

INTEGRATED FINANCE & PERFORMANCE REPORT – OUTTURN 2008/09

To: Cabinet

Date: 7th July 2009

From: Nick Dawe – Corporate Director (Finance, Property & Performance)

Electoral division(s): All

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

Purpose: This report:

- Details the performance of the Council for the 2008/09 financial year. The report follows the broad structure of the Integrated Finance and Performance Report submitted each month, but provides further detail in areas such as Schools, Reserves and Treasury Management Activities.
- Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.

Recommendation: That Cabinet:

1. Notes the revenue expenditure of Services in 2008/09, and in particular the delivery of a better than break-even position (section 2.4).
2. Approves that the timing difference of £9.9m within the capital programme is bridged using Prudential Borrowing (section 4.2).
3. Approves the £224k Invest to Transform (ITT) loan required for the Workwise project, which is in line with project's financial projections (section 6.2).

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1. BACKGROUND

- 1.1 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 (section 2)
 2. Appendices showing corporate scorecard and financial tables (appendix 1 – appendix 6).
- 1.2 The executive summary provides a high level indicator of financial position across the 4 main themes: Income and revenue; resources; trading and the capital programme. It also contains a summary of exceptions indicating areas of business that are underperforming and areas where performance is good.
- 1.3 The performance scorecard reports progress against the aspirations set out in the Integrated Plan, with an enhanced financial management section.
- 1.4 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	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	Amber
<i>Investigate urgently</i> – action is required immediately if the target is going to be achieved. Deputy Chief Executive/Office Management Team (OMT) to investigate	Red

2. SUMMARY – PERFORMANCE AND FINANCE HEADLINES

- 2.1 The following **performance** issues are of note:-
- Using the latest data from the Integrated Plan scorecard it is predicted that 73.9% of the National Indicators (Nis) have met their target for 2008/09, with 76.4% improved compared to the same period last year. This represents a further 1.9% improvement on last year's figures suggesting that the Council is continuing to show year on year improvement. However, some caution should be exercised with these figures given the large number of changes and amendments to the indicators for 2008/09.
 - Performance exceptions at year-end are likely to be (i.e. those reported as RED) as follows:-
 - NI117 16 to 18 year olds who are not in education, training or employment (NEET):
Target = 5%
Result = 5.8%

Direction of Travel (DoT) = Down

- LI32Recruitment Lead Times: Target = 33 days
Result = 34.02 days
DoT = Up
- LI106a Sickness Absence (in what was the Office of Environment and Community Services) Target = 7 days
Result = 7.88 days
DoT = Up
- Specific indicators that have performed well in 2008/09 are as follows:-
 - Local bus passenger journey.
 - Improved local bio diversity.
 - People killed or seriously injured in road traffic accidents.
 - Use of public libraries.
 - Young people participating in youth activities.
 - LAC with 3 or more placements.
 - Social care clients receiving self-direct support.
 - Contact centre.
- Indicators related to Adults have continued to show sustained improvement.
- It should be noted that these headline figures will form part of the Council's organisational assessment and will be further refined and analysed along with the full set of national indicators that the Council is responsible for. A further report detailing all the end of year results will be presented to Cabinet in September along with any relevant comparative information.
- A more detailed analysis of the figures can be found in appendix 1.

2.2 The following **finance** issues are of note:-

- The approved Council Budget for the financial year 2008/09 was £314.2m. This was increased by transfers from carry forwards of £1.5m, making a total budget of £315.7m (see section 3.4).
- The overall position for 2008/09 was actual spending of £310.9m against the revised budget of £315.7m, resulting in an underspend of -£4.8m (-1.5% of the revised budget). Of this underspend, £1.4m is transferred to Carry Forwards and Other Reserves, in accordance with the Council's Constitution, and £3.4m is transferred to the General Reserve.
- In Environment and Community Services an underspend of -£919k is being reported for 2008/09. Pressures within Highways & Access and Community Learning and Development have been offset by savings identified within Environment and Regulation and Adult Support Services (see appendix 2).
- In Children's Services an overspend of £47k is being reported for 2008/09. This follows a late refund from the Legal team of £238k, reflecting surpluses made by the team from business initiated within Children's Services. However, the number of Social Care placements has increased significantly throughout the year and savings were required across OCYPS to offset this pressure (see appendix 2).
- In Corporate Services Direct an underspend of -£296k is being reported for 2008/09. This is mainly due to the additional income being received within the Legal Traded Service (see appendix 2).
- In Corporate Services Financing an underspend of -£3.6m is being reported for 2008/09. This is due to the savings achieved on the Debt Charges budget (see appendix 2).

- Spending on the Council's capital programme, especially on generally funded schemes, has proceeded sooner than estimated. It is recommended that the timing difference of £9.9m be bridged using Prudential Borrowing, which requires Cabinet approval. Cabinet are therefore asked to approve this level of borrowing (see section 5).
- As at the 31st March 2009, the overall level of Council debt was £12.8m, which is £0.8m (7%) above the target level (see section 10).

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

- The impact on the Authority of the general economic downturn throughout 2008/09 was carefully monitored. Due to the recession being deeper and more pro-longed than expected, there was an increasing chance of increased demand pressures on certain services, a higher risk of suppliers facing financial difficulties, a flat market for asset sales and delayed developer receipts for major projects. The major impact of these issues is unlikely to be felt until 2009/10 and was therefore considered as part of the Integrated Planning Process (IPP).

2.4 **Revenue Income & Expenditure Summary**

(1) Services	(2) Revised Budget £'000	(3) Application of Carry Forwards £'000	(4) Total Funds (2)+(3) £'000	(5) Actual Spending £'000	(6) (7) Variation		(8) (9) Transfer to (+) / from (-):-	
					£'000	%	Carry Forwards & Other Reserves £'000	General Balances £'000
Environment & Community	197,538	445	197,983	197,064	-919	-0.5%	1,124	-205
Children & Young People	88,629	62	88,691	88,737	47	0.1%	-47	
Corporate Services:								
- Direct & Support Services	4,623	954	5,577	5,281	-296	-5.3%	296	
- Financing & Debt Charges	28,077		28,077	24,430	-3,647	-13.0%		3,647
Total Service Spending	318,867	1,461	320,328	315,512	-4,815	-1.5%	1,373	3,442
Financing Items	-4,659		-4,659	-4,644	15	-0.3%	-15	
Total Spending 2008/09	314,208	1,461	315,669	310,869	-4,800	-1.5%	1,358	3,442

Notes:-

1. Key to column 6: + signifies overspending or reduced income, - signifies underspending or increased income.
2. The Environment & Community Services variation in column 6 includes Winter Maintenance and Waste – Private Finance Initiative (PFI) Contract, where specific arrangements for over/under spends exist. Excluding these two items the underlying position for OECS is £295k underspend.
3. Revised budgets include Corporate Allocations, which move “overhead” costs from Corporate Services to front-line services.

2.5 Capital Programme Summary

Revised Budget	Capital Summary	Actual Outturn 2008/09	Outturn Variance 2008/09	Overall Status	Direction of Travel (DoT)
£m		£m	£m		
173.3	Total Capital Spending	147.5	-25.8	A	↑
30.6	Total General Financing	30.6	0.0	A	↓
142.7	Total Specific Financing	107.0	-35.7	A	↑
	Unsupported Expenditure (Funding Difference)	9.9	9.9	R	↓
173.3	Total Capital Financing	147.5	-25.8	A	↑

3. SCHOOLS

3.1 Since 2006/07, funding for schools was transferred from the County Council revenue support grant to the Dedicated Schools Grant (DSG). As well as funding individual school budgets (known as ISB), it also funds a range of central support services for schools. Cambridgeshire receives an allocation of funding per pupil and works with Schools' Forum to decide the allocation of the DSG.

3.2 Total schools balances as at 31st March 2009 are as follows:

	31 st March 2008 £m	31 st March 2009 £m	Change £m
Nursery Schools	0.2	0.4	0.2
Primary Schools	13.3	12.0	-1.3
Secondary Schools	4.4	0.8	-3.6
Special Schools	1.7	0.9	-0.8
Sub Total	19.6	14.1	-5.5
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	3.4	5.4	2.0
Schools In Partnerships Fund	-0.3	-0.1	0.2
TOTAL	22.7	19.4	-3.3

It must be noted that further to the DSG, schools balances include funding from the School Standards Grant (SSG), Learning and Skills Council (LSC) for Post 16 funding, and additional funding in year for items such as pupils with statements, and various Standards Fund grants.

