

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD
ENDING 31ST MARCH 2015**

To: General Purposes Committee

Date: 19th May 2015

From: Chief Finance Officer

**Electoral
division(s):** All

Forward Plan ref: 2015/030 **Key decision:** Yes

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

Recommendations: That General Purposes Committee is recommended to:

- a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.
- b) Approve the write-off of a client contribution debt for the sum of £29,502 (section 3.2.3).
- c) Approve that the £261,900 additional Education Services Grant (ESG) received in 2014/15 is transferred to the General Fund (section 7).
- d) Approve a supplementary capital estimate in the sum of £1.104m (Cambridgeshire County Council's cost share) for the implementation of a replacement Enterprise Resource Planning system (section 6.7).

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1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.
- 1.2 This report does not reflect the Council's final year end position for 2014/15, as there are significant accruals and recharges still to be processed before the accounts can be closed. Therefore this report is still based on a forecast year end position.
- 1.3 A detailed Outturn Report summarising the Council's overall financial and performance position for 2014/15 will be presented to the General Purposes Committee in July.

2. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's forecast performance at year end by value, RAG (Red, Amber, Green) status and direction of travel (DoT).

Area	Measure	Forecast Year End Position (Feb)	Forecast Year End Position (Mar)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	-£0.5m	-£4.0m	Green	↑
Basket Key Performance Indicators	Number at target (%)	43% (6 of 14)	43% (6 of 14) ¹	Amber	↔
Capital Programme	Variance (£m)	-£64.8m	-£75.4m	Amber	↓
Balance Sheet Health	Net borrowing activity (£m)	£368m	£346m	Green	↑

¹ The number of performance indicators on target reflects the current position.

- 2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year end underspend of -£4.0m (-1.1%), which is an improvement in the forecast position of -£3.6m since last month. This mainly relates to a decrease in Children, Families and Adults (CFA's) forecast overspend (-£0.6m), CFA's bad debt provision adjustment (-£1.2m), an improved LGSS Managed reported position (-£0.7m) and an increase to the Corporate Services (CS) Financing (Debt Charges) forecast underspend (-£0.7m). See section 3 for details.

- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 6 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£75.4m (-38.6%), which is an increase in the forecast underspend of -£10.6m since last month. This increase relates to further slippage across the whole capital programme. See section 6 for details.
- Balance Sheet Health; the original forecast net borrowing position for 31st March 2015, as set out in the Treasury Management Strategy Statement (TMSS), was £406m. This projection has fallen over the course of the year and ended the year at £346m. This is largely as a result of changes in the net expenditure profile of the capital programme and expected cash flows, since the Business Plan was produced in February 2014. The improvement experienced in this month is as a result of stronger than anticipated cash inflows. See section 8 for details.

3. REVENUE BUDGET

3.1 A more detailed analysis of financial performance is included below:

Key to abbreviations

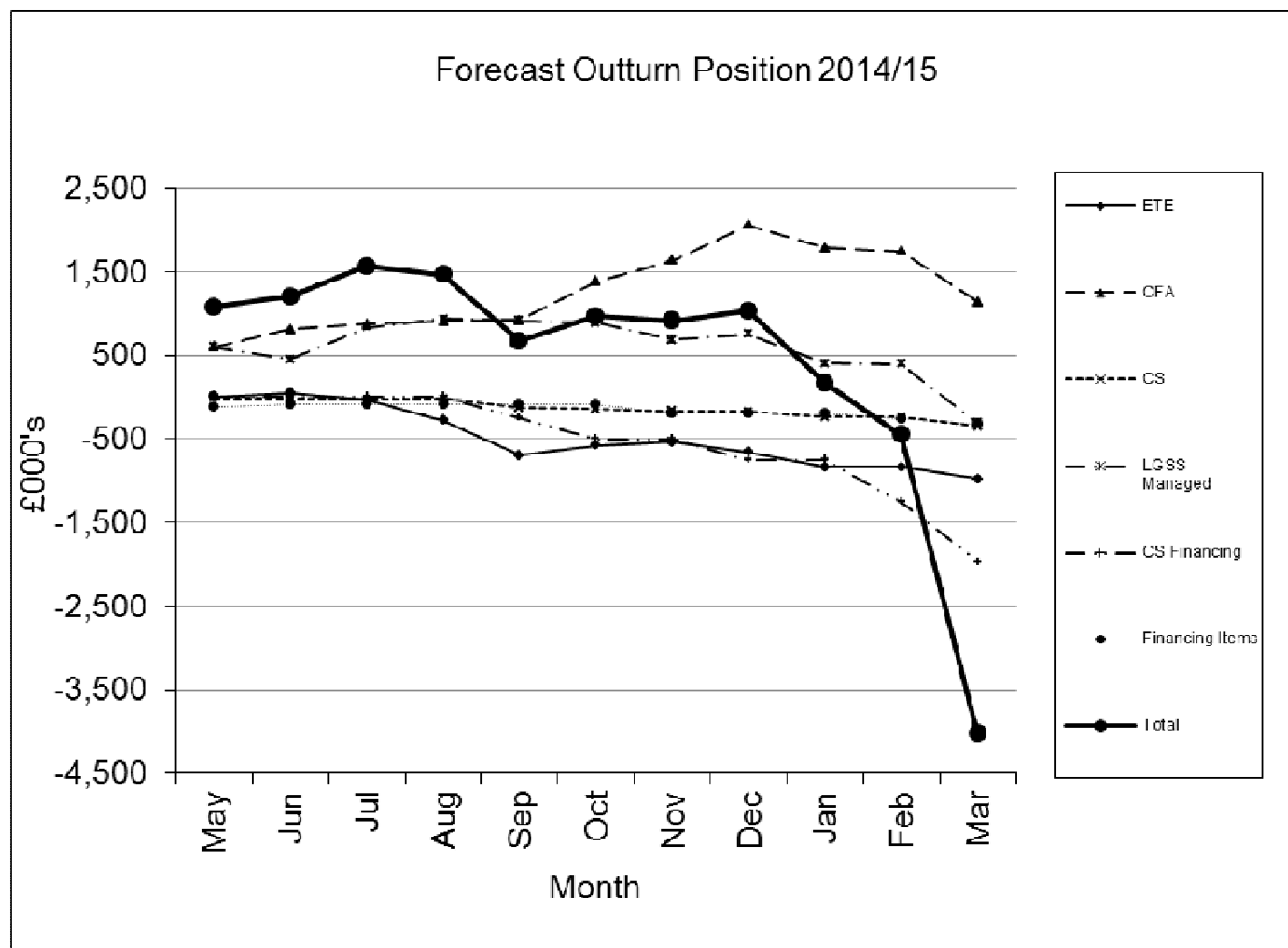
ETE	– Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP ¹ £000	Service	Current Budget for 2014/15 £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Mar) £000	Forecast Variance - Outturn (Mar) %	Current Status	DoT
63,225	ETE ²	65,521	-839	-980	-1.5%	Green	↑
251,616	CFA	255,017	1,749	1,138	0.4%	Amber	↑
0	CFA Bad Debt Provision	0	0	-1,245	0.0%	Green	↑
0	Public Health	0	0	0	0.0%	Green	↔
5,851	Corporate Services	6,625	-243	-347	-5.2%	Green	↑
9,670	LGSS Managed	7,508	395	-310	-4.1%	Green	↑
34,142	CS Financing	34,142	-1,250	-1,965	-5.8%	Green	↑
364,504	Service Net Spending	368,813	-188	-3,709	-1.0%	Green	↑
5,624	Financing Items	1,097	-263	-322	-29.4%	Green	↑
370,128	Net Spending	369,909 ³	-450	-4,031	-1.1%	Green	↑
	<i>Memorandum Items:</i>						
10,351	LGSS Operational	10,570	-247	-282	-2.7%	Green	↑
380,479	Total Net Spending 2014/15	380,479					

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

² ETE includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under / overspends exist. Excluding these the underlying forecast outturn position for ETE is a £1,068k underspend.

³ For budget virements between Services throughout the year, please see [Appendix 1](#).



Note: this graph does not plot a separate line for the 'CFA Bad Debt Provision', however, this is included within the 'Total' line.

3.2 Key exceptions this month are identified below (*updates to exceptions that have already been reported are captured within [appendix 2](#)*).

3.2.1 **Economy, Transport and Environment:** -£0.980m (-1.5%) underspend is forecast at year end.

	£m	%
• Waste Disposal including PFI – the forecast overspend has increased by £114k this month, causing it to reach the exception threshold.	0.292	(1%)

The Waste Private Finance Initiative (PFI) budget has overspent

due to more waste being landfilled than was originally anticipated. Options continue to be explored with AmeyCespa for diverting the output from the Mechanical Biological Treatment (MBT) plant away from landfill to a cheaper alternative.

- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.2 **Children, Families and Adults:** £1.138m (0.4%) overspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> • Older People & Adult Mental Health Directorate – the forecast underspend has increased by -£366k this month. The principal changes are from: an increase in underspend within Adult Mental Health due to decreases in the cost of care (-£115k) and a reduced estimate of the cost of crisis work (-£45k). In addition, there have been increases in underspend within the Older People's Locality Teams for Fenland and City & South – expected spend in these localities on respite care has decreased (-£65k) and other cost of care reductions across all areas total -£130k. Centrally collected income for NHS-funded nursing care has also increased. These reductions are all in line with proposals for delivering savings in 2015/16. 	-3.033	(-4%)

As previously reported:

Changes in the expected financial position during the final quarter of 2013/14 mean that the Older People & Mental Health directorate began 2014/15 with a one-off over allocation of budget.

The Older People's Service has a high volume of service users and continuing attention is required to demand management.

- **Strategy Management - Strategy & Commissioning** – the forecast underspend has increased by -£128k this month, causing it to reach the exception threshold.

The overall underspend is as a result of savings from vacant posts exceeding the target set. This is due to holding posts vacant in anticipation of the restructure, due to be implemented in June 2015, and lower cost solutions to cover maternity leave.	-0.328	(-30%)
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- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.3 **Children, Families and Adults (CFA) Bad Debt Provision:** -£1.245m underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> • Bad Debt Provision Adjustment – in 2013/14 a central reserve provision of £1.245m was created from CFA resources when closing the accounts at year-end due to uncertainties over the outstanding client contribution debt which transferred back to the 	-1.245	-

direct management of CCC with the CCS transfer of responsibilities back to CCC. Since then a thorough review of all client contribution debt has been undertaken and the social care teams have checked all outstanding debt. The central reserve provision was set up for exceptional and one-off write-off of debt, but the review has identified that it is not required for this purpose and can therefore be written back into CFA revenue. This will then be treated the same as any CFA over/under spend at year end and transfer to CFA reserves.

The Section 151 Officer is required to seek authority of the General Purposes Committee to write-off debts over £25k. **There is one client contribution debt of £29,502, which the General Purposes Committee is asked to approve for write-off.** This debt relates to a client whose finances were managed by his daughter from 2006 up until July 2011 and given she is now deceased it has proved not possible to collect the full debt for this period. From July 2011 the responsibility for the finances transferred to the son and regular payments were made by the son until January 2014 when the client died. However, it has not been possible to collect the debt for the earlier period and £29,502 is required to be written off.

3.2.4 Public Health: a balanced budget is forecast at year end.

	£m	%
<ul style="list-style-type: none"> Cambridge Public Health Integration Strategy – it is anticipated that £749k non-recurrent savings from 2014/15 will be transferred to an earmarked reserve for implementation of the Cambridgeshire Public Health Integration Strategy. Development of a Public Health Integration Strategy was requested by the Health Committee at its meeting in January 2015. It will maximise the benefits of the transfer of Public Health to Local Authorities by embedding public health outcomes and delivery across a range of upper tier and lower tier local authority functions. The funding is non-recurrent, and will be used to pump prime evidence based transformation and integration of public health delivery, across County Council Directorates and District/City Councils. To meet Public Health Grant conditions, non-recurrent savings must be earmarked for public health functions, rather than entering the general reserve. Previously reported exceptions that are still applicable can be found in appendix 2. 	-0.749	-

3.2.5 Corporate Services: -£0.347m (-5.2%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.6 LGSS Managed: -£0.310m (-4.1%) overspend is forecast at year end.

£m %

- **Authority-wide Miscellaneous Budget** – high volumes of unidentified income and cancellations of out of date cheques were credited to this budget in March (-£150k), and a higher than expected ESPO rebate in respect of 2013/14 purchasing activity has also contributed to the underspend.

The additional employer pension contributions have exceeded the £2.6m lump sum paid into the pension fund at the end of March by -£171k. The Council had budgeted for 0% pay increase in 2014/15 and the applied percentage was based on this, whereas we actually had a 1% pay increase, contributing to the over-achievement.

-0.371 (-698%)

No adjustment has yet been made to the Council's provision for bad debt, which is subject to review during closure of accounts, and so the currently reported outturn may change.

- **Transformation Fund** – the Transformation Fund has incurred costs of £1m as a result of Section 188 redundancies, resulting in an underspend of -£800k. This is an increase of -£300k from the previously reported figure.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

-0.800 (-80%)

3.2.7 CS Financing: -£1.965m (-5.8%) underspend is forecast at year end.

£m %

- **Debt Charges** – the forecast underspend has increased by -£0.7m this month. In March the Council received full payment of the Section 106 contribution for the Addenbrooke's 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in an additional underspend being reported.

As previously reported:

This is largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is forecast to be greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing.

This saving is in addition to the £1m reduction in the Debt Charges budget approved in the Business Plan in the expectation of slippage in the capital programme. The capital programme continues to be monitored closely alongside forecast cash

balances and interest rates and a pragmatic approach to borrowing continues to be adopted.

- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.8 Financing Items: -£0.322m (-29.4%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.9 LGSS Operational: -£0.282m (-2.7%) underspend is forecast at year end.

- There are no new exceptions to report this month.

Note: exceptions relate to Forecast Outturns that are in excess of +/- £250k.

4. KEY ACTIVITY DATA

4.1 The Actual Costs (weekly and annual) for all clients shown below are calculated based on all clients who have received a service or are receiving a service. Some clients will have ceased receiving a service in previous months, or during this month, or we will have assumed an end date in the future. The Actual Average Weekly Cost of Care and the Annual Cost of Care relates to all clients, not just those in placement at the end of the year.

4.2 Looked After Children (LAC): March 2015

	BUDGET			ACTUAL (March)			VARIANCE
Service Type	Budgeted No. of Placements 2014/15	Budgeted Average Cost of Care (per week)	Annual Budget	Snapshot of No. of Placements at End of Mar 15	Current Average Cost of Care (per week)	Projected Spend	Net Variance to Budget
Independent Fostering	229	£771	£9,177k	247	£781	£9,764k	£587k
Independent Residential	42	£2,601	£5,680k	43	£2,637	£6,243k	£563k
Supported Accommodation/Living	33	£412	£707k	31	£698	£957k	£250k
External LAC Total	304		£15,564k	321		£16,964k	£1,400k
In-House Fostering (including placements with relatives or friends)	127	£464	£3,061k	99	£596	£3,070k	£9k
In-House Residential	14	£2,196	£1,599k	12	£2,562	£1,599k	£0k
Internal LAC Total	141		£4,660k	111		£4,669k	£9k
Total	445		£20,224k	432		£21,633k	£1,409k

There are also 5 LAC currently living at home subject to Care Orders and 28 LAC placed for adoption.

The majority of In House Residential costs are fixed. Expectation was all beds would be filled but if any beds remain empty average costs will increase.

4.3 Adult Social Care (ASC): March 2015

		BUDGET			ACTUAL (March)			VARIANCE
Service Type		Budgeted No. of Clients 2014/15	Budgeted Average Unit Cost (per week)	Annual Budget	Snapshot of No. of Clients at End of Mar 15	Current Average Unit Cost (per week)	Projected Spend	Net Variance to Budget
Physical Disability Services	Residential	41	£841	£1,793k	44	£713	£1,602k	-£191k
	Nursing	23	£751	£898k	30	£554	£848k	-£50k
	Community	604	£287	£9,015k	716	£221	£8,088k	-£927k
Physical Disability Services Total		668		£11,706k	790		£10,538k	-£1,168k
Learning Disability Services	Residential	295	£1,302	£19,974k	320	£1,224	£20,693k	£719k
	Nursing	21	£1,649	£1,801k	22	£1,535	£1,756k	-£45k
	Community	1,237	£610	£39,207k	1,296	£595	£40,078k	£871k
Learning Disability Service Total		1,553		£60,982k	1,638		£62,527k	£1,545k

Alongside improvements to commitment records in the Learning Disability Service, activity data has been refreshed this month on the basis of latest calculations. The service is moving towards automated commitment records which will make this analysis more widely available and considered.

