is the result of known pressures on utilities budgets across the County Office portfolio. Work is ongoing to further clarify the extent of the pressure and so this figure will be updated in subsequent months.
- 4.5.2 Corporate Communications is forecasting a £50k overspend at year-end due to the Service's inability to achieve full-year savings on Council-wide publications.

People, Policy and Law (balanced budget):

- 4.5.3 There are no significant issues to report as at the end of May.

Finance, Property and Performance (-£100k underspend):

- 4.5.4 Research and Financial Strategy is currently forecasting an underspend of -£100k. This is due to part-year staffing vacancies within Financial Strategy, pending completion of service restructuring.
- 4.5.5 The Better Utilisation of Property Assets (BUPA) budget is forecasting a break-even position at year-end. However, there is a pressure of £242k resulting from the shortfall against the targeted saving built into the budget for Workwise, this after draw-down of the remaining approved Invest to Transform (ITT) funding. It is expected that the pressure will be met by a combination of Cabinet agreed charges for extra staff and additional savings from buildings identified for closure by the Head of Business Support and Facilities Management. Failure to realise either element is likely to result in an in-year overspend and create a pressure for future years.

Financing (balanced budget):

- 4.5.6 There are no significant issues to report as at the end of May.

4.6 Capital Programme

Spending on the overall Council's capital programme is currently proceeding slower than estimated, with a year-end outturn of -£200k currently forecast. It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value (the detail can be obtained by referring to appendix 5).

4.7 Debt Levels

Longer-term debt (> 6 months old) has increased by £61k in May to £997k. Of this balance, £952k (95%) is subject to secondary recovery action. Debt in the 4-6 month age range has increased by £215k at the end of May to £915k. Emerging debts are currently with the Recovery Team and Budget Holders to resolve, with £593k (65%) of the debt outstanding subject to secondary recovery action.

Debt cash targets for 2010/11 are currently out for consultation with the service teams and should be available in next month's report.

5. STATUTORY DUTIES & PARTNERSHIP WORKING

- 5.1 There is no direct legislation or legal requirements that need to be adhered to for this report. There are also no significant issues arising in relation to partnerships.

6. CLIMATE CHANGE

- 6.1 There are no direct climate change implications stemming from this report.

7. ACCESS & INCLUSION

- 7.1 There are no significant issues arising from this report in relation to access & inclusion.

8. ENGAGEMENT & CONSULTATION

- 8.1 No public engagement or consultation is required for the purpose of this report.

9. RECOMMENDATIONS

- 9.1 SMT to analyse and monitor performance and financial information against action plans, where appropriate, in order to remedy and/or offset the overspends identified in this report. They are also asked to note that Cabinet have been asked to:
- approve the one-off revenue virement of £2.9m from the Pressures and Developments Reserve to the Services to meet the shortfall in funding following the announcement of cuts to Local Government funding in 2010/11.
 - task Executive and Corporate Directors to review capital programmes to take account of announced and possible further grant reductions.
 - task Executive and Corporate Directors to resolve in-year budget pressures identified and commit to a 1% underspend as a contingency against further grant cuts and reductions.
 - approve the virements of £400k of Social Care demography funding and £500k of mainstream Home to School transport funding to the Placements – Social Care budget.