The change in schools balances can be attributed to a number of reasons:

- Increased awareness of the balance control mechanism and increased challenge to schools.

- Balances held on behalf of other schools for jointly provided activities e.g. extended provision now recorded separately where possible.
- Where schools have been saving for a capital related project that will be part funded by revenue balances, schools have transferred such balances to a ringfenced capital fund when project costs are known.

- 3.3 On receipt of the schools final Consistent Financial Reporting (CFR), analysis will be undertaken to look at the individual changes in balances and appropriate challenge given to those schools with excessive balances. Further analysis will be carried out at the half-year point to ensure that schools are spending as per their original plans.
- 3.4 Schools retain balances for a number of reasons and as part of the Balance Control Mechanism the local authority first requires schools to separate out their balances into committed and uncommitted, and then identify within uncommitted those balances which are “properly assigned”. Any remaining balances in excess of 5% (secondary) or 8% (primary/special) of the school’s budget share is considered excessive and will be subject to claw-back.
- 3.5 The balances can be further analysed in the heading below:

Sector	Schools with Reported Deficit Balances	% of Schools with Deficit Balances	Schools with Balances in Excess of £100k	% of Schools with >£100k Balances
Nursery	0	0	1	16.7
Primary	7	3.5	31	15.3
Secondary	11	36.7	11	36.7
Special	1	14.3	6	85.7
Total Schools	19	7.8	49	20.0

Please note: the figures in 4.2 and 4.5 are based on the year-end returns from schools. However, following further validation of the CFR returns the final information on Schools balances published by the Department for Children, Schools and Families (DCSF) may differ slightly.

4. CAPITAL PROGRAMME

- 4.1 Spending on the Council’s capital programme, especially on generally funded schemes, has proceeded sooner than estimated. This means that the Council has to consider how to cover the timing difference between spend and the availability of funding. 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 overspends on the total scheme value.
- 4.2 It is recommended that the timing difference of £9.9m be bridged using Prudential Borrowing, which requires Cabinet approval. Cabinet are therefore asked to approve this level of borrowing. The cost of this Prudential Borrowing has been factored into the 2008/09 Debt Charges outturn position, as well as being accounted for within the 2009/10 Integrated Planning Process. Further analysis of the capital programme is detailed in Appendix 5.

5. BALANCES

- 5.1 Balances (the general reserve) as at 31st March 2009 are £9.5m as set out below:

County Fund Balance	2008/09 Final Outturn £m
Balance as at 31st March 2008	7.151
Changes Arising:-	
Funding for Pressures & Development Reserve	-1.100
Winter Maintenance	-0.205
Debt Charges	3.647
Balance as at 31st March 2009	9.493

- 5.2 As a minimum it is proposed that General Reserves should be no less than 2% of the non-school spend of the Council (approximately 1% of net revenue expenditure). At present, General Reserves are 3% of net revenue expenditure. This has been taken account of and dealt with as part of the Integrated Planning Process (IPP) process for 2009/10, so that this balance will be 2% in future years.

6. REVIEW OF OTHER RESERVES

- 6.1 The Council reviews the final level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the Integrated Planning Process (IPP). Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in Appendix 4 and specific commentary, where necessary, can be found below:
- 6.2 The Invest to Transform (ITT) Fund provides interest free loans to services (other than schools) to pump-prime revenue schemes where investment will permit savings or increases in performance, which will enable the loans to be repaid. In addition to this, non-repayable loans, from which funding is then top-sliced from future Integrated Planning (IP) rounds, have also been made available to services. The balance on this fund as at 31st March 2009 is £2m. When all loans are repaid (2013/14), the balance on the ITT fund is £7.4m (including the individual Office allocations of the fund).

The Workwise project within the then Office of Corporate Services (OCS) requires an ITT bridging loan for 2008/09, which is in line with the project's financial projections. Now that the final funding figure is known, Cabinet are asked to authorise the use of £224k from the ITT fund.

7. EFFICIENCY

- 7.1 During the 2007 Comprehensive Spending Review (CSR), which covers the financial years of 2008/09 to 2010/11, Council is required to report on Value for Money (VFM) gains, under National Indicator 179 (NI 179). NI 179 was defined as: the total net value of ongoing cash-releasing Value for Money gains that have impacted since the start of the 2008-09 Financial Year.
- 7.2 The Council is required to achieve slightly more than 3.0% of VFM gains per year using an adjusted 2007/08 net service expenditure as the baseline. This equates to a target for the Council of ongoing VFM gains in excess of £11m each year resulting in a cumulative target of £34.4m ongoing VFM gains by 2010/11. The target figures below have been revised in

line with baseline expenditure figures supplied by Communities and Local Government (CLG).

Council has set a budget in excess of the target figure defined by Government within the CSR, with progress against the three-year target and budget as follows:

Year	Target (Revised) £'000	Budgeted Position £'000	Outturn Position £'000
2008/09	11,098	11,363	11,361
2009/10	11,467	14,726	-
2010/11	11,837	11,849	-
Total	34,402	37,938	11,361

On this basis the Council has exceeded the first year's Government target by £263k.

Overall, the total savings that were required in 2008/09 in order to balance the budget were £16.2m. The savings reported within this section are only the ones that meet the NI179 criteria. Further details on the Council's efficiency gains are shown within Appendix 6.

8. TREASURY MANAGEMENT ACTIVITIES

- 8.1 This section summaries the expenditure and income for debt financing, which is held as a central budget within the Office of Corporate Services Block, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	Budget £'000	Actual £'000	Variation £'000
Interest Payments	10,272	9,880	-392
Interest Receipts	-	-2,768	-2,768
Loan Repayments	13,573	13,352	-221
	23,845	20,464	-3,381

- 8.2 Interest payments were underspent as a result of debt levels remaining below the level assumed in the budget for the year. In addition, there were opportunities arising from the credit crunch to invest surplus cash with highly rated financial institutions in accordance with the approved treasury management policy at very favourable rates. It should be noted that the variance shown here differs to the total indicated in the OCS table (appendix 2 note xvi), as that budget includes a number of items outside the CIPFA definition.

- 8.3 The change in the authority's loan debt over the year was a follows:

	1st April 2008 £'000	Loans Raised £'000	Loans Repaid £'000	31st March 2009 £'000
Long-Term Debt	227,210	26,195	40,067	213,338
Temporary Debt	-	8,500	-	8,500
	227,210	34,695	40,067	221,838
Less Investments	18,300			-
Net Debt	208,910			221,838

The increase in net debt is partly due to new loans being raised as one source of financing the capital programme.

- 8.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.4%. Temporary debt consists of loans for periods of less than one year and interest paid on temporary debt approximates to the bank base rate, which fell from 5.25% to 0.5% over the year.
- 8.5 Each year the authority must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2008/09 compares with approved limits as follows:

	Approved £'000	Actual £'000
Financing Costs		
% of Net Revenue Expenditure	7.4%	6.5%
Authorised Limit for Debt	364,000	222,000
Operational Boundary for Debt	334,000	222,000
Interest Rates Exposure (as % of total debt)		
Fixed Rate	80 – 100%	100%
Variable Rate	0 – 20%	0%
Debt Maturity (as % of total debt)		
Under 1 year	0 – 40%	22%
1 – 2 years	0 – 20%	0%
2 – 5 years	0 – 20%	0%
5 – 10 years	0 – 20%	7%
Over 10 years	50 – 90%	71%

- 8.6 Financing costs are below the approved limit because of the underspend on debt charges, and all debt levels are within the approved limits.

9. DEBT MANAGEMENT

- 9.1 At the 31st March 2009, the overall level of Council debt was £12.8m, which was £0.8m above the target level. The total amount of debt outstanding for more than 6 months at the end of March was £1.29m, which was £423k above the target.
- 9.2 Whilst both the OCYPS and OCS met their respective cash targets, it was OECS and the Social Care Sector where balances remained consistently high. Year on year there have been significant rises in the value of cases outstanding for Probate; the adverse effect of the economic downturn has resulted in delays in the settlement of estates and more debts by value are now subject to Court of Protection and Appointeeship arrangements, and recovery action by the in-house Income Recovery Officers.
- 9.3 A series of strategies have been adopted during the year to minimise the impact of debt and secure reductions. After the primary phase / issue of reminder letters, individual debt continues to be actively managed in the secondary phase. At year-end 94% of debt over 6 months old was following specific debt action, as shown in the following table:

Secondary Recovery Action	As at 31st March 2009 £'000	As at 31st March 2008 £'000
Court of Protection / Appointee	268	191
Legal	94	171
Probate	403	157
Income Recovery Officers	184	109
Secured on property	155	106
Payment Plans	36	43
Small Claims Court / Mediation	33	59
Recovery Agency	5	11
Primary Care Trusts	29	9
Total	1,207	856

- 9.4 Revised targets have been set for 2009/10 to reflect in part the present economic climate. New strategies have been adopted to minimise the Council's exposure to debt and risk of non-payment in the future.