4.4 Older People (OP): March 2015

		BUDGET					ACTUAL (March)					VARIANCE
Service Type		Budgeted No. of clients 2014/15	Budgeted Average Cost (per week)	Gross Annual Budget	Client contributions	Net Annual Budget	Snapshot of No. of Clients at End of Mar 15	Current Average Cost (per week)	Gross Projected spend	Client contributions	Net Projected spend	Net Variance to Budget
Residential		620	£403	£12,545k	-£4,522k	£8,022k	694	£413	£12,663k	-£4,495k	£8,168k	£146k
Residential Dementia		359	£459	£8,269k	-£2,597k	£5,672k	377	£488	£8,249k	-£2,598k	£5,651k	-£21k
Nursing		390	£551	£11,506k	-£2,934k	£8,572k	387	£569	£10,429k	-£2,972k	£7,457k	-£1,115k
Nursing Dementia		31	£598	£844k	-£81k	£763k	20	£638	£743k	-£73k	£670k	-£93k
Spot Respite		141	£0	£180k	-£7k	£172k	131	£91	£633k	-£430k	£203k	£31k
Homecare arranged		1,768		£15,806k	-£4,839k	£10,967k	1,938		£15,534k	-£4,229k	£11,305k	£337k
Direct payments		357	£243	£4,274k	-£412k	£3,863k	311	£258	£4,434k	-£360k	£4,073k	£211k
Total		3,666		£53,423k		£38,032k	3,858		£52,684k		£37,528k	-£504k

The underspend reported above is less than the total for Older People's Service as a result of a decision to hold a large portion of the underspend expectation in one place, rather than creating misleadingly high budgets for the cost of care.

4.5 Older People Mental Health (OPMH): March 2015

	BUDGET					ACTUAL (March)					VARIANCE
<i>Service Type</i>	<i>Budgeted No. of clients 2014/15</i>	<i>Budgeted Average Cost (per week)</i>	<i>Gross Annual Budget</i>	<i>Client contributions</i>	<i>Net Annual Budget</i>	<i>Snapshot of No. of Clients at End of Mar 15</i>	<i>Current Average Cost (per week)</i>	<i>Gross Projected spend</i>	<i>Client contributions</i>	<i>Net Projected spend</i>	<i>Net Variance to Budget</i>
Residential	13	£459	£344k	-£46k	£298k	20	£453	£319k	-£62k	£257k	-£41k
Residential Dementia	21	£453	£639k	-£131k	£508k	39	£457	£598k	-£149k	£449k	-£60k
Nursing	14	£740	£552k	-£66k	£485k	22	£730	£605k	-£70k	£535k	£50k
Nursing Dementia	148	£615	£4,398k	-£1,093k	£3,305k	179	£624	£4,801k	-£1,152k	£3,650k	£344k
Spot Respite	13		£14k	0	£14k	18		£75k	-£37k	£37k	£23k
Homecare arranged	80	£146	£795k	-£160k	£635k	108	£137	£629k	-£149k	£480k	-£155k
Direct payments	14	£246	£180k	-£7k	£173k	15	£265	£174k	-£7k	£167k	-£6k
Total	302		£6,922k		£5,418k	401		£7,201k		£5,574k	£156k

In 2015/16 we will continue to develop this data to encompass an increasing proportion of the service's expenditure (spending on extra care and sheltered housing is currently not included). Although this activity data shows current expected and actual payments made through direct payments, this in no way precludes increasing numbers of clients from converting arranged provisions into a direct payment.

5. PERFORMANCE TARGETS

- 5.1 The current performance indicators reported below were developed as part of the 2014/15 Business Planning (BP) process. The indicators were chosen according to criteria defined in previous scrutiny reports that suggested Cabinet monitor a small number of critical indicators that also reflected the breadth of the County Council's work being a selection from across the various services.

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	30/09/14	%	81.1	77.5	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	28/02/15	%	93.9	96.0	Amber	↓
	The number of people starting as apprentices	ETE	High	To 31/01/15	Number	2,110	4,185 (end-of-academic year)	Green	↑
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	28/02/15	%	63.6	75	Red	↓
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	28/02/15	%	92.2	95	Amber	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	28/02/15	%	54.6	55	Amber	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	28/02/15	Number per 100,000 of population	533	592	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	31/01/15	Number	1,748 year to date	2,667 year to date (3,600 annual)	Red	↑

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	28/02/15	Rate per 10,000	40.5	31.3 to 38.4	Amber	↓
	The proportion of children who are referred to social care within 12 months of a previous referral	CFA	Low	28/02/15	%	18.9	25	Green	↑
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	28/02/15	%	82.8	80 (new target for 2014/15)	Green	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	28/02/15	Number	546	417	Red	↑
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CCC	High	28/02/15	%	83	90	Red	↓
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/03/15	Days	6.6	7.8	Green	↔

Notes:

The proportion of customer complaints received in the month before last that were responded to within minimum response time

A breakdown of performance by Service is provided as follows:

Service	What is good?	Date	Actual %	Target %	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	28/02/15	94	90	Green	↑
ETE	High	28/02/15	74	90	Red	↓
CST	High	28/02/15	n/a	90	-	-
LGSS	High	28/02/15	100	90	Green	↑

- CFA received 33 complaints in the reporting period, of which 31 were dealt with within the target response time.
- ETE received 43 complaints in the reporting period, of which 32 were dealt with within the target response time.
- CST received 0 complaints in the reporting period.
- LGSS received 1 complaint in the reporting period, which was dealt with within the target response time.

5.2 Key exceptions are identified below.

- **The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted**

The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'.

- **The number of people successfully quitting smoking with support from stop smoking services**

- 76% of the stop smoking target for 2013/14 was achieved, a drop from 92% in 2012/13. This is reflected in the national trend that is attributed at least in part to the use of e-cigarettes. The lower level of performance is continuing in 2014/15 in Cambridgeshire (and nationally) with the performance figures generally remaining static, at circa 60%-68% of the monthly performance target. At the end of January 66% of the year to date target had been achieved.
- Performance in GP practices was especially poor and there is a consistent problem with recruiting smokers to make quit attempts. There is an ongoing programme to improve performance with CamQuit the core service providing increasingly higher levels of support to the other providers along with promotional activities. Practices are regularly visited with poor performers being targeted.
- A wide ranging intervention plan has been developed that is focusing upon Fenland. This includes a mobile workplace service, a migrant worker Health Trainer post that will target these communities where smoking rates are high, a wide ranging promotional campaign and recruitment of an additional Stop Smoking Advisor to focus upon Fenland. Social Marketing research has been commissioned to gather intelligence about attitudes and behaviour in relation to smoking (and Health Checks) as well as a Deep Dive exercise that looks specifically at smoking and the Stop Smoking Services.
- Smoking rates in Cambridgeshire are also high amongst routine and manual workers and the programme of intervention also targets these groups.
- A recent update to the Public Health Outcomes Framework has shown a positive movement in smoking prevalence, with a statistically significant fall in the percentage of adults smoking across the County between 2012 and 2013. However, inequalities in smoking rates remain, with the prevalence in Fenland and amongst manual workers being statistically significantly higher than the Cambridgeshire average.

- **Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)**

- The Cambridgeshire health and social care system is experiencing a monthly average of 2,779 bed-day delays, which is 24% above the current Better Care Fund (BCF) target ceiling of 2,232. In February there were 2,478 bed-day delays, down 102 from the previous month, but still 333 above the monthly target.

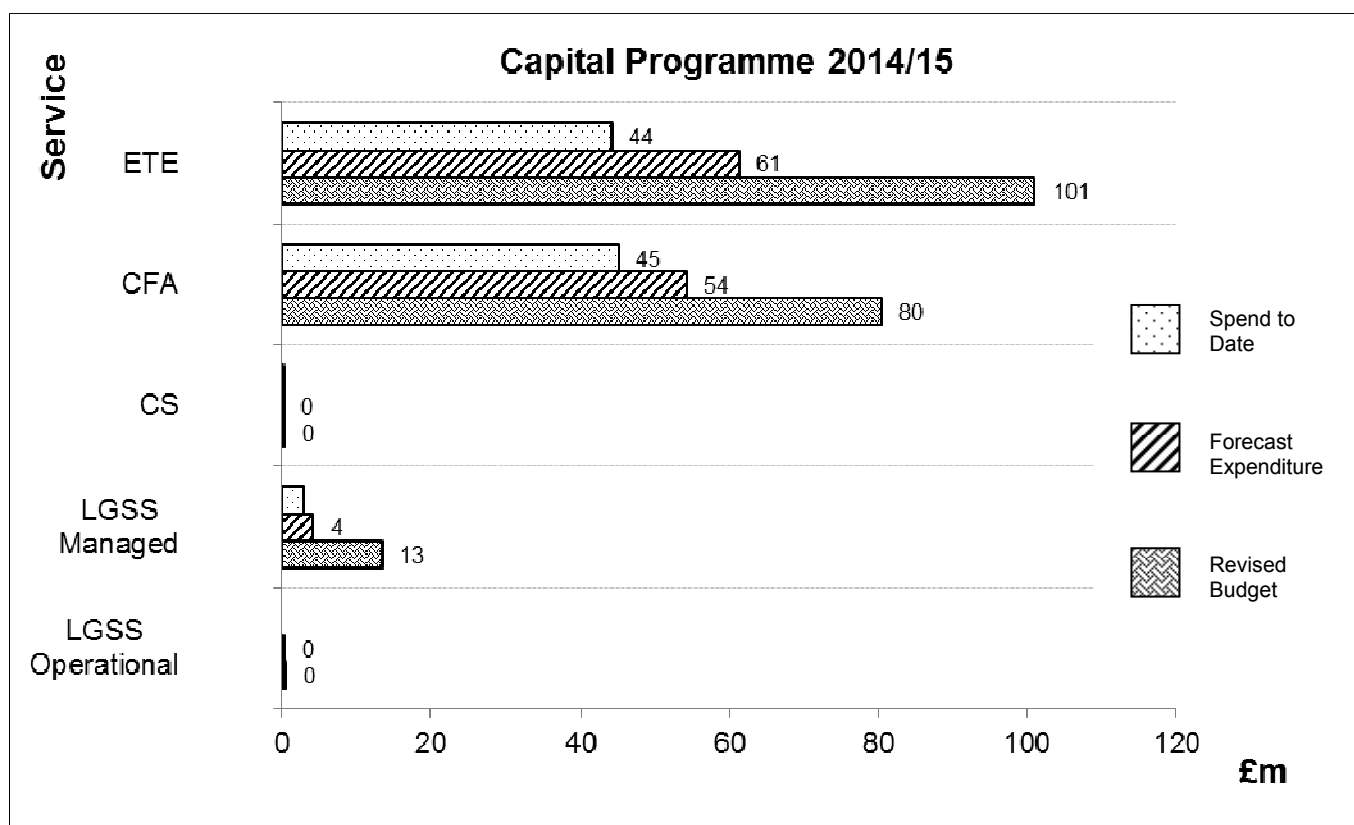
- Between April and February 2015 there were 30,565 bed-day delays across the whole of the Cambridgeshire system - representing a 20% increase against the same period in 2013/14.
 - Across this period NHS bed-day delays have increased from 14,478 (April - February 2014) to 21,529 (April - February 2015) an increase of 49%, while bed-day delays attributed to Adult Social Care have decreased from 10,409 (April - February 2014) to 7,195 (April - February 2015) an improvement of 31%.
 - This remains a challenging, whole system measure and is reliant on both health and social care commissioners and providers to work together to meet target.
- **The proportion of customer complaints received in the month before last that were responded to within minimum response time**