APPENDIX 1: Corporate Scorecard

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
A) Integrated Plan								
1) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 1)								
LI206 % Young people aged 13-19 participating in Youth Service Activities (YTD)	High	%	30-Apr-2010	1.1	0.6	G	↓	
NI088 % of schools providing access to extended services	High	%	30-Apr-2010	96	100	A	↑	
NI005 Overall/general satisfaction with local area	High	%	31-Mar-2009	86	88.6	A	♦	A
NI008 Adult participation in sport and active recreation	High	%	31-Mar-2010	22.3	24.7	R	↑	
NI017 Perceptions of anti-social behaviour	Low	%	31-Mar-2009	12.6	9.8	A	♦	A
NI069 Bullying (new target)	Low	%	31-Mar-2010	28.1			↑	
NI110 Young people's participation in positive activities	High	%	31-Mar-2010	80.4	80	G	↑	
NI115 Substance misuse by young people	Low	%	31-Mar-2010	9.6	9.1	A	↑	
2) Supporting and protecting vulnerable people (Strategic Objective 2)								
NI130 Social Care clients receiving Self Directed Support	High	clients	31-Mar-2010	34.4	35	A	↑	
NI136 People supported to live independently (all ages)	High	rate per population	31-Mar-2010	3140	3272	A	↓	
NI148 Care leavers in EET	High	%	31-Mar-2010	66.6	73	R	↑	
NI054 Services for disabled children	High	Number	31-Mar-2010	63	63	G	♦	
NI137 Healthy life expectancy at age 65	High	Number	31-Mar-2009	14.8			↔	
3) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 3)								
NI047i People killed or seriously injured in road traffic accidents	Low	Number	30-Apr-2010	374	380	G	↓	A
NI154 Net additional homes provided	High	Number	31-Mar-2009	2813	2344	G	↓	A
NI155 Number of affordable homes delivered (gross)	High	Number	31-Mar-2010	926	960	R	↑	R
NI169 Non-principal roads where maintenance should be considered	Low	%	31-Mar-2010	7	6	R	↓	R
NI175 Access to services and facilities by public transport, walking and cycling	High	%	31-Mar-2010	94.8	94.65	G	↓	G
NI177 Local bus passenger journeys originating in the authority area - CCC	High	Number	31-Mar-2009	24165236	21850000	G	↑	A
NI177 Local bus passenger journeys originating in the authority area - LAA	High	Number	31-Mar-2009	24165236	20850000	G	↑	G
NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2010	21.04	22.5	G	↑	G

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)								
NI182 Satisfaction of businesses with local authority regulation services	High	%	31-Mar-2010	80	78.5	G	↔	G
NI152a Working age people on out of work benefits in Fenland - LAA	Low	%	30-Sep-2009	13.9	11.5	R	↓	R
NI163 Working age population qualified to at least Level 2	High	%	31-Mar-2009	73.4	74	A	↑	A
NI171 New business registration rate - % of regional average	High	%	31-Mar-2009	89	101	R	↑	R
5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)								
NI192 Household waste recycled and composted - 12-month rolling average	High	%	31-Mar-2010	51.32	55	R	↓	A
NI185a CO2 reduction from Local Authority operations	High	%					♦	
NI185b CO2 reduction from Local Authority operations	Low	tonnes	31-Mar-2009	85142			♦	
NI186a Per capita CO2 emissions in the LA area - % reduction	High	%	31-Mar-2008	4.7	3.7	G	↑	G
NI188 Adapting to climate change (CCC)	High	Number	31-Mar-2010	2	2	G	↑	G
NI197 Improved local biodiversity – active management of local sites	High	Number	31-Mar-2010	195	185	G	↑	G
6) Delivering high-quality effective and efficient services (Service Delivery Principle 1)								
Finance - Capital	High	Number	31-May-2010			A	↓	
Finance - CAS	High	Number	31-May-2010			A	↓	
Finance - CD Direct	High	Number	31-May-2010			A	↓	
Finance - CD Financing	High	Number	31-May-2010			G	↔	
Finance - CYPs	High	Number	31-May-2010			R	↓	
Finance - ES	High	Number	31-May-2010			G	↔	
LI025 Sickness Absence (CCC)	Low	working days	31-May-2010	0.97	1.35	G	↓	
LI031 % of staff from ethnic minorities as a % of the workforce	High	%	31-May-2010	4.76	4.1	G	♦	
LI044 Value of outstanding invoices per age range >6 months	Low	£	31-May-2010	997074	1060000	G	↓	
LI277 Prompt Payment	High	%	31-May-2010			G	↔	
NI179 V&M	High	£0,000	31-May-2010	17511	15536	G	♦	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)								
LI068 Overall satisfaction of website customers	High	%	31-May-2010	38	40	R	↓	
LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	31-Mar-2009	87	75	G	♦	
NI004 % of people who feel they can influence decisions locally	High	%	31-Mar-2009	30.5	34	A	♦	
8) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)								
NI007 Environment for a thriving third sector	High	%	31-Mar-2009	15.3	19.2	A	♦	
B) Operational Performance								
Customer Service								
LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	31-May-2010	82.5	80	G	↑	
Operational - Organisational Health								
LI039 Payment of undisputed invoices within 30 days	High	%	31-May-2010	98.52	97	G	↑	
Operational - People Management & Development								
LI026a Sickness Absence - YTD (CD)	Low	working days	31-May-2010	0.72	1.07	G	↓	
LI032 Recruitment lead times	Low	days	31-May-2010	31.68	33	G	♦	
LI106a Sickness Absence - YTD (ES)	Low	Number	30-Apr-2010	0.38	0.43	G	↑	
LI211 Sickness absence - YTD (CYPS)	Low	Number	30-Apr-2010	0.55	0.68	G	↑	
LI283 Sickness Absence - YTD (CAS)	Low	Number	30-Apr-2010	0.53	0.7	G	↑	
Percentage of appraisals completed on time	High	%	31-Mar-2010	91.5	96	A	↓	