10. STATUTORY DUTIES & PARTNERSHIP WORKING

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

11. CLIMATE CHANGE

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

12. ACCESS & INCLUSION

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

13. ENGAGEMENT & CONSULTATION

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

SOURCE DOCUMENTS:

OECS Budgetary Control Report (Outturn). OCYPS Budgetary Control Report (Outturn). OCS Budgetary Control Report (Outturn). Capital Monitoring Report (Outturn). Performance Management Report (Outturn). Aged Debt per Directorate – as at 31 st March 09.	Room 301, Shire Hall, Cambridge
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Appendix 1: End of Year Performance Results

- i. Some initial work has been undertaken to assess the end of year performance results based on the Integrated Plan Corporate Report. In the past these measures have been used as key performance indicators to make initial statements about the Council's performance to feed the Direction of Travel Statement for the Audit Commission. A similar approach is being adapted this year for the new organisational assessment arrangements.
- ii. Set out below is an analysis of the Council's Key Performance Indicators (KPIs) as reported throughout the year via the corporate scorecard. For 2008/09 there are 39 PIs that are suitable for analysis compared to 28 last year. These are broken down into national (statutory) and local indicators.
- iii. The results are based on the most up to date information and may change in the coming weeks as final results are collected. An analysis against the full range of NIs will be undertaken by the end of June and reported to SMT/Cabinet thereafter. At this point all the figures will be confirmed, but the current figures are sufficiently robust enough to draw out some initial headline figures.
- iv. Please note, for many PIs comparative information is no longer available due to the large number of amendments and changes to the national indicators. Trend analysis, both over time and against others, therefore, will be harder to undertake this year. The PricewaterhouseCoopers benchmarking results (available in July) will provide the Council with the first indication of how well we have performed in comparison to others for 2008/09.

Headline Results

v. Performance Against All Measurable PIs

% of NIs* Meeting Target		% of NIs that have Improved Compared to 2007/08	
Green	68.2%	Up	75.7%
Amber	23.3%	Down	17.1%
Red	8.4%	The Same	7.02%

vi. Performance Against All Measurable NIs

% of NIs* Meeting Target		% of NIs that have Improved Compared to 2007/08	
Green	73.9%	Up	76.4%
Amber	21.7%	Down	17.6%
Red	4.3%	The Same	5.8%

* Excludes place survey NIs both of which report as AMBER.

vii. Performance Against All Local PIs

% of Local PIs Meeting Target		% of Local PIs that have Improved Compared to 2007/08	
Green	62.5%	Up	75%
Amber	25%	Down	16.6%

Red	12.5%	The Same	8.3%
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Analysis

- viii. The percentage of KPIs (NIs only) meeting their target in 2008/09 was 73.9% compared to 72% of KPIs (BVPIs) for the previous financial year (2007/08). 76.4% of these have improved compared to last year. Across the scorecard slightly fewer PIs have met their target (68.2%), but this remains a good result overall.
- ix. The 73.9% will be the figure used in the organisational self assessment and, as the trend analysis below shows, this is nearly 2% improvement compared to last year.

KPIs Trend analysis			
BVPIs			NIs
2005/6	2006/7	2007/8	2008/9
62.5%	62%	72%	73.9%

- x. Due to the number of changes to PIs this year, some caution must be exercised in making comparisons between this year and last. Also there is a larger number of measurable PIs in the scorecard compared to previous years. However, subject to receiving final year-end data, performance against targets has improved again, which may prove to be highly significant, as the AC profile rated the Council very highly last year. If the Council has continued to improve then there is a likelihood that the position compared to others will be maintained or very similar. However, a degree of unpredictability in the comparative results will apply this year with so many changes being introduced.
- xi. Specific indicators that have performed well in 2008/09 are as follows:-
- Local bus passenger journey.
 - Improved local bio diversity.
 - People killed or seriously injured in road traffic accidents.
 - Use of public libraries.
 - Young people participating in youth activities.
 - LAC with 3 or more placements.
 - Social care clients receiving self direct support.
 - Contact centre.
- xii. Indicators that have performed less well (i.e. reported as RED) are as follows:-
- NI117 16 to 18 year olds who are not in education, training or employment (NEET):
Target = 5%
Result = 5.8%
DoT = Down
 - LI32 Recruitment Lead Times:
Target = 33 days
Result = 34.02 days
DoT = Up
 - LI106a Sickness Absence (OECS)*:
Target = 7 days
Result = 7.88 days
DoT = Up

* **Note:** The Office restructure means that this grouping of Directorates no longer exists and the newly formed Environment Services is currently performing above target.

- xiii. Indicators which are in a worse position than at the end of the previous financial/calendar year or same period as last year (i.e. direction of travel) are as follows:-
- NI169 Non-principal roads where maintenance should be considered (GREEN).
 - NI117 16 to 18 year olds who are not in education, training or employment (NEET) (RED).
 - NI148 Care leavers in EET (AMBER).
 - LI025 Sickness Absence (GREEN).
 - LI039 Payment of undisputed invoices within 30 days (GREEN).
 - Percentage of KPIs on target (ASS) (GREEN).
 - Shared Services (programmed) (AMBER).
 - Transforming Children's Services (programme) (AMBER).
- xiv. Subject to further discussions, a number of meetings have been arranged with each of the Executive Directors to determine which indicators will be monitored in more detail throughout the year and reported to Cabinet for further challenge. Clearly with so few indicators reporting as 'Red' these discussions need to focus on those indicators that remain key to achieving the strategic objectives and are perhaps currently scoring 'Amber'. Some re-working of targets may also be necessary. The outcomes of these discussions will be reported to Cabinet in due course.
- NI117 16 to 18 year olds who are not in education, training or employment (NEET):
 Target = 5%
 Result = 5.8%
 DoT = Down
 - LI32 Recruitment Lead Times: Target = 33 days
 Result = 34.02 days
 DoT = Up
 - LI106a Sickness Absence (OECS)*: Target = 7 days
 Result = 7.88 days
 DoT = Up
- * **Note:** The Office restructure means that this grouping of Directorates no longer exists and the newly formed Environment Services is currently performing above target.

Integrated Plan Corporate Report:

Actual Frequency	Measure	Last Period Entered	Format	Actual	Target	Current Status	Direction of Travel (Current actual vs previous EoY)
A) Integrated Plan							
1) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 1)							
Annual	NI169 Non-principal roads where maintenance should be considered	31/3/2009	%	5	6	G	↓
	NI177 Local bus passenger journeys originating in the authority area	31/3/2009	Number	24336622	21850000	G	↑
	NI197 Improved local biodiversity – active management of local sites	31/3/2009	Number	166	155	G	↑
	NI198-DCSF Children travelling to school by car	31/3/2009	%	22.14	23.45	G	↑
	NI198-LAA Children travelling to school by car	31/3/2009	%	21.46	22	G	↑
Biennial	NI001 % of people getting on well together	31/3/2009	%	79	81	A	♦
Monthly	NI047i People killed or seriously injured in road traffic accidents	31/3/2009	Number	368	390	G	↑
	NI192 Household waste recycled and composted - 12-month rolling average	31/3/2009	%	51.36	51	G	↑
	NI193 Municipal waste land filled - 12-month rolling average	31/3/2009	%	48.05	49	G	↑
2) Tackling climate change (Strategic Objective 2)							
Annual	NI185a CO2 reduction from Local Authority operations		%				♦
	NI185b CO2 reduction from Local Authority operations		tonnes				♦
	NI186a Per capita CO2 emissions in the LA area - %		%				♦
	NI186b Per capita CO2 emissions in the LA area - tonnes		tonnes				♦
	NI188 Adapting to climate change (CCC)	31/3/2009	Number	1	1	G	♦
3) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 3)							
Annual	LI001a Achievement at L4+ in KS2 English	31/3/2009	%	84	85	A	↑
	LI001b Achievement at L4+ in KS2 Maths	31/3/2009	%	80	85	A	↔

Note: The targets shown relate to the latest period for which data is available. For some indicators these will be the same as the year-end targets, but for others, where, for example, the target is to improve over the year, they may not be.