ETE received 43 complaints of which 11 failed to meet the target of responding within timescales. As at the 30th March 2015, 4 of these cases have been closed. The remaining cases are with responsible teams for investigation. This month's figure is 74%.

6. CAPITAL PROGRAMME

6.1 A summary of capital financial performance by service is shown below:

2014/15						TOTAL SCHEME	
Original Budget as per BP £000	Service	Revised Budget £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Mar) £000	Forecast Variance - Outturn (Mar) %	Total Scheme Revised Budget (Mar) £000	Total Scheme Forecast Variance (Mar) £000
90,999	ETE	100,991	-33,197	-39,650	-39.3%	470,528	-27,779
76,409	CFA	80,398	-23,389	-26,189	-32.6%	530,659	248
-	Corporate Services	185	-67	-97	-52.4%	340	0
12,206	LGSS Managed	13,350	-8,102	-9,217	-69.0%	90,124	-8,466
-	LGSS Operational	412	0	-209	-50.7%	630	0
179,614	Total Spending	195,336	-64,754	-75,362	-38.6%	1,092,281	-35,997



Note: The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted.

6.2 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.5m or greater are identified below.

6.2.1 **Economy, Transport and Environment:** -£39.7m (-39.3%) underspend is forecast at year end.

- **Connecting Cambridgeshire**– the forecast underspend has increased by -£3.3m this month.

The Superfast broadband rollout contractor for Connecting Cambridgeshire is delivering the infrastructure within agreed milestones, however, the payment profile is lagging behind the delivery, further increasing the delayed spend figure to £5,828k in year. This does not represent a total scheme underspend as the funding will be required in 2015/16.

£m	%
-9.9	(-45%)

As previously reported:

The underspend on Super Connected Cities is predicted to be £4,102k. The original grant was to support 2,220 vouchers, but the forecast for 2014-15 has now been revised down to 160. Due to a slower take-up rate nationally than the Government first anticipated, the scheme has now been extended until March 2016 and we are currently seeking approval from the Department for Culture, Media & Sport for the scheme to be extended to the

whole of Cambridgeshire, including Peterborough (rather than just Cambridge City and South Cambridgeshire).

- **Huntingdon - West of Town Centre Link Road** – the forecast underspend has increased by -£1.6m this month.

-3.3 (-85%)

The resolution of land costs will not now be completed in this financial year, causing the scheme to slip into 2015/16.

- **Guided Busway** – the forecast underspend has increased by -£1.4m this month.

This budget is expected to underspend in 2014/15 for a number of reasons; initially land deals, which were expected to be resolved in 2014/15, were resolved at the end of the last financial year. More recently, following the negotiation of the purchase price for a number of significant land parcels acquired for the Busway, the forecast for the remaining land and compensation transactions have been revised to reflect the settlement values that have been achieved. Further land deals should be resolved in 2015/16.

-5.8 (-78%)

- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.2 **Children, Families and Adults:** -£26.2m (-32.6%) underspend is forecast at year end.

£m %

- **Primary Schools - Demographic Pressures** – the forecast underspend has increased by -£0.5m this month.

As previously reported, with updated forecast outturn figures:

Slippage and accelerated progress (-£4,021k underspend)

This is due to: significant slippage on Isle of Ely Primary (-£2,073k), due to issues with the land acquisition – although this slippage reduced by £550k this month due to accelerated progress being made; Orchards Primary (-£447k); Swavesey Primary (-£217k); Hardwick Second Campus (-£886k – further delays on site, due to weather conditions, have resulted in the project progressing more slowly than anticipated); Huntingdon Primary School (-£458k); and Fawcett Primary (-£760k – further delays have been experienced, resulting in the scheme progressing more slowly than expected); and various schemes where the slippage is under £100k (-£220k). This is balanced against changes to the expenditure profiles for Kings Hedges Primary (£360k); Brampton Primary (£350k); Fulbourn Primary School (£230k); and Milfield Primary (£100k) where expenditure previously anticipated as falling in 2015/16 has been spent in 2014/15.

-4.7 (-16%)

Revision in costs (-£705k underspend)

The overall costs of the expansion at Fawcett Primary have been reduced by -£600k following receipt of a lower than anticipated Milestone (MS) 4 tender price. A saving of -£225k has also been achieved on the Hemingford Grey Primary School due to employer's contingencies and risk register costs not being expended. A saving of -£43k has also been achieved on the Fulbourn Primary scheme again due to risks and contingencies not being expended. These savings have been offset by increased costs at Cavalry Primary School of £120k for re-roofing works.

- **Secondary Schools - Demographic Pressures** – the forecast underspend has increased by -£0.9m this month.

The Littleport Secondary scheme is forecast to underspend by -£4.2m in 2014/15, primarily due to a delay in acquiring the land the school will be built on. The start on site date has consequently slipped from Summer to Autumn 2015.

Expenditure on North Cambridgeshire Secondary in 2014/15 has been slow, increasing the overall forecast underspend for the year by -£70k. Anticipated costs for Ely College have reduced by -£20k in 2014/15.

-4.1 (-44%)

The Swavesey Village College scheme is progressing more quickly than originally anticipated. The cost of this scheme has increased by £350k over the lifetime of the project due to higher than anticipated tender costs. This project is funded significantly by Targeted Basic Need funding. The funding has been advanced to offset the acceleration in the programme.

The £598k anticipated increase in Coleridge Secondary extension scheme has not materialised as works slowed on phase 3 of the project.

- **Children Support Services** – the forecast underspend has increased by -£0.6m this month.

Increased certainty over the timings of projects related to Early Years basic need placements means that costs previously anticipated for 2014/15 will now be incurred in 2015/16. This accounts for -£479k of the overall underspend.

-2.2 (-59%)

The remaining -£1.5m is due to slippage on the Trinity School where delays in the acquisition of land led to the appointment of contractors being put on hold until such time as there was greater certainty that the project would proceed. Further delays were the

result of a fire on site in late 2014. Confirmation of the site purchase has recently been received.

- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.3 **Corporate Services:** -£0.1m (-52.4%) underspend is forecast at year end.

- There are no new exceptions to report this month.

6.2.4 **LGSS Managed:** -£9.2m (-69.0%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> • Effective Property Asset Management (EPAM) - Shire Hall Campus – this is due to delays in progressing the Shire Hall lift works due to archaeology findings (-£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to Castle Court closure, but this has not yet been confirmed. 	-0.7	(-61%)

- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.5 **LGSS Operational:** -£0.2m (-50.7%) underspend is forecast at year end.

- There are no new exceptions to report this month.

6.3 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:

Economy, Transport and Environment (ETE): -£27.8m (-5.9%) total scheme underspend is forecast.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

Children, Families and Adults (CFA): £0.2m (0.0%) total scheme overspend is forecast.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

Corporate Services (CS): a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

LGSS Managed: -£8.5m (-9.4%) total scheme underspend is forecast.