APPENDIX 2: Income & Expenditure Position by Service

Environment Services (ES)

ES is forecasting to break-even at year-end. This represents 0% of net expenditure.

Previous Month's Outturn £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (May) £'000	Forecast Outturn (May) %	Overall Status	D o T
-	Executive Director		848	-16	0	0.0%	G	↔
-	Highways & Access		27,336	-228	0	0.0%	G	↔
-	Growth & Infrastructure		1,198	-24	0	0.0%	G	↔
-	Environment & Regulation		7,354	-77	0	0.0%	G	↔
-	External Grants		-3,507	0	0	0.0%	G	↔
0	Total Office Funded Items		33,229	-345	0	0.0%	G	↔
-	Waste PFI		18,378	-650	0	0.0%	G	↔
0	Total		51,607	-995	0	0.0%	G	↔

There are no significant issues to report at this stage of the financial year.

Community and Adult Services (CAS)

CAS is forecasting to overspend by £616k at year-end. This represents 0.4% of net expenditure.

Previous Month's Outturn £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (May) £'000	Forecast Outturn (May) %	Overall Status	D o T
-	Executive Director		314	-51	0	0.0%	G	↔
-	Adult Support Services	i	157,167	11,474	400	0.3%	A	↓
-	Libraries, Learning & Culture	ii	10,145	277	216	2.1%	A	↓
-	Community Engagement & Fenland		4,125	-122	0	0.0%	G	↔
0	Total Expenditure		171,751	11,579	616	0.4%	A	↓
-	External Grants		-26,223	-2,349	0	0.0%	G	↔
0	Total		145,528	9,230	616	0.4%	A	↓

The key issues at this stage of the financial year are:

Adult Support Services

- i. Within Physical Disability and Sensory Services (PD/SS), PD currently shows an anticipated year-end overspend of £400k. This is mainly due to the number of new packages that began in the last quarter of 2009/10 (that have a full year effect in 2010/11), plus higher demand and lower attrition than expected for the first part of the financial year. Managers continue to closely scrutinise expenditure for all new clients and existing clients as they are reviewed.

Libraries, Learning & Culture

- ii. An outturn pressure of £196k is being forecast in relation to the Library Service, which is due to a combination of factors. These are: the increased demand at the new / refurbished libraries; the necessary timescales for the detailed work to implement the planned savings in 2010/11; and the continued general decline in take-up of chargeable services. Actions are being actively pursued to mitigate the impact of this pressure, including:
 - increasing fees and charges and reviewing concessions to ensure the Integrated Plan target increase for income is achieved in 2010/11.
 - a freeze on non-frontline vacancies.
 - close scrutiny of local library running costs.
 - close scrutiny of all one-off expenditure.

Children and Young People Services (CYPS)

CYPS is forecasting to overspend by £2.2m at year-end. This represents 2.7% of net expenditure.