Actual Frequency	Measure	Last Period Entered	Format	Actual	Target	Current Status	Direction of Travel (Current actual vs previous EoY)
	LI002 Pupils achieving 5+ A*-C including English and Maths	31/12/2008	%	53.3	57	A	↑
	LI070 Obesity among school children (R & Yr 6)	31/3/2009	%	87	85	G	♦
	NI009 Use of public libraries	31/3/2009	%	44.9	20	G	♦
	NI069 Bullying	31/3/2009	%	48.9	48.9	G	♦
	NI090 Take up of 14-19 learning diplomas		%				♦
	NI112 teenage pregnancies		%				♦
Monthly	LI206 % Young people aged 13-19 participating in Youth Service Activities	31/3/2009	%	13.1	12	G	↑
	NI048i Children killed or seriously injured in road traffic accidents	31/3/2009	Number	22	26	G	↑
	NI109 Delivery of Sure Start Children's Centres	31/3/2009	% of centres	0	35	A	♦
	NI117 NEET 16 - 18 year olds	31/3/2009	%	5.8	5	R	↓
Quarterly	NI161 Learners achieving a Level 1 qualification in literacy		Number				♦
	NI162 Learners achieving an Entry Level 3 qualification in numeracy		Number				♦

4) Supporting and protecting vulnerable people (Strategic Objective 4)

Monthly	NI060 % of core assessments carried out within 35 days	31/3/2009	%	81.8	85	A	↑
	NI062 Looked after children with 3 or more placements	31/10/2008	%	3.4	5.81	G	↑
	NI065 % of children becoming subject of Child Protection Plan for second time	31/10/2008	%	11	12.5	G	↔
	NI130 Social Care clients receiving Self Directed Support	31/3/2009	clients	395	210	A	↑
	NI135 Carers receiving needs assessment/ review/ training	31/3/2009	%	16.3	16	G	♦
	NI136 People supported to live independently (all ages)	31/3/2009	people	3092	3116	A	↑
	NI148 Care leavers in EET	31/3/2009	%	62.5	65	A	↓

5) Delivering high-quality effective and efficient services (Service Delivery Principle 1)

Monthly	Finance - Capital	31/3/2009	Number			A	♦
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Note: The targets shown relate to the latest period for which data is available. For some indicators these will be the same as the year-end targets, but for others, where, for example, the target is to improve over the year, they may not be.

Actual Frequency	Measure	Last Period Entered	Format	Actual	Target	Current Status	Direction of Travel (Current actual vs previous EoY)
	Finance - Debt	31/3/2009	Number			R	♦
	Finance - OCS Direct	31/3/2009	Number			G	♦
	Finance - OCS Financing	31/3/2009	Number			A	♦
	Finance - OCYPS	31/3/2009	Number			A	♦
	Finance - OECS	31/3/2009	Number			G	♦
	LI025 Sickness Absence (CCC)	31/3/2009	working days	7.62	7.4	G	↓
	LI031 % of staff from ethnic minorities as a % of the workforce	31/3/2009	%	4.33	4.1	G	↑
	LI277 Prompt Payment	31/3/2009	%	98	95	G	♦
	NI179 VfM (CCC)	31/3/2009	£0,000	11361	11363	A	↑
6) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)							
Biennial	NI004 % of people who feel they can influence decisions locally	31/3/2009	%	31.2	34	A	♦
Monthly	LI068 Overall satisfaction of website customers	31/3/2009	%	35	40	A	♦
Quarterly	LI069 Contact Centre - Telephone Contact Handling Accuracy	31/3/2009	%	87	75	G	♦
7) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)							
Biennial	NI007 Environment for a thriving third sector	31/3/2009	%	15.3	19.2	A	♦
B) Operational Performance							
Customer Service							
Monthly	LI136a CCC - % of Contact Centre calls answered within 20 seconds	31/3/2009	%	83.4	80	G	↑
Operational - Organisational Health							
Monthly	LI039 Payment of undisputed invoices within 30 days	31/3/2009	%	97.89	95	G	↓
	Percentage of KPIs on target (OCS)	31/3/2009	%	69.4	66.67	A	↑
Operational - People Management & Development							
Annual	Percentage of appraisals completed on time	31/3/2009	%	92.8	100	A	↑
Monthly	LI026 Sickness Absence (OCS)	31/3/2009	working days	5.7	5.9	G	↑
	LI032 Recruitment lead times	31/3/2009	days	34.02	33	R	↑
	LI106a Sickness Absence - YTD (OECS)	31/3/2009	Number	7.88	7	R	↑

Note: The targets shown relate to the latest period for which data is available. For some indicators these will be the same as the year-end targets, but for others, where, for example, the target is to improve over the year, they may not be.

Actual Frequency	Measure	Last Period Entered	Format	Actual	Target	Current Status	Direction of Travel (Current actual vs previous EoY)
	LI211 Sickness Absence (OCYPS)	31/3/2009	Days	7.95	8.3	G	↑
Operational - Performance and Inspection							
Annual	Adults Social Care CPA Score	31/3/2009	Number	3	3	G	↑
	Children and Young People CPA Score	31/3/2009	Number	3	3	G	↔
	Culture CPA Score	31/3/2009	Number	2	2	G	↔
	Environment CPA Score	31/3/2009	Number	4	3	G	↑
	Use of Resources	31/3/2009	Number	4	3	G	↔
Monthly	Percentage of Adults KPIS on Target	31/3/2009	%	68.7	66.7	G	↓
	Percentage of Children and Young People's KPIS on Target		%				♦
	Percentage of Culture KPIS on Target	31/3/2009	%	88	66.7	G	↑
	Percentage of Environment KPIS on Target	31/3/2009	%	83	66.66	G	↑
	Percentage of Health KPIS on Target		%				♦
Operational - Programmes							
Monthly	Better Utilisation	31/3/2009	Number			A	↑
	Building Schools for the Future	31/3/2009	Number			A	↑
	Climate Change Programme		Number				♦
	Community Engagement		Number				♦
	Customer Services Excellence	31/3/2009	Number			G	♦
	Enhancing Capacity	28/2/2009	Number			G	↑
	New Communities and Major Developments	31/1/2009	Number			G	♦
	People Strategy	31/3/2009	Number			G	♦
	Quality Services for Adults	31/10/2008	Number			G	♦
	Robust Systems & Process	30/11/2008	Number			G	↔
	Service Infrastructure	31/3/2009	Number			G	↑
	Shared Service	31/3/2009	Number			A	↓
	Strategic Information Management	31/3/2009	Number			A	↔
	Transforming Services for Children	28/2/2009	Number			A	↓
	Transport	30/11/2008	Number			G	↔
Operational - Risk Management							
Quarterly	Climate Change	31/3/2009	Number			G	↔
	Community Cohesion	31/3/2009	Number			A	♦
	Congestion and Growth	31/1/2009	Number			G	♦
	Delivery of the Growth Agenda		Number				♦
	Financial Strategy	31/3/2009	Number			G	↔

Note: The targets shown relate to the latest period for which data is available. For some indicators these will be the same as the year-end targets, but for others, where, for example, the target is to improve over the year, they may not be.

Actual Frequency	Measure	Last Period Entered	Format	Actual	Target	Current Status	Direction of Travel (Current actual vs previous EoY)
	Management of inspection process	31/3/2009	Number			G	♦
	Non-Key Risks	31/3/2009	Number			G	↑
	Partnership working with PCT	31/3/2009	Number			G	↔
	Performance of Adults Services	31/3/2009	Number			G	↔
	Recruitment, Retention & Development	31/3/2009	Number			G	↔
	Shared Services	31/3/2009	Number			G	↔
	Streetlighting PFI	31/3/2009	Number			G	↔

Note: The targets shown relate to the latest period for which data is available. For some indicators these will be the same as the year-end targets, but for others, where, for example, the target is to improve over the year, they may not be.