- There are no new exceptions to report this month.

- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

LGSS Operational: a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

6.4 A breakdown of the changes to funding has been identified in the table below:

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance ² £m
Department for Transport (DfT) Grant	26.2	1.6	0.0	2.6	30.4	26.5	-3.9
Basic Need Grant	15.2	0.0	0.0	1.3	16.6	16.1	-0.5
Capital Maintenance Grant	6.3	0.0	0.0	0.0	6.3	6.3	0.0
Devolved Formula Capital	1.1	1.6	0.0	0.1	2.7	2.7	0.0
Specific Grants	11.9	1.6	0.0	0.7	14.2	7.4	-6.9
Section 106 Contributions	24.3	0.3	-1.3	0.4	23.7	12.5	-11.2
Capital Receipts	4.7	0.0	0.0	0.0	4.7	5.4	0.7
Other Contributions	8.0	0.6	0.0	1.1	9.8	7.4	-2.3
Revenue Contributions	0.0	0.0	0.0	0.6	0.6	0.6	0.0
Prudential Borrowing	81.9	14.7	-8.9	-1.3	86.4	35.0	-51.4
Total	179.6	20.3	-6.2	1.6	195.3	120.0	-75.4

¹ Reflects the difference between the anticipated 2013/14 year end position, as incorporated within the 2014/15 Business Plan, and the actual 2013/14 year end position.

² The Funding Variance reflects the in-year expenditure position and the level of anticipated spend on specific projects. It does not reflect an increase or decrease to the funding available, which is reflected within the 'Revised Budget' column (as detailed in section 6.5).

- 6.5 Key funding changes this month (of greater than £0.5m) are identified below:
- There are no new exceptions to report this month.
- 6.6 Previously reported key funding changes that are still applicable can be found in [appendix 5](#).
- 6.7 Attached as **Appendix 7 (confidential)** of this report is a strategic business case for the replacement of the Council's Enterprise Resource Planning system. The current Oracle solution has been used by the Council for over a decade. The current version will not be supported going forward and therefore consideration of an alternative solution is required. Given the integration of a number of back office services with Northamptonshire County Council through LGSS it makes sense from both a procurement and operational perspective that a single solution is adopted across the two councils.

The strategic business case sets out the rationale and benefits of moving to a single solution. Commercial discussions have commenced regarding the potential replacement but no contractual arrangement has been entered into pending authority from the two councils and agreement on the commercial arrangement.

Having considered the strategic business case, the General Purposes Committee is asked to approve CCC's capital investment of £1.104m for the implementation of a replacement Enterprise Resource Planning system.

7. GRANT ALLOCATIONS 2014/15

- 7.1 Where there has been a material change in 2014/15's grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee (GPC) for approval.

Educational Services Grant (ESG)

The ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream/high needs) and status (academy/maintained). Funding therefore reduces for local authorities as schools convert to academies.

Based on the expected number of academy conversions during 2014/15 a figure of £6,104,215 was budgeted for the ESG during the Business Planning (BP) process. However, due to slower academy conversions than originally expected during 2014/15, the total ESG received is £6,366,115, resulting in an additional £261,900. This position is an increase of £40,450 from the forecast reported in November 2014.

It is proposed that the additional funding of £261,900 is treated as a general resource and taken to the General Fund, which the General Purposes Committee is asked to approve.

- 7.2 The below grant is deemed to be a non-material change and is for information purposes only:

Special Educational Needs and Disabilities (SEND) Preparation for Employment Grant

Local authorities can spend this one-off grant to promote supported internships and other preparation for employment activity for young people with special educational needs and disabilities (SEND), which is a critical aspect of the SEND reforms. This is an un-ringfenced revenue grant, which has not been budgeted for. Cambridgeshire's allocation for 2014/15 is £37,072.

The Department's aspiration is that local authorities should use the funding provided to:

- increase the number of education providers offering supported internships, resulting in more young people with complex SEND getting work placements and ultimately entering paid employment;
- build relationships with employers to agree work placements for young people with SEND on supported internships and other study programmes, and coordinate allocation of placements across education providers where appropriate; and
- support and challenge education providers to improve preparation for employment in study programmes for young people with SEND, including high quality work experience, resulting in more young people finding paid employment.

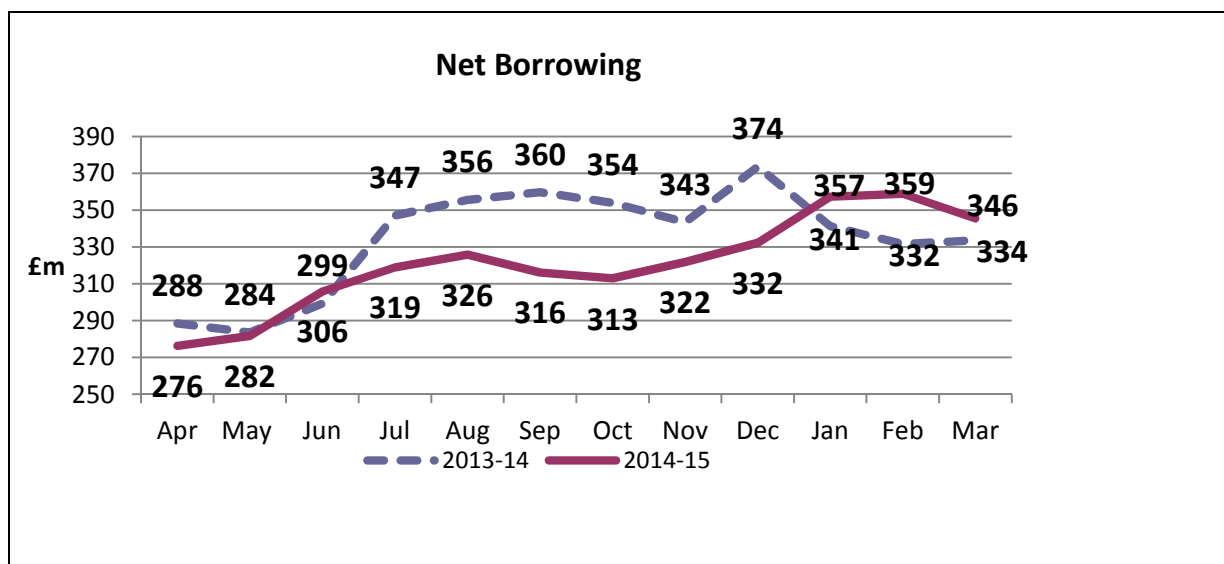
As such, this funding will be allocated in full to Children, Families and Adults.

8. BALANCE SHEET

- 8.1 A more detailed analysis of balance sheet health issues is included below:

Measure	Year End Target	Actual as at the end of March
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£1.0m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.1m
Invoices paid by due date (or sooner)	97.5%	99.7%

- 8.2 The graph below shows net borrowing (borrowing less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of March were £35.5m and gross borrowing was £381.1m, giving a net borrowing position of £345.6m.



- 8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014/15 TMSS was set in February 2014, it was anticipated that net borrowing would be £406m at the end of this financial year. Net borrowing at the beginning of this year was lower than expected and the position at 31st March 2015 is £346m.
- 8.4 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.
- 8.5 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 8.6 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.6m. The actual net borrowing position at 31st March is £346m.	<p>A -£1.965m forecast underspend is due to:</p> <ul style="list-style-type: none"> -£1.330m is largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is forecast to be greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing.

	<ul style="list-style-type: none"> • In March the Council received full payment of the Section 106 contributions for the Addenbrooke's 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in an additional underspend being reported. <p>The Debt Charges budget was reduced by £1m when the Business Plan was approved in February 2014 in expectation of slippage in the capital programme; the underspend reported is in addition to that amount. The capital programme continues to be monitored closely alongside forecast cash balances and interest rates and a pragmatic approach to borrowing is adopted.</p>
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8.7 A schedule of the Council's reserves and provisions can be found in [appendix 6](#).

9. EXTERNAL AND CONTEXTUAL ISSUES

9.1 The Council's Business Plan for 2015/16 was approved by Full Council on the 17 February 2015. The Plan sets out the Council's £550m revenue budget for the next five years and includes £50.8m over that period to meet the cost of providing services to Cambridgeshire's growing population. Cambridgeshire County Council's £928m ten year capital programme will invest a further £436m in building new schools and expanding existing school provision and a further £143m on roads, footpaths and cycle paths. The Council will also be continuing to invest in major transport schemes like Ely Crossing, the A14 upgrade and King's Dyke crossing, as well as £100m over the next five years via City Deal schemes.

Balancing the budget requires £118.9m worth of savings over the next five years, including £29.8m in 2015/16. Identifying ways to make these savings has been incredibly challenging and, while the Plan includes a balanced budget for 2015/16, nearly two thirds (£58.5m) of the savings in later years are yet to be identified.