Previous Month's Outturn £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (May) £'000	Forecast Outturn (May) %	Overall Status	D o T
-	Executive Director	i, ii	7,165	11	-1,274	-17.8%	G	↑
-	Learning		15,479	0	0	0.0%	G	↔
-	Strategy & Commissioning	iii, iv, v, vi	62,602	162	3,612	5.8%	R	↓
-	Children's Social Care		38,320	-19	0	0.0%	G	↔
-	Children's Enhanced & Preventative Services	vii	28,334	-135	-126	-0.4%	G	↑
0	Total Expenditure Including Grant Funded Spend		151,900	18	2,212	1.5%	A	↓
-	Grant Funded Spend		-69,995	0	0	0.0%	G	↔
0	Total		81,904	18	2,212	2.7%	R	↓

The key issues at this stage of the financial year are as follows:

Executive Director

- i. In 2009/10 savings of £1.545m were made across CYPS as a result of unplanned vacancies. The strategy of collecting such savings centrally creating an underspend on central financing to offset pressures elsewhere in CYPS will continue in 2010/11 and an assumption of £1.424m has been made for such savings in this financial year.

In addition, the removal of amounts reserved at the end of 2008/09, which were not subsequently needed, released £195k in 2009/10. An assumption of £100k has been made for similar savings in 2010/11 from amounts reserved at the end of 2009/10.

- ii. In 2009/10 the teachers pensions budget overspent by £500k. This was attributed to higher than normal pension costs of teaching staff made redundant, related to a higher proportion of redundancies being long service / senior teaching staff. Projections of redundancies have been prepared for 2010/11 based on redundancy expectations and at this time the forecast for the teachers pensions budget is a £250k overspend. Forecasting redundancy and the related pension costs is difficult as the redundancy processes are usually aligned to school terms, the majority of redundancies take place at the end of the school financial year (September pay out). A firmer estimate will be available as of the end of June.

Strategy & Commissioning

- iii. Catering and Cleaning Services (CCS) forecast an overspend of £212k at year-end.

Schools Catering – meal numbers in April and May were below the budget target levels causing approximately £20k reduction in contribution. The outturn forecast is dependant on achieving a growth of 5 paid meals per day per school.

Cleaning Services – as a result of the recent schools budget round, CCS lost a number of Service Level Agreements (SLAs) as schools have decided to manage their cleaning services in house. Costs will need to be closely managed to avoid this pressure affecting the outturn.

Whilst there are opportunities to limit these contribution losses and progress to budget, CCS is unlikely to achieve sufficient surplus to contribute significantly to the £212k traded services deficit contribution expected in 2010/11.

- iv. Groomfields is forecasting a deficit of £200k for 2010/11. A fundamental review of the service took place in 2009/10, which resulted in the service being absorbed within the management structure of CCS with the deletion of a number of management posts. A new post was created to focus on increasing the levels of new business the service can generate. However, as this is a new role it will take time to become fully embedded and to start generating the levels of income required to break-even.
- v. Placements – Education is forecasting to overspend by £600k. £250k of this is a historical pressure on the Out of School budget. Unexpected high costs for music therapy and the need to commit fees for a placement for a pupil who has moved out of Cambridgeshire account for the remainder of the pressure.
- vi. Placements – Social Care is forecasting a pressure of £2.6m at year-end. 277 children were in placements on 1st April 2010 compared to 223 children at the end of 2008/09 (an increase of 24% and continuing the rate of growth seen recently). Needs continue to be increasingly complex and associated costs of the placements needing to be made rises accordingly.

At the end of May total placements were 290 compared to 238 budgeted places. It is forecasted that the budget pressure is £3.5m, but this is offset by £900k proposed to be transferred from Social Care (£400k) and Home to School transport demography (£500k), which Cabinet has been asked to approve.

Children's Enhanced and Preventative Services

- vii. Strategic Management - Enhanced and Preventative Services is forecast to be -£176k underspent at year-end. A number of Integrated Plan savings targets for 2011/12 have been found in advance, realising savings in this financial year of -£176k.

Corporate Directorates (CD)

CD is forecasting to overspend by £200k at year-end. This represents 0.3% of net expenditure.