Appendix 2: Income & Expenditure Position By Office

Environment and Community Services (OECS)

OECS has underspent by -£919k in 2008/09. This represents -0.5% of turnover.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2008/09 £'000	2008/09 Outturn £'000	2008/09 Outturn %	Overall Status	DoT
0	Deputy Chief Executive		1,394	7	0.5%	A	↓
286	Highways & Access	i	21,249	286	1.3%	A	↔
-30	Sustainable Infrastructure		1,894	-30	-1.6%	G	↔
-409	Environment & Regulation	ii	10,475	-439	-4.2%	G	↑
8	Customer Services		2,874	15	0.5%	A	↓
142	Community Learning & Development	iii, iv	11,380	155	1.4%	A	↓
-146	Adult Support Services	v, vi, vii, viii, ix	133,306	-289	-0.2%	G	↑
-149	Total		182,572	-295	-0.2%	G	↑
204	Winter Maintenance		1,700	205	12.1%	A	↓
-829	Waste PFI	x	13,711	-829	-6.0%	G	↔
-774	Grand Total		197,983	-919	-0.5%	G	↑

The key issues for the 2008/09 financial year are:

Highways & Access

- i. Network Management has overspent by £292k. Inflation for works items in the highways industry ran at around 12% for 2008/09 and this has had an impact on the amount of works that were delivered during the second half of the year. In addition there has been a reduction in income related to Section 106 works as a result of the slow down in development.

Environment & Regulation

- ii. The Waste – Residual budget has underspent by -£431k. This is for a number of reasons which include: savings on staffing due to a number of vacancies held within the team; income for trade waste greater than expected and payment of recycling credits, although higher than previous years, not increasing as expected due to the economic downturn. Efficiency savings have also been made in renegotiation of contracts for Waste Recycling Centres.

Community Learning & Development

- iii. The Director of Community Learning and Development has overspent by £87k. Savings of £100k built into the IPP for restructuring of the Directorate were only partially achievable this year.
- iv. The overspend of £86k on Libraries was due to a combination of factors – increasing premises and transport costs mainly attributed to the increases in fuel prices; the delayed reopening of the Central Library and its impact on income levels; and the

continued general decline in traditional income from the hire of audio/visual stock. A number of actions were taken in order to address the pressures within the Directorate, including holding vacant a number of senior management posts and administrative vacancies, and ensuring that every area of expenditure was scrutinised at a senior level before commitment.

Adult Support Services

- v. Learning Disability Partnership (LDP) has underspent by -£228k. The LDP is a pooled budget with the Cambridgeshire PCT. The pressure on the budget has continued to decrease as a result of reducing costs, the later than anticipated start dates for some young people in transition from children to adult services and with positive progress with respect to the Business Plan.
- vi. Physical Disability and Sensory Services (PD/SS) have underspent by -£471k. PD/SS has continued throughout the financial year to scrutinise all requests for services received by panel and review services provided to existing service users. Savings have been achieved with demand being less than anticipated and slippage on staff vacancies.
- vii. Mental Health have underspent by -£157k. Savings have been achieved from the re-provision of provider contracts and from savings from staff slippage and close scrutiny of expenditure by managers.
- viii. The Integrated Community Equipment Store (ICES) has overspent by £573k. This is due to there being significant demand on this budget throughout the year, to ensure people are discharged from hospital in a timely manner, and for equipment, beds and pressure mattresses to support more service users remain within their own home. Despite the introduction of a range of measures, as previously reported, the new demand could not be contained within the allocated budget.

ICES is a pooled budget arrangement between the County Council and Cambridgeshire PCT. As per Section 75 agreement, the overspend has been apportioned on the basis of the Partners' respective funding contributions.

- ix. Older People & Occupational Therapy (OT) Budget has overspent by £227k. The PCT reported overspend position of the pooled budget is £334k. Pressures continued from Continuing Care, Supported Living, Day Services and Domiciliary Care. Locality Teams applied considerable scrutiny to all placements made. These pressures were partly offset by an underspend on Delayed Discharge fines, following the joint Delayed Discharge project between Commissioners, Cambridgeshire Community Services and Addenbrookes.

The Older People and OT service is pooled budget arrangement between the County Council and Cambridgeshire PCT. In accordance with the Section 75 agreement, the overspend has been apportioned on the basis of the Council's and PCT's share of the total OP budget. Partners will recognise these liabilities within their annual accounts.

Waste PFI

- x. The Waste PFI contract has underspent against that projected. This is for a number of reasons including: the effects of the economic downturn, with growth in Waste not being as high as expected; no Easter in this financial year, when normally large increases in green waste are recorded; and higher recycling rates being achieved.

Children and Young People Services (OCYPS)

OCYPS has overspent by £47k in 2008/09. This represents 0.1% of turnover.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2008/09 £'000	2008/09 Outturn £'000	2008/09 Outturn %	Overall Status	DoT
17	Deputy Chief Executive	i	17,781	-52	-0.3%	G	↑
-10	Learning	ii, iii, iv	15,848	-31	-0.2%	G	↑
262	Planning and Development	v, vi, vii	30,616	253	0.8%	A	↑
-29	Inclusion	viii, ix, x, xi, xii, xiii, xiv, xv, xvi	65,002	5	0.0%	A	↓
113	Area - City & South Cambs	xvii, xviii, xix	10,821	129	1.2%	A	↓
-312	Area - East Cambs & Fenland	xx, xxi	10,120	-227	-2.2%	G	↓
-101	Area - Huntingdonshire	xxii, xxiii	8,631	-31	-0.4%	G	↓
-60	Total Expenditure Including Grant Funded Spend		158,819	47	0.0%	A	↓
0	Grant Funded Spend		-70,128	0	0.0%	G	↔
-60	Total		88,691	47	0.1%	A	↓

The key issues for the 2008/09 financial year are:

Deputy Chief Executive

- i. Central Financing – OCYPS takes a contribution from many grants to cover the management and administration costs incurred in operating those grant schemes. Grant contributions in 2008/09 have exceeded those anticipated at the beginning of the year by £61k.

Learning

- ii. Enhanced and Support Services (ESS) has an underspend of -£63k for 2008/09. This has arisen principally due to underspends in staffing and overheads (-£47k) and legal costs (-£14k).
- iii. Professional Development Services (PDS) has underspent by -£161k overall in 2008/09. Reasons for this underspend include:
 - Over recovery of income i.e. a higher level of income from trading than anticipated for the Personal, Social and Health Education (PSHE) Service (-£14k), the Swimming Service (-£8k) and the Head of Professional Development (-£9k) budgets.
 - Unfilled vacancies (advertised and to be re-advertised) is the main reason for the underspend for Cambridgeshire Advisory Service (CAS) (-£31k). Savings in CAS were required by the Director of Learning to help fund the Cambridgeshire Music planned deficit.
 - An underspend in relation to the Building Schools for the Future project (-£23k).
 - Lower than anticipated demand for training resulting in an underspend in the central training budget (-£77k).

- iv. Cambridgeshire Music has achieved a deficit position of £268k, which is in line with the 3-year financial recovery plan submitted and approved earlier in 2008.

The planned deficit reflects the increasing costs of providing the service to schools and the requirements to operate under more costly employment practices than other providers. The level of competition from other providers is increasing as schools look for cheaper sources of instrumental tuition and this continues to have an effect on trading annually of between 10 and 25% reduction in orders. The effect is to require a reduction in capacity in staffing over time, which to date has mainly been achieved by natural staff changes.

During 2009/10, further plans have been made to achieve the Year 2 reduction to an operational deficit of £100k, which will require significant reductions in some services to schools across the county.

Planning and Development

- v. The Catering and Cleaning Services (CCS) outturn position is an overspend of £100k. The actual levels of trading activity for all areas overspent by £450k for the year. The key factors contributing to the £450k overspend are:
- A £40k contribution to the traded services deficit;
 - An income shortfall resulting from meal numbers continuing to be below the targeted level of growth;
 - A loss of £30k contribution resulting from schools closures in the adverse weather in February 2009;
 - Food provisions costs exceeding budget; and
 - Staff costs to maintain service provision where vacancies and absences exist.

Management has targeted improvement to the financial position through more rigorous contract management at sites with the highest costs and volume variances, and by negotiating the basis of Service Level Agreements (SLAs) with clients to improve contributions and reduce the risk.

The 10 out of 10 campaign to increase meal take-up planned an average increase of 7 meals per day per school over the complete year. CCS has achieved an increase of 3.7 meals per day per school at Cambridgeshire Primary Schools against the year-to-date target of 7 meals per day, an increase of 5.5% compared to 2007/08.

The outturn position of £100k is achieved by using the £350k of capital funding available within the OCYPS capital programme to fund relevant capital expenditure incurred throughout the year.

- vi. Groomfields' final outturn is an overspend of £206k. Groomfields is £172k overspent and Client Services are reporting a loss of £34k. The overspend itself stems from recruitment delays in the Arboricultural Team, and the economic downturn, which has reduced income streams and the ability to acquire new business.
- vii. The Home to School Transport – Mainstream budget is -£243k underspent. This is as a result of a -£40k saving on the 2008/09 tender round, an underspend in the Extended Rights funding stream, as there was no uptake on the primary criteria and low uptake on the secondary, and efficiencies resulting from on-going scrutiny of ad-hoc requests for transport.