10. FURTHER INFORMATION

10.1 Members requiring further information on issues raised in this report may wish to access the individual Services' Finance and Performance Reports by following the link below:

http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports

11. ALIGNMENT WITH CORPORATE PRIORITIES

11.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

11.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

11.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

12. **SIGNIFICANT IMPLICATIONS**

12.1 **Resource Implications**

This report provides the latest resources and performance information for the Council and so has a direct impact.

12.2 **Statutory, Risk and Legal Implications**

There are no significant implications within this category.

12.3 **Equality and Diversity Implications**

There are no significant implications within this category.

12.4 **Engagement and Consultation Implications**

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

12.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

12.6 **Public Health Implications**

There are no significant implications within this category

Source Documents	Location
ETE Finance & Performance Report (March 15) CFA Finance & Performance Report (March 15) PH Finance & Performance Report (March 15) CS and LGSS Cambridge Office Finance & Performance Report (March 15) Performance Management Report & Corporate Scorecard (March 15) Capital Monitoring Report (March 15) Report on Debt Outstanding (March 15) Payment Performance Report (March 15) Strategic Business Case: LGSS Next Generation ERP Shared Service solution	1 st Floor, Octagon, Shire Hall, Cambridge

APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)								
	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	251,616	0	63,225	34,142	5,851	9,670	10,351	5,624
Healthwatch from Corporate Services	429				-429			
We car annual cost						-10	10	
County Farms investment to team budget						-50	50	
Legionella testing			-13			13		
ETE Operational Savings – LEP funding			50					-50
ETE Operational Savings – Local Infrastructure and Street Management (LISM) tablets			26					-26
Leader's Personal Assistant (PA) salary budget					-30		30	
Replace annual recharge requirement for Registrars & Coroners Employer's and Public Liability Insurance			-14			14		
Budget realignment regarding County Farms staff						-85	85	
CS Operational Savings – various					772			-772
Transfer of funding for Chief Executive's budget					5			-5
CFA Operational Savings – Practice & Safeguarding	400							-400
CFA Operational Savings – Ordinary Residence	398							-398
Allocation of the Care Bill Implementation Grant	125							-125
Allocation of the Special Educational Needs (SEN) Grant and Adoption Reform Grant (Quarters 1 & 2)	695							-695
Health Watch to Corporate Services	-429				429			
ETE Operational Savings – A14 work			5					-5
ETE Operational Savings – Cambridgeshire Future Transport			60					-60
Cambridgeshire Community Services HR Support	-50						50	
Allocation of the Staying Put Implementation Grant (Quarter 1)	14							-14
Allocation of the Special Educational Needs and Disability (SEND) Implementation Grant (Quarters 1 & 2)	238							-238
Right-sizing Rural Estates staffing establishment						-119	119	
ETE Operational Savings – Cycling Legacy			19					-19

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ETE Operational Savings – SmartLife Business			100					-100
ETE Operational Savings – Cambridge Sub-Regional Model			110					-110
ETE Operational Savings – Archives Store			18					-18
Transfer of Catering and Cleaning Services (CCS) Finance Support	104						-104	
ETE Operational Savings – Cycling Legacy			-7					7
ETE Operational Savings – Flood Signing			30					-30
ETE Operational Savings – Busway Infrastructure Costs			7					-7
ETE Operational Savings – Flood Risk			73					-73
Allocation of: Special Educational Needs (SEN) Grant - Qtr 3; Special Educational Needs and Disability (SEND) Grant - Qtr 3; Adoption Reform Grant - Qtr 3; and Staying Put Grant - Qtr 2	480							-480
ETE Ops Savings - A14			9					-9
Public Health Adjustment - Changing behaviours	81	-135	27		27			
Allocation of reserves to fund Public Health – Changing behaviours		135						-135
Reversal of ETE Operational Savings – Busway Infrastructure Costs			-7					7
ETE Operational Savings – various (LISM)			58					-58
Allocation of Staying Put Grant – Quarter 3	14							-14
CFA Insurance charges match funding	231					-231		
ETE CS LGSS Insurance charges match funding			1,525			-1,525		
Allocation of: Special Educational Needs (SEN) Grant - Qtr 4; Special Educational Needs and Disability (SEND) Grant - Qtr 4; Adoption Reform Grant - Qtr 4; and Staying Put Grant - Qtr 4	480							-480
CFA employers liability and public liability Insurance charges match funding	191					-191		
ETE Ops Savings to fund Archives camera			73					-73
Transfer Members training to managed budget						22	-22	

ETE Ops Savings - Highways Asset data & Sub regional planning			146																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Local Infrastructure and Street Management (LISM) Other – the underspend was originally due to a Section 278 (of the Highways Act 1980) agreement fee, received for the North West Cambridge development, which was greater than the predicted budget for the year. Since this time, there have also been further Section 106 agreement fees received, which have contributed to the final underspend now being reported.	-0.417	(-19%)
	Park & Ride Sites – in the Business Plan, it was anticipated that parking fees would be introduced at Park & Ride sites by April 2014 and thus the budget reflects a full year's income. As the introduction of the fee only happened in July, there was a shortfall in income for this period, which will be covered in-year via the use of £270k from the on-street parking account. Since the fee was introduced, the usage of the Park & Ride sites has been less than expected. The situation is being closely monitored as the passenger numbers remain lower than predicted. Initiatives to promote Park and Ride use are being developed and a campaign took place over Easter 2015 to try increase patronage.	0.265	(45%)
	Passenger Transport Other – a decision has been made by the Economy & Environment Committee to roll forward funding for Community Transport into future years, to enable the preservation of existing schemes for longer.	-0.311	(-11%)
CFA	Children's Social Care Directorate – the overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making vacancy and agency savings targets difficult to deliver; and the number and cost of legal proceedings exceeding budget.	+1.916	(6%)

	<p>Home to School Transport - Special – Looked After Children (LAC) Transport costs have increased due to a higher number of children being transported and an increase in the distance travelled, following Ofsted and a movement to get children into their local schools. The single occupancy review has been carried out in conjunction with schools to find sustainable solutions to shared routes. The review is now complete and parents have been notified.</p> <p>The other major contributor factors to the predicted outturn are:</p> <ul style="list-style-type: none"> ○ Fewer companies have the specialist vehicles or the number of specialist vehicles we require, which reduces the size of the tender pool and increases prices. We require an additional 11 tail lift vehicles compared to 2013/14; ○ Fewer companies have the required number of passenger assistants, even if they can supply the specialist vehicles, again reducing the tender pool and increasing prices. We require an additional 31 passenger assistants compared to 2013/14; ○ Companies winning the tenders are not based in Cambridge City (one used regularly is based in Haverhill), which increases the tender price as having to fund journey into the City and back as well as the school route. The current average daily price is £91.99, an increase of 3.09% on the April 2014 average; ○ Reduced number of providers interested in applying for contracts for primary school children due to legislation around child seats. Taxis would need to carry child seats for the day reducing public use of boot space e.g. for luggage. This again results in a smaller tender pool and increased prices; ○ More children with more complex needs have increased the use of single occupancy taxis; and ○ Closure of respite centres has resulted in children, often with the most acute needs, requiring high cost transport for increased distances. 	+1.500	(20%)
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	<p>Looked After Children (LAC) Placements (external) – the LAC Placements budget is forecasting an overspend of £1,150k, including secured additional income from Health, following development of a tool to assess the percentage level of contributions to placement costs. Pressure on costs has been seen for some time, with external placement numbers exceeding those budgeted for.</p> <p>The 16+ Placements budget is forecasting an overspend of £250k. There has been an increase in the number of young people who are presenting as homeless, who are willing to be looked after and have nowhere else to go. A number of young people have had to move to supported accommodation that can offer additional support due to their complex needs and this is impacting on the average cost although this is cheaper than residential care.</p> <p>The Supporting Lodgings budget is forecasting an underspend of -£36k. The full budget is planned for development of broader provision in 2015/16.</p>	+1.364	(8%)
	<p>Home to School Transport - Mainstream – the forecast outturn figure results in the main from:</p> <ul style="list-style-type: none"> ○ The much lower than anticipated savings achieved from the re-tendering of contracts. The re-tendering process only delivered £41k in savings. The assumed level of saving had been in the order of £350k based on experience of re-tendering contracts in 2012/13 and 2013/14. ○ The decision to defer proceeding with a proposals to withdraw free transport on the route between Horningsea and Fen Ditton Primary School as a result of the delayed implementation of road safety improvements and on the route between Gt and Little Shelford / Stapleford and Sawston Village College, following a concern raised by the Road Safety Team about one aspect of the route. As a result, a reassessment of one section of the route was necessary to remove the risk of this preventing the withdrawal of free transport, should one or more of the families affected lodge an appeal. As a term's notice is required for such proposed changes to be implemented, both route reviews have been deferred to 2015/16. Both are now planned for implementation at the start of the 2016 academic year; ○ An increase in the number of post-16 students living in East Cambridgeshire being deemed to be entitled to subsidised and free transport into Cambridge as a result of changes made by City of Ely and Newmarket College to their curriculum offer to focus on vocational courses in place of an A Level programme of study. ○ Reflects the fact that the underspend achieved in 2013/14 was £345k less than the forecast outturn saving, which informed the setting of the 2014/15 budget during the Business Planning process; 	+1.200	(14%)