Previous Month's Outturn £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (May) £'000	Forecast Outturn (May) %	Overall Status	D o T
-	Customer Services & Transformation	i, ii	19,028	20	300	1.6%	A	↓
-	Finance, Property & Performance		7,484	-60	-100	-1.3%	G	↑
-	People, Policy & Law	iii, iv	8,915	-14	0	0.0%	G	↔
0	Gross Expenditure		35,428	-54	200	0.6%	A	↓
-	External Grant Income		-2,166	0	0	0.0%	G	↔
0	Sub Total		33,262	-54	200	0.6%	A	↓
	Financing Costs:							
-	Debt Charges and Interest		27,883	-7,113	0	0.0%	G	↔
-	Restructure Support Costs		1,167	0	0	0.0%	G	↔
0	Total		62,312	-7,167	200	0.3%	A	↓

The key issues at this stage of the financial year are:

Customer Services & Transformation

- i. Business Support and Facilities Management is forecasting an overspend of £250k. This is the result of known pressures on utilities budgets across the County Office portfolio. Work is ongoing to further clarify the extent of the pressure and so this figure will be updated in subsequent months.
- ii. Corporate Communications is forecasting a £50k overspend at year-end due to the Service's inability to achieve full-year savings on Council-wide publications.

Finance, Property and Performance

- iii. Research and Financial Strategy is currently forecasting an underspend of -£100k. This is due to part-year staffing vacancies within Financial Strategy, pending completion of service restructuring.
- iv. The Better Utilisation of Property Assets (BUPA) is forecasting a break-even position at year-end. However, there is a pressure of £242k resulting from the shortfall against the targeted saving built into the budget for Workwise, this after draw-down of the remaining approved Invest to Transform (ITT) funding. It is expected that the pressure will be met by a combination of Cabinet agreed charges for extra staff and additional savings from buildings identified for closure by the Head of Business Support and Facilities Management. Failure to realise either element is likely to result in an in-year overspend and create a pressure for future years.

APPENDIX 3.1: Additional Income

Only grants where there have been changes in the year of £50k or over are listed below.

Grant	Awarding Body	Directorate	Budget Book 2010/11 £'000	Expectation at May 10 £'000	Change £'000
Revenue Grants within ABG					
January Guarantee	Department for Education (DfE)	E&P	0	50	50
LSC Staff Transfer	DfE	S&C	0	376	376
Non ABG Revenue Grants					
Education Business Partnership Services	Young People's Learning Agency (YPLA)	Learning	0	300	300
Standards Fund					
Foundation Learning	DfE	Learning	0	200	200
Sure Start Grant					
Transition Support Programme	DfE	Social Care	0	50	50
DCatch	DfE	S&C	0	119	119

APPENDIX 3.2: Virements

Only in-year virements over £50k are listed below.

	£000	Notes	Month
Transfer of Archive function to CD	133	Transfer of Archive function from CAS to CD (Service Transformation).	May 10
Transfer of CD Management Support to Adults Man. Support	66	Transfer of CD Management Support budget to Adults Management Support (CAS).	May 10

Operational Savings - movements from Operational Savings into revenue

Notes	£000	Month

APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2010	2010-11		Forecast Balance 31 March 2011	Notes
		Movements in 2010-11	Balance at 31 May 2010		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	8,694	0	8,694	6,090	
- Services					
1CYPS	33	0	33	-2,179	Includes Service Forecast Outturn (FO)
2ES	1,061	0	1,061	805	Includes Service Forecast Outturn (FO)
3CAS	-530	0	-530	-616	Includes Service Forecast Outturn (FO)
4CD	919	0	919	-35	Includes Service Forecast Outturn (FO)
subtotal	10,177	0	10,177	4,065	
Earmarked					
- Specific Reserves					
5Insurance	7,093	0	7,093	7,093	
6Invest to Transform - Corporate	2,323	0	2,323	-897	FO after 2010/11 adjustments
7Invest to Transform – Offices	592	0	592	615	
8Pressures & Developments Reserve	3,033	0	3,033	4,268	
Subtotal	13,041	0	13,041	11,080	
Trading Units					
9CYPS	-295	0	-295	0	Plans are in place to eradicate this deficit in 2010/11
10CAS	0	0	0	0	
11CD	70	0	70	70	
subtotal	-225	0	-225	70	
Equipment Reserves					
12CYPS	143	0	143	143	
13ES	388	0	388	132	
14CAS	124	0	124	0	
15CD	782	0	782	782	
Subtotal	1,437	0	1,437	1,056	
Other Earmarked Funds					
16CYPS	1,058	71	1,129	205	
17ES	5,744	53	5,797	5,557	Includes delayed damages in respect of the Guided Busway
18CAS	1,005	-302	703	703	
19CD	461	0	461	0	
Subtotal	8,268	-178	8,090	6,465	
SMIs (LMS etc)					
20LMS Schools	17,830	0	17,830	17,830	
21SIPF	-1	1	0	0	3 to 5 year loans made to schools using their balances
Subtotal	17,829	1	17,830	17,830	
Grand Total	50,527	-178	50,350	40,566	