Inclusion

- viii. Strategic Management – Inclusion has underspent by -£79k due to staff vacancies throughout the year (-£49k) and also through the recharge of £30k of costs to the Unaccompanied Asylum Seekers (UASC) grant for 2008/09.
- ix. Placements – Education is reporting an overspend of £276k, which is a result of increased provision in county pupil referral and support and tuition units.
- x. Placements – Social Care have overspent by £1.5m in 2008/09. This is due to an increase in service demand throughout the year.

In April 2008, 172 cases were being supported, which then increased by 51 during the year to 223 cases. Whilst this is an increase it should be noted that continued diligence in renegotiating contracts and fees has kept the financial impact to a minimum. In addition £215k of contributions from Fostering and Adoption, and from Child and Adolescent Mental Health for care packages has partly offset the impact of the increase in cases.

- xi. Access, Psychology, Welfare and Statementing has overspent by £71k for 2008/09. Funding for statemented children is paid directly to schools from the Dedicated Schools Grant. However, a central budget is retained to pay for in year adjustments to allocations in statements and for new statements. For most children with a statement, the school provides the first 15 hours of provision, and the central budget picks up the costs in excess of 15 hours. The central budget covers the full cost of statement of over 25 hours.

In 2007/08 the number of maintained statements rose for the first time in 9 years and the number of new statements remains at a very high level. These increases have been accompanied by a growing number of statements for Autistic children for whom the central budget is required to cover the full cost. All of these increases have created a significant pressure on the central budget. Spend of £250k is reflected in this report as the contribution that OCYPS has made to this pressure.

An underspend of -£179k was delivered elsewhere in Access, Psychology and Statementing, resulting in a net overspend of £71k. The underspend of -£179k is due to slippage on the Head of Access post (filled in month 3), vacancies within Student Assessment and Attendance & Behaviour, the Principal Educational Psychologist post vacancy has been filled by a 0.5 FTE and expected locum costs did not materialise (£42k), and Welfare Benefits underspent by -£19k due to unclaimed vouchers issued in 2007/08.

- xii. Special Needs Support Services has underspent by -£347k, principally as a result of several vacancies within Fit for Schools, Reading Recovery, Hearing and Visually Impaired and Access to Learning teams (-£178k). These vacancies are specialist teaching posts which have incurred long lead times for recruitment. The Head of Access and Learning post has been left vacant (-£37k) to allow a change in the structure and to find savings in 2009/10.

The Parenting Commissioner budget has underspent by -£132k. -£80k of this is due to unexpected grant income, which could not be carried forward. And the remainder is due to vacancies and on equipment and travel budgets.

- xiii. Fostering, Adoption & LINK has underspent by -£273k overall in 2008/09. The underspend within Fostering & Adoption is due to high levels of staff vacancies throughout the year with 17 vacancies at year-end. There are also underspends within LINK (which provides respite care for disabled children) and from the delay in setting up Multi Dimensional Treatment – Foster Care.
- xiv. Residential Units has underspent by -£159k. This is due to the unfilled Service Manager Looked After Children post and a slight underspend overall in residential units.

Income of £106k was allocated to Fitzwilliam Road Unit for their services provision to Unaccompanied Asylum Seeker Children (UASCs) and will be reclaimed via the UASC grant.

- xv. The 16+ & Leaving Care budgets have underspent by -£754k overall. -£281k was due to delays in recruitment and saving of legal costs for two judicial review cases, and also includes unexpected entitlement to claim Leaving Care money for former relevant UASCs over 18 years old. The refunds from Legal Services for cases where work has not yet been done (-£235k), and reflecting surpluses made from business initiated in Children's Services (-£238k) increased the underspend to -£754k.
- xvi. Safeguarding and Standards has underspent by -£166k due to delays in recruiting to three established and two new posts in the Child Protection Review Unit and one new Education Service for Looked After Children post. The late increase in variance is due to long-term sickness in the Virtual Head team and not having agency cover.

Area – City & South Cambs

- xvii. City and South Cambs – Localities have underspent by -£69k. This is due to continued vacancies throughout the year and the associated delays in recruiting to the posts.
- xviii. City and South Cambs – Children's Centres have underspent by -£147k due to delays in recruitment following the wait for the job descriptions to be agreed, plus delays in premises being ready to move into and the associated equipment costs.
- xix. City and South Cambs – Social Care have overspent by £388k. The main variances are:
- Supervised Contact – over the year there has been a high number of Looked After Children babies/under 2's in the area requiring court directed daily supervised contact. The overspend has been increased by the use of external providers where in-house providers have been unable to deliver, as they were already fully subscribed. The total supervised contact cost for the year has been approximately £276k.
 - Children's Lodgings – over the year there has been a number of children subject to Interim Care Orders (ICO's) cared for by their parents who are unable, due to their nationality, to claim public funds. Also support is provided to a number of grandparents/extended families in care of children who are accommodated pending the outcome of their kinship assessment. Housing has been provided to those families who have no recourse to public funds who would be deemed intentionally homeless otherwise. Accommodation costs have contributed £114k to the overspend.
 - Graduate Trainees – recruitment initiatives have included summer students and three 2nd year students. These historically would have been paid for from slippage, however, successful recruitment and retention throughout the year

has resulted in few vacancies to absorb this costs. High support costs throughout the year have, however, been partially offset by small underspends due to vacancies within the teams.

A review of supervised contact is planned in the new financial year in response to the high levels spend in all social care area teams.

Area – East Cambs & Fenland

- xx. East Cambs and Fenland – Strategic Management has overspent by £118k. Legal and associated costs of an employment issue that pre dates the Area structure contributes £23k towards this overspend. There was a £38k overspend on the Business Support budget, partly due to extra staffing required for Integrated Children's Systems (ICS) and Electronic Social Care Records (ESCR) rollouts, and a further £52k overspend resulted from premises costs.
- xxi. East Cambs and Fenland – Children's Centres have underspent by -£385k. This is due to long delays in recruitment and completion of buildings, and resulting delays in projects starting.

Area – Huntingdonshire

- xxii. Huntingdonshire – Children's Centres have underspent by -£127k. This is due to delays in recruiting staff at all levels, and the subsequent effect of this and building work is that delivery of projects has been delayed.
- xxiii. Huntingdonshire – Social Care has overspent by £96k. Increased package costs, noticeably over the last quarter of the year in both Children Looked After and Children in Need, have caused an overspend of £257k. Vacancies across social care have reduced this overspend by -£161k, however, improved recruitment rates in the second half of the financial year impacted on the final position.

Corporate Services (OCS)

OCS has underspent by -£3.9m in 2008/09. This represents -12% of turnover.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2008/09 £'000	2008/09 Outturn £'000	2008/09 Outturn %	Overall Status	DoT
-4	Chief Executive's Department		393	-4	-1.0%	G	↔
0	Workwise & Shared Services	i, ii	4,438	0	0.0%	G	↔
50	Deputy Chief Executive	iii	-25,538	235	-0.9%	A	↓
158	Business Services & IT	iv, v, vi, vii, viii, ix	12,872	239	1.8%	A	↓
-147	Finance, Property & Performance	x, xi	2,695	-225	-8.3%	G	↑
-396	Governance	xii	4,680	-421	-9.0%	G	↑
-20	People & Policy	xiii, xiv, xv	6,037	-120	-2.0%	G	↑
-359	Total for OCS		5,577	-296	-5.3%	G	↓
	Financing Costs:						
-3,600	Debt Charges and Interest	xvi	28,031	-3,646	-13.0%	A	↓
0	Reshaping for Excellence		46	-1	-2.2%	G	↑
-3,959	Total		33,654	-3,943	-11.7%	G	↓

The key issues for the 2008/09 financial year are:

Workwise & Shared Services

- i. The ongoing Workwise budgetary position is showing an expected £1.142m shortfall against the savings target across three years, of which £224k relates to 2008/09. This shortfall will be funded by an Invest To Transform (ITT) bridging loan, repayable from the Better Utilisation of Property Assets Programme. Cabinet are therefore asked to authorise the final funding requirement of £224k that is required for 2008/09.
- ii. Shared Services' final overspend for 2008/09 is £188k, which is in line with the Business Case, and has been covered by an agreed Invest To Transform (ITT) loan.