	<ul style="list-style-type: none"> ○ Takes account of the underspend on the 2013/14 budget of -£355k; and ○ Takes account of an inflationary uplift of 2.9% on all contracts. 		
	Special Educational Needs Placements – the budget is under significant pressure due to numbers: whilst maintained Statement numbers are decreasing the level of need is escalating in early years with this age group requiring additional capacity in all of our Special Schools this year and in 2015/16. This additional need in early years has meant that the schools are at capacity.	+0.710	(9%)
	Commissioning Services – this is due to longer timescales for children with statements moving from one school to another, adhering to the placement consultation process outlined by the Department for Education (DfE) Special Educational Needs (SEN) Code of Practice. In addition to this there has been a move to 25 hours per week provision, from 15 hours per week, which has created a pressure.	+0.414	(12%)
	Physical Disabilities – the underspend is due to the management of demand on services, and careful consideration of how much support people need to reduce social isolation informed by the activities they are involved in and their family / social situations. In addition to demand management some packages of support have not materialised, several higher cost packages have ended, and a number of claw backs on direct payments have been made.	-1.011	(-8%)
	Learning Disability (LD) – the following two policy lines for LD had previously been managed together as one overall budget. The projected expenditure was separated out for the two policy lines and the explanations for the variances are below.		
	(1) LD - Head of Services – this is principally a result of reduced spending on contracts with Thera and a Health Partner (-£702k) and some smaller budgets not being fully utilised this financial year (-£203k). Reductions are arising this month as a result of newly identified underspends on Admin and Young Adults Team budgets. However, provision for supervision costs from the providing Health Trust has also been made, meaning there is adverse change on this policy line of £83k overall.	-0.958	(-50%)
	(2) Learning Disability Localities – a review of all team commitment records is still underway and improvements continue to the accuracy of forecasting between teams.	+1.511	(3%)

	<p>Central Financing and Financing Dedicated Schools Grant (DSG) – within CFA, spend of £20.3m is funded by the ring fenced DSG. The budgets for Education Placements (£710k), Commissioning Services (£400k), Early Years Specialist Support (£140k), Teachers Pension & Redundancy (£6k), Strategic Management – Strategy & Commissioning (-£66k), Special Educational Needs and Disability (SEND) Specialist Services (-£95k), East Cambs & Fenland Localities (-£19k), South Cambs & City Localities (-£2k), Early Years Service (-£8k) and 0-19 Organisation & Planning (-£2k) are forecast to overspend this year by a total of £1,063k.</p> <p>Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. It is estimated that for this financial year vacancy savings of £462k will be taken in relation to DSG funded posts and DSG carry forward within Schools Financing of £601k will be applied, both of these will be combined and used to offset the pressures on DSG funded budgets.</p>	-0.998	(-5%)
Public Health	<p>Health Improvement – the £500k earmarked from known underspends to pump prime a Healthy Fenland Fund has been transferred to an earmarked reserve.</p>	-0.500	-
	<p>Falls Prevention – an earmarked reserve has been set aside from non-recurrent underspends on 2013/14 and 2014/15 Public Health (PH) Grant, in order to ensure £400k non-recurrent PH funding is available to support falls prevention in 2015/16 and 2016/17</p>	-0.400	-
CS	N/A	-	-
LGSS Managed	<p>County Offices – the forecast overspend has reduced by £142k this month. A savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of the year. Savings of £120k have been achieved in the current year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there has been a one-off windfall from Libraries' rates rebates (£150k), additional income generated of £100k, and savings of £35k on utilities across the portfolio. These in-year savings will be partly offset by an accrual in respect of Dryden House dilapidations, estimated to be £249k.</p>	+0.511	(9%)

	<p>IT Managed – the 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £313k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire.</p> <p>It is anticipated that the recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target. However, centralisation of the budgets will not be implemented until April 2015 and, as such, the part year savings in 2014/15 will accrue to service budgets rather than this budget.</p>	+0.287	(16%)
	<p>Building Maintenance – reactive building maintenance spend across the property portfolio for the year has exceeded the budget. Property Operations have identified an under-accrual in relation to 2013/14 works that has contributed towards the reported overspend.</p>	+0.292	(26%)
Financing Items	N/A	-	-
LGSS Operational	N/A	-	-

APPENDIX 3 – previously reported current year capital exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that it would provide the funding for this scheme.	-11.2	(-97%)
	Cycling Schemes – spend on the Cycling City Ambition grant funded schemes will now roll into 2015/16 as the Department for Transport has extended the use of this funding until September 2015. This will include the following schemes: <ul style="list-style-type: none"> ○ Huntingdon Road (start date 5th January) ○ Hills Road (start date 26th January) ○ Trumpington Road (start date 11th May) 	-2.0	(-42%)
	Chesterton Busway – the costs for this project are now forecast to come in under budget by -£1.9m in 2014/15. This is due to project delivery issues on the busway site, including statutory undertaking diversions and associated design considerations, which have required a re-programme of the site works, resulting in delays in spend. In addition, work with local stakeholders has identified a potential improvement to the location of additional cycle facilities, however, this requires some further negotiation with a third party land owner. This will therefore result in some delay in the finalisation of the cycling facilities, but if successful will ultimately provide a more effective cycling route to the new station.	-1.9	(-33%)
	Community & Cultural Services – expenditure has been delayed due to the impending Library Service review.	-1.5	(-91%)

	<p>Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.</p>	-1.0	(-100%)
	<p>Strategy & Development - Other Schemes – the forecast underspend is due to the following schemes:</p> <ul style="list-style-type: none"> ○ Soham Station (-£450k) Network Rail (NR) is currently considering an upgrade of the track between Soham and Ely as part of their regional route strategy. Should this upgrade be agreed it will change the overall business case for a station at Soham. The Council is budgeting to spend around £400k with consultants on developing the business case and, as such, it is prudent to wait until the NR strategy is finalised before letting any contracts to third parties to ensure that the scope of the analysis is well defined. ○ Kings Dyke (-£300k) The budget was set based on an early land acquisition. However, whilst the land owner is still in agreement the heads of terms have not yet been reached. This is now expected to slip into the first quarter of 2015/16. 	-0.8	(-48%)
	<p>Waste Infrastructure – this is a consequence of no new sites being developed until the results of the recycling centre strategy are known.</p>	-0.6	(-76%)
	<p>Promoting Economic Growth - Delivering Strategic Aims – this is mainly as a result of the following:</p> <ul style="list-style-type: none"> ○ £260k relates to a scheme in St. Ives, which requires substantial public consultation, which will not be completed this financial year; ○ £100k relates to a scheme in March, which requires access to land adjacent to the carriageway – negotiations with the landowner are not expected to be resolved within this financial year; and ○ £110k relates to two cycling schemes in St. Neots, which are currently being reviewed, following which the forecast will be updated accordingly. 	-0.6	(-19%)

CFA	<p>Secondary Schools - New Communities – construction works on site have slipped considerably in 2014/15 at the Southern Fringe Secondary. As a result, the underspend on the project has increased by a further -£0.2m to -£8.3m this month, accounting for nearly all of the overall underspend. The project is to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning condition delays.</p> <p>Northstowe Secondary scheme has reduced by -£155k in 2014/15 after reviewing profiling of project timescales.</p>	-8.4	(-66%)
	<p>Primary Schools – New Communities – -£3.3m of the predicted underspend relates entirely to Northstowe. The start on site date has now been put back to April 2015 from November 2014; the school is now not required to open until September 2016, as the first houses on the development are not expected to be ready for occupation until the Summer of 2016. The overall costs of the project remain on budget.</p> <p>There is a -£205k total scheme reduction to Trumpington Meadows Primary School, due to savings made on compensation events, risk register and contingencies.</p> <p>At North West Cambridge (Darwin Green) Primary there is a -£150k reduction in 2014/15 due to delays in the commencement of the design phase.</p> <p>Bearcroft Primary is forecasting a -£389k underspend in 2014/15, which is due to problems with levels on the allocated site leading to associated delays in the design processes. The overall costs of the project remain on budget.</p>	-4.1	(-76%)
	<p>Adult Social Care (ASC) – this relates to previously accumulated grant funding, which will be required in 2015/16. Plans are developed to ensure the sustainability of future ASC capital investments, which are incorporated in the 2015/16 Business Plan.</p>	-2.6	(-55%)
	<p>Schools - Scheme Final Payments – final accounts for around 20 completed schemes have been settled. However, Cambourne Village College accounts will not be settled this year resulting in an -£163k increase to the forecast underspend.</p>	-1.2	(-58%)