APPENDIX 5: Capital

Capital Expenditure 2010/11

The following table shows the budgeted expenditure against the forecast outturn:

Revised Budget £m	Capital Expenditure	Outturn Estimate £m	Outturn Variance £m
91.0	Children & Young People	92.4	1.3
54.9	Environment Services	55.2	0.3
6.2	Community & Adult Services	3.8	(2.4)
10.3	Corporate Directorates	10.8	0.6
162.4	Total Capital Spending	162.2	(0.2)

- The CYPS outturn position is £1.3m above the revised budget. This relates to the Schools Condition Capital budget deficit brought forward from 2009/10, which will be funded as part of the annual capital programme Integrated Planning Process (IPP) review.

All other capital schemes are currently reporting to be on budget. The forecasts are being reviewed and will be updated in June and subsequently as schemes progress.

Since the Integrated Plan was set the budget has increased by £10.5m to give a revised budget of £91m. This increase is made up of the following:

- £9.2m in relation to the Building Schools for the Future (BSF) programme, for which the contract was signed in May meaning the Design and Build sample scheme at Neale Wade Community College can be reported in the capital programme. The additional budget for Neale Wade Community College is £25m. This is being funded by government grant, of which £8.77m is planned to be spent in 2010/11. In addition since reaching contract close the £0.4m contribution from Fenland District Council towards the BSF programme is now included in the budget.
- The remaining £1.3m relates to funding that has been brought forward from 2009/10 where the final spend was less than anticipated.
- ES is forecasting an outturn variance of £0.3m above the revised budget. There is a potential overspend relating to Waste Management Infrastructure projects due to the design costs for Witchford Recycling Centre. There is currently an on-going dispute with Capita Symonds regarding this scheme, for which Officers are trying to seek resolution.

Expenditure on the Guided Busway is in line with that detailed for 2010/11 in the most recent cashflow statement and is therefore reporting a zero variance. However, there are on-going issues on this capital project, which have been well documented elsewhere.

- The CAS outturn position is £2.4m below the revised budget. The main programmes causing this variance are as follows:
 - The completion of Croyland/Larkfields (£1.2m) – this programme is dependent upon the sale of the Croyland site, which is yet to be sold.

- The Adult Social Care project (£0.895m) – this project is dependent on the Croyland/Larkfields programme. The project is currently held back to see the outcome of the Croyland/Larkfield programme before a decision is made.

It is also worth noting that the following projects are now funded by unrestricted government grants, following the announcement on 10th June 2010 by Mr Pickles:

- HIV/AIDS
 - Adult Social Care IT Infrastructure
 - Social Care Reform
- The CD outturn position is £0.6m above the revised budget. This outturn variance is as a result of a projected overspend on the Huntingdon Office Rationalisation scheme. Remedial action is being sought, but has not yet been identified.

Capital Financing 2010/11

The following table shows the budgeted use of capital resources, split by general and project specific funding:

General Funding resources (GFR) (Non Project Specific)			
£m		£m	£m
26.7	Supported Capital Expenditure (Revenue)	26.7	0.0
18.7	Capital Receipts (General)	18.7	0.0
45.4	Total General Financing	45.4	0.0

Project Specific Finances (PSF) (Ring-Fenced)			
1.6	Supported Capital Expenditure (Capital)	1.6	0.0
65.4	Specific Grants	65.2	(0.2)
1.6	Ring-Fenced Capital Receipts	1.6	0.0
12.1	Developer and Other Contributions	12.1	0.0
36.3	Prudential Borrowing	36.3	0.0
117.0	Total Specific Financing	116.8	(0.2)

	Funding Difference	0.0	0.0
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162.4	Total	162.2	(0.2)
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- Spending on the council's capital programme is currently proceeding slower than estimated.
- It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value.