Deputy Chief Executive

- iii. The Deputy Chief Executive's budget has an overspend of £235k, as a result of increased bank charges (£70k), a shortfall against expected levels of written-off cheques (£70k), and a higher than budgeted increase in bad debt provision (£50k).

Business Services & IT

- iv. Building Maintenance has overspent by £141k due to increased demand across all County Properties.
- v. Business Development has underspent by -£106k due to an increase in traded activity.

- vi. Business Support & Facilities Management overspend is £342k, as a result of the cost of utilities and rates being higher than expected on the County Offices budget (£326k). Also Amundsen Annex overspent by £30k as a result of the Workwise project and Scott House overspent by £29k due to the cost of Multi Functional Devices (MFD's) and other office budgets that were not transferred to Facilities Management from teams occupying Scott House. Additional overspends of £25k have been identified through loss of income from Connexions properties, £99k for delays in redundancies and other shortfalls on income budgets. These overspends are partially offset by savings on salaries across the service.
- vii. IT Services has underspent by -£182k. This is due to staffing vacancies throughout the Service (-£47k), unbudgeted income (-£90k) and efficiencies on IT procurement (-£45k).
- viii. Procurement & Contract Management has underspent by -£66k, which is due to a £30k saving on Energy Display Certificates, following a reduction in cost as a result of new government guidelines, with the remaining underspend being from salary savings within the service.
- ix. The Traded IT service has overspent by £99k due to insufficient income recovery to match the cost of unbudgeted contractors utilised by the Service.

Finance, Property & Performance

- x. The Director of Finance, Property and Performance budget has underspent by -£69k following the write-off of the Duxford personal account balance to revenue, as this is no longer required.
- xi. Research and Financial Strategy has underspent by -£77k, which results from vacancies within the Research Group and Corporate Finance (-£37k) and a written-off balance from the replacement fund that was no longer required (-£40k).

Governance

- xii. The Legal Service's surplus of -£343k is due to over-recovery of time-recorded income and higher than expected external/banded scheme income generation. This is partially offset by a higher than budgeted subsidisation of corporate legal (£26k). This is in addition to the write-back of the trading unit reserves and the dividend returned to service users (mostly OCYPS).

People & Policy

- xiii. HR OECS/OCS has overspent by £92k due to prioritised increases in staff costs within the service to manage the demands placed upon it. These costs have been managed by use of underspends within other parts of the Directorate.
- xiv. Corporate Development has underspent by -£169k due to efficiencies on the Organisational Development and Graduate Trainee budgets and grant income for social care workforce development. These underspends have offset pressures resulting from the Corporate Development Service restructure.
- xv. The Corporate Services Redundancy, Pension and Injury budgets have underspent by -£86k. Work will be undertaken to assess the requirement on this budget for the next few years in light of additional redundancies.

Debt Charges and Interest

xvi. The Debt Charges budget has underspent of £3.6m, which is due to:

- A reduction in interest payments on the Pension Fund cash and internal funds (mainly insurance, schools and Shared Services), as interest rates fall.
- Debt has continued to run well below the expected level throughout the year.
- £26m of the debt portfolio was recently rescheduled to take advantage of lower interest rates, which has saved £200k this year.

APPENDIX 3.1: Additional Income

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

Grant	Awarding Body	Directorate	Budget Book 2008/09 £'000	Balance at 31 March 2009 £'000	Change £'000
Grants within ABG					
Stronger Safer Communities Fund – Revenue	Home Office (HO)	Inclusion	584	509	-75
DAAT Partnership Grant	HO	Inclusion	0	75	75
Non ABG Grants					
Stronger Safer Communities Fund – Capital	HO	Inclusion	0	173	173
14-19 Provision	Learning and Skills Council (LSC)	Learning	868	963	95
Cambridgeshire Advisory Service	Various	Learning	220	0	-220
Dedicated Schools Grant (DSG)	Department for Children, Schools and Families (DCSF)	Schools	295,481	295,795	314
Graduate Teacher Training Programme	Camb Uni	Learning	52	163	111
Higher Level Teaching Assistants		Learning	205	134	-71
Standards Fund					
Targeted Improvement Grant	DCSF	P&D	200	320	120
Secondary Strategy - Targeted	DCSF	Learning	551	712	161
School Development	DCSF	Various	14,119	14,918	799
School Standards Grant	DCSF	Schools	15,723	15,919	196
Aimhigher	DCSF	Learning	0	87	87
KS4 Engagement Programme	DCSF	Learning	0	163	163
National Challenge	DCSF	Learning	0	496	496
One to One Tuition	DCSF	Learning/Schools	0	177	177
Sure Start Grant					
Graduate Leader Fund	DCSF	Learning	415	663	248
Social and Emotional Aspects Of Development	DCSF	Learning	0	80	80
Unaccompanied Asylum Seekers	UKBA	Inclusion	350	1,560	1,210
Youth Offending Grant	Youth Justice Board (YJB)	Inclusion	911	1,438	527
Empowering Young People Pilot	DCSF	Inclusion	0	924	924
Fair Play Pathfinder Revenue Grant	DCSF	Learning	0	136	136
Fair Play Pathfinder Capital Grant	DCSF	Learning	0	580	580
Post 16 Partnership	DCSF	P&D	0	129	129
Drug Interventions Programme Main Grant	HO	Inclusion	0	365	365
National Treatment Agency for Substance Misuse	NTA via PCT	Inclusion	0	2,568	2,568
Substance Misuse Pooled Treatment Budget	PCT	Inclusion	0	1,746	1,746
Multi Dimensional Treatment Foster Care	DCSF	Inclusion	0	100	100

APPENDIX 3.2: Virements

	£000	Notes	Month
Contracts – Transfer of staffing to CYPS.	116	Previously contracts section looked after Adults and Children's.	May 08
Postal Franking budget transferred back to OCYPS.	66	OCYPS postal franking charges transferred back to the Office, as per OCS Post Room policy.	Aug 08
Transitions Service transferred to Adults.	260	Transfer of the Transitions Service from OCYPS to OECS (Adults).	Aug 08
Transfer of Deputy CEX budget to OCYPS.	61	Transfer of the OCS Deputy Chief Executive budget to OCYPS.	Nov 08
Allocation of Insurance budget for 2008/09.	1,901	Transfer of Insurance budget from OCS to OECS and OCYPS.	Feb 09
Transfer of Building Maintenance budgets.	274	Transfer of Building Maintenance budget from OCS to OECS and OCYPS.	Mar 09
Transfer of Corporate Allocations.	25,338	Transfer of 2008/09's Corporate Allocations from OCS to OECS and OCYPS.	Mar 09

Operational Savings - movements from Operational Savings into revenue

Notes	£000	Month
Transfer to Communications for LAA officer support	2	May 08
Transfer to the Hanley Grange campaign	20	May 08
Transfer to Communications for support to LAA	10	Jun 08
Transfer to P&P for fixed term HR Support Officer	26	Jun 08
Transfer to P&P for advertising costs of 2 HoS posts	15	Jun 08
Transfer to FM for Dryden House Car Parking	14	Jun 08
Transfer to fund Smartcard closedown	33	Jun 08
Transfer to Workwise	250	Jul 08
Transfer to Audit to fund Lifeways Review	7	Jul 08
Transfer to HR Recruitment Team	4	Jul 08
Transfer to HR for Recruitment Tracking System	16	Jul 08
Transfer to HR for Record Amendments	5	Jul 08
Transfer to Corporate Finance for Priorities Focus Groups	4	Jul 08
Transfer for Chief Executive's Relocation Costs	8	Jul 08
Transfer for new Performance Management System	125	Sep 08
Transfer for ECS/OCS/CEX HR Cover	20	Sep 08
Transfer for Performance Management System Site Licence	40	Sep 08
Transfer for Redundancy Payments following Restructure in April	158	Sep 08
Transfer for Workwise Project Management Costs	18	Oct 08
Transfer for FM Redundancy Costs	60	Oct 08
Transfer for Programme Managers for the Community Engagement and People Programmes	48	Nov 08
Transfer to OECS for Street Lighting	350	Jan 09
Transfer for Place Survey for LAA	20	Mar 09
Transfer for Redundancy Payments following CLT Restructure	59	Mar 09
Refund in relation to the new Performance Management System	-6	Mar 09
Total	1,306	

APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2008	2008-09		Notes
		Movements in 2008-09	Balance at 31 Mar 2009	
	£000s	£000s	£000s	
General Reserves				
- County Fund Balance	7,151	2,341	9,493	
- Services				
1CYPS	543	223	766	Includes Office outturn position
2ECS - Ops Savings	248	312	560	Includes Office outturn position
3OCS	1,177	-728	449	Ops savings transfers to revenue & includes the Office outturn position
subtotal	9,119	2,149	11,267	
Earmarked				
- Specific Reserves				
4Insurance	5,365	573	5,938	
5Invest to Transform - Corporate	2,902	-941	1,961	
6Invest to Transform - Offices	781	-275	506	
7LABGI	1,902	-1,902	0	Merged with P&D Reserve
8Traded services provision	1,628	-1,200	428	
9Pressures & Developments Reserve	976	2,922	3,898	
subtotal	13,554	-823	12,730	
- Trading Units				
10CYPS	-2,578	1,852	-726	Plans are in place to eradicate this deficit over 3 years
11ECS	0	0	0	
12OCS	595	-482	112	
subtotal	-1,984	1,370	-614	
- Equipment Reserves				
13CYPS	186	-127	59	
14ECS	356	125	482	
15OCS	784	-236	548	
subtotal	1,327	-238	1,089	
Other Earmarked Funds				
16CYPS	2,345	-1,541	804	Grant being repaid to DCSF in 2008/09
17ECS	1,646	1,134	2,779	Includes 2% of Waste – PFI Contract's budget forecast saving (budget of £16.5m)
18OCS	792	237	1,029	
subtotal	4,783	-171	4,612	
SMIs (LMS etc)				
19LMS Schools	22,992	-3,645	19,347	
20SIPF	-281	159	-122	3 to 5 year loans made to schools using their balances
Subtotal	22,711	-3,486	19,225	
Grand Total	49,509	-1,199	48,310	

* Trading Unit financial performance is now reported within the relevant service. However, Trading Unit reserve balances and Equipment reserve balances are reported separately for information and not subsumed into the Office carry-forward reserves.

APPENDIX 5: Capital

Capital Expenditure 2008/09

The following table shows the budgeted expenditure against the actual outturn position:

Revised Budget £m	Capital Expenditure	Actual Outturn £m	Outturn Variance £m
55.1	Children & Young People	52.9	(2.2)
105.3	Environment & Community	81.6	(23.7)
12.9	Corporate Services	13.0	0.1
173.3	Total Capital Spending	147.5	(25.8)

- The CYPS outturn position is £2.2m below the revised budget. The following projects contribute to the outturn variance:
 - Netherhall School – relocate lower school was £1.6m ahead of expectation;
 - School Condition Capital Funding 2008/09 was £1.0m ahead of expectation;
 - Early Years Capital Grant 2008/11 was £1.1m behind expectation;
 - Swavesey VC – new hall was £1.2m behind expectation;
 - Shirley, Cambridge – New 420 place school was £2.0m behind expectation; &
 - £0.5m of schemes with variances below £1.0m.
- Differences in the timing of payments and cross financial year estimates have caused the OECS programme to be £23.7m below revised budget, with the following schemes contributing to the outturn variance:
 - Centre of Excellence – Low Carbon Future was £1.3m behind expectation;
 - Croylands / Larkfield amalgamation was £1.3m behind expectation;
 - Addenbrookes Access Road (Phase 2) was £3.0m behind expectation;
 - Waste Management Infrastructure (Non PFI) was £3.0m behind expectation;
 - Guided Busway was £10.7m behind expectation; &
 - £4.4m of schemes with variances below £1.0m.
- The revised budget and outturn position of the OECS capital programme has increased by £32.8m, due to the following additional funding for projects during the year:
 - £1.5m Strategic Development;
 - £1.0m Major Roadworks;
 - £16.1m Growth Housing Fund; &
 - £8.8m Cambridgeshire Guided Busway scheme, which has arisen as a result of the capital spend progressing ahead of estimates, not an overall increase in scheme costs.
 - £5.4m of additions of less than £0.5m to several schemes.
- The OCS outturn position is £0.1m above the revised budget. The following issues contribute to the outturn estimate:
 - Huntingdon Town Centre was £4.8m ahead of expectation;
 - Better Utilisation of Property Assets was £0.7m behind expectation;
 - IT Hardware Refresh was £0.6m behind expectation.
 - Fire sprinkler installation was £0.6m behind expectation; &
 - £2.8m of schemes with variances below £0.5m.

Capital Financing 2008/09

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

Revised Budget £m	Capital Expenditure	Actual Outturn £m	Outturn Variance £m
General Funding resources (GFR) (Non Project Specific)			
26.6	Supported Capital Expenditure (Revenue)	26.6	0.0
4.0	Capital Receipts (General)	4.0	0.0
30.6	Total General Financing	30.6	0.0
Project Specific Finances (PSF) (Ring-Fenced)			
3.2	Supported Capital Expenditure (Capital)	2.8	(0.4)
75.0	Specific Grants	73.6	(1.4)
9.0	Ring-Fenced Capital Receipts	3.6	(5.4)
45.9	Developer and Other Contributions	14.4	(31.5)
9.6	Prudential Borrowing	12.6	3.0
142.7	Total Specific Financing	107.0	(35.7)
	Prudential Borrowing to support timing difference in funding	9.9	9.9
173.3	Total	147.5	(25.8)

- Spending on the Council's capital programme, especially on generally funded schemes, has proceeded sooner than estimated. This means that the Council has to consider how to cover the timing difference between spend and the availability of funding.
- 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 overspends on the total scheme value.
- Within the 2009/10 Integrated Planning Process (IPP) Cabinet approved Prudential Borrowing to bridge the timing difference between the use of the capital receipts to finance the relocation of Netherhall Lower School project. It should be noted that this borrowing, amounting to £2.4m, has been brought forward to 2008/09.
- It is recommended that further timing differences of £9.9m be bridged using Prudential Borrowing, which requires Cabinet approval. Cabinet are therefore asked to approve this level of borrowing.
- The cost of this Prudential Borrowing has been factored into the 2008/09 Debt Charges outturn position, as well as being accounted for within the 2009/10 Integrated Planning Process.

APPENDIX 6: Efficiency

Directorate	Achieved Efficiency £'000	Efficiencies
OCYPS	3,848	<ul style="list-style-type: none"> • Agency Placements Procurement/Delivery - Consultant appointed to support zero based budget review of social care and to support work to further reduce level of agency placements (£1,400k). • Reductions in equipment, internal market charges, office expenses budgets and increase in income targets (£691k). • Procurement Savings - Inflation management of fuel, agency independent sector providers, independent schools, other prices and other income budgets (£470k). • Independent Sector Education Purchasing - Use of independent sector budget to fund in county (£440k). • Mainstream Home to School Transport - Procurement and efficiency savings and withdrawal of transport from routes within statutory walking distances and made safe (£300k). • Area / Locality Savings (£210k). • Residential / Respite Service Review - Removal of respite capacity and reuse as longer-term provision (£200k).
OECS	5,192	<ul style="list-style-type: none"> • Pass on need for efficiency savings to Independent Sector Providers by top-slicing inflation - 2.5% target applied to all external contracts, resulting in a net increase in costs (£2,780k). • Staff reductions in Network Management - through linking supervisors and Streetworks Inspector roles (£391k). • Rationalisation of OP contracts - Reduce the number of block contracted residential beds for older people: 10 beds in 2007-08, with further reductions in 2008/09 and 2009/10. Reduce block contracts for day care for OP (£220k). • Additional income from increases in charges - Increasing charges for services and maximising income collection - assumes an increased client base that may be impacted by other cuts (£200k). • Buckden HWRC - close site - Site is let from WRG. Contract will not be renewed. Decision approved in 2006/07 budget process (£200k).
OCS	2,321	<ul style="list-style-type: none"> • Shared Transaction Services - Savings expected by establishing a shared service approach for transaction and administrative processes around the E-Business Suite (£416k). • Good Housekeeping Loan - end of Reshaping Repayments - The Reshaping loan has been fully repaid, so the funding for these payments is no longer required (£310k).

		<ul style="list-style-type: none"> • Facilities - headcount, contract and general savings - Restructuring of the Business Support and Facilities Management Service (£242k). • Organisational Development and Learning - Savings from deleting posts (£180k). • Support and maintenance savings - Reduction in support and maintenance costs in IT (£161k). • Corporate Project Office - headcount and general savings - Reduction of staff numbers and the opportunity to introduce a new skills mix and implement a more equitable income model (£146k). • Strategy & Estates - Reduction of posts in administration support and disinvestments in specialist disability advice (£104k). • Building Services - Atkins contract to be brought in-house and implementing changes to the service model (£100k).
TOTAL	11,361	