	<p>Primary Schools - Adaptations – this is principally due to a delay in the return of the tenders for the planned expansion of Hauxton Primary School (-£570k). The completion date for the scheme is now June 2015. Some cost increases of c.£60k are anticipated in the overall project due to piling and associated on-costs. This has been taken into account in the 2015/16 Business Plan.</p> <p>There is a small slippage on Morley Memorial Primary School scheme of -£170k in 2014/15 due to delays in planning and design. Overall project costs remain unchanged.</p> <p>The total costs of the Dry Drayton Primary scheme have increased by £81k to £250k and the work programme has been accelerated by £250k.</p>	-0.5	(-31%)
	Condition, Maintenance and Suitability – tenders have come in higher than anticipated, which is a reflection of the impact the upturn in the housing market is having on building costs.	+1.5	(30%)
	Temporary Accommodation – more mobiles have been needed due to rising class numbers at primary schools around the County, coupled with increased site works and rising building and transportation costs.	+0.6	(57%)
CS	N/A	-	-
LGSS Managed	Effective Property Asset Management (EPAM) - County Farms Viability – delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement work, have resulted in fewer business cases coming forward against the available funding for 2014/15.	-0.7	(-65%)
	EPAM - Sawston Community Hub – the forecast underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-0.6	(-90%)
	EPAM - East Barnwell Community Hub – the forecast underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-1.2	(-96%)

	EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in an underspend of -£1.0m. Going forward, it is anticipated that the project will be reviewed within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme, in the next Business Planning process.	-1.0	(-100%)
	EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns project has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years, as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget has been adjusted as part of the 2015/16 Business Planning process.	-1.0	(-100%)
	Carbon Reduction – the works planned under the Carbon Reduction scheme have been reviewed and a new schedule has been agreed. It is expected that the majority of costs will be incurred in 2015/16 and so an in-year underspend of -£1.1m is now being reported.	-1.1	(-98%)
	Optimising IT for Smarter Business Working – this reflects an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.	-0.7	(-68%)
	IT Infrastructure Investment – timing of spend on this scheme has been significantly impacted by the commencement of the Enterprise Agreement with Microsoft; many licences due to be paid will now be deferred until August 2015 when they will be paid in conjunction with other commitments under the Enterprise Agreement. It is therefore not expected that this in-year underspend will result in a reduction in total scheme costs.	-0.8	(-77%)
LGSS Operational	N/A	-	-

APPENDIX 4 – previously reported total scheme capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme.	-26.3	(-88%)
	Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.5	(-19%)
CFA	<p>Primary Schools - Demographic Pressures – this consists of the following:</p> <ul style="list-style-type: none"> ○ £0.6m saving has resulted from a better than expected tender cost at Fawcett Primary School; ○ A review of the build at Cavalry Primary School has resulted in a reduction in the anticipated costs by £0.6m, as the contractor has identified a means to be able to deliver to the specification, but more efficiently; ○ A saving of £225k has been achieved on the Hemingford Grey Primary School due to employer’s contingencies and risk register not being expended; ○ A saving of £476k to the overall project costs for Huntingdon Primary due to a favourable tender price at Milestone (MS) 4 stage; ○ A saving of £43k has been achieved on the Fulbourn Primary scheme due to risks and contingencies not being expended; ○ The scope of the work at Swavesey Primary School has been increased by £535k to take account of the pre-school needs identified to meet the funded 2’s agenda; and ○ The scope of the works at Millfield Primary has been increased by £180k due to the inclusion of work on the pre-school in the scheme. 	-1.3	(-1%)

	<p>Schools - Scheme Final Payments – final accounts for around 20 completed schemes have been settled, which has resulted in a net total scheme underspend of £616k.</p> <p>The main savings relate to the following schemes that have closed:</p> <ul style="list-style-type: none"> ○ Gunhild Way Primary (-£292k) ○ Green End Road Primary (-£130k) ○ Thongsley Fields Primary (-£127k) ○ Burrough Green Primary (-£112k) ○ St John's Primary (-£106k) <p>These savings have been offset by a £100k project cost increase on Jeavons Wood Primary due to anticipated final accounts settlement for risks and contingencies.</p>	-0.6	(-1%)
	<p>Secondary Schools - New Communities – the Southern Fringe Secondary scheme is due to complete in April 2016, instead of September 2015. The delay is due to contamination testing of imported fill, resulting in environmental pre-commencement planning conditions. This has resulted in the scheme's total costs increasing by £1.5m, which has been addressed as part of the 2015/16 Business Planning process.</p>	+1.5	(1%)
	<p>Effective Property Asset Management (EPAM) - Fenland – residual work on the Awdry House site will be completed in 2014/15. It remains the expectation that the total scheme will underspend by -£0.9m.</p>	-0.9	(-14%)
LGSS Managed	<p>EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in an underspend of -£1.0m. Going forward, it is anticipated that the project will be reviewed within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme, in the next Business Planning process.</p>	-1.0	(-100%)

	<p>EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget has been adjusted as part of the 2015/16 Business Planning process.</p>	-5.2	(-75%)
	<p>Carbon Reduction – the works planned under the Carbon Reduction scheme have been reviewed and a new schedule has been agreed. It is expected that the agreed work plan will deliver a total scheme underspend of -£0.7m.</p>	-0.7	(-39%)

APPENDIX 5 – previously reported key capital funding changes that are still applicable

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	20.3	This reflects slippage or rephasing of the 2013/14 capital programme – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	0.6	Severe Weather Funding – as reported in February and approved by Cabinet on 15 th April 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	1.9	Pothole Funding – as reported in July and approved by the General Purposes Committee on 9th September 2014.
Revised Phasing (Prudential Borrowing)	ETE	-4.0	Highways Maintenance programme – as reported in August, and was approved by the Highways and Community Infrastructure Committee on 19th August 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.8	Orchard Park Primary (-£0.340m) and Soham (-£0.420m) - as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	Sundry 'Schools - Scheme Final Payments' – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Revised Phasing (Prudential Borrowing)	CFA	-5.5	Rephasing of various schemes – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Universal Infant Free School Meals)	CFA	1.3	Department for Education (DfE) for Universal Infant Free School Meals – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Basic Need Grant)	CFA	1.3	Swavesey Village College – as reported in July and approved by the General Purposes Committee on 9th September 2014.

Revised Phasing (Section 106)	CFA	-1.3	Hauxton Hall (-£0.4m) and Southern Fringe (-£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.
Revised Phasing (Prudential Borrowing)	CFA	1.3	As above, Hauxton Hall (£0.4m) and Southern Fringe (£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.
Additional / Reduction in Funding (Revenue Contributions)	CFA	0.6	A £596k application to capitalise 2 year old trajectory revenue funding to support the creation of childcare places has been agreed by the Education Funding Agency (EFA) – as reported last month.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.6	As above, following the successful application to capitalise 2 year old trajectory revenue funding, there is a reduction in the prudential borrowing requirement – as reported last month.

APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15		Forecast Year End Balance 2014-15	Notes
		Movements in 2014-15	Balance at 31 Mar 15		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,337	3,469	15,806	18,315	
- Services					
1 CFA	6,760	-1,621	5,139	1,065	Includes Service Forecast Outturn (FO) position. See note 1.
2 PH	749	155	904	925	
3 ETE	2,796	-770	2,026	2,756	Includes Service FO position.
4 CS	1,314	-937	377	724	Includes Service FO position.
5 LGSS Operational	1,116	-18	1,098	915	Includes Service FO position.
Subtotal	25,073	277	25,350	24,700	
Earmarked					
- Specific Reserves					
6 Insurance	4,105	0	4,105	4,105	
7 Connecting Cambridgeshire	3,485	0	3,485	0	
Subtotal	7,590	0	7,590	4,105	
Equipment Reserves					
8 CFA	453	387	840	764	
9 ETE	567	54	621	854	
10 CS	50	0	50	50	
11 LGSS Managed	559	0	559	419	
12 LGSS Operational	85	0	85	0	
Subtotal	1,715	440	2,155	2,087	
Other Earmarked Funds					
13 CFA	3,443	-564	2,879	7,519	See note 1.
14 PH	0	1,120	1,120	1,869	
15 ETE	8,975	-887	8,088	5,904	Includes liquidated damages in respect of the Guided Busway.
16 CS	336	-4	332	426	
17 LGSS Managed	0	0	0	138	
Subtotal	12,754	-335	12,419	15,856	
SUB TOTAL	47,132	382	47,514	46,749	
Capital Reserves					
- Services					
18 CFA	4,180	24,765	28,945	3,481	
19 ETE	7,041	35,495	42,536	6,658	
20 LGSS Managed	481	5,443	5,924	481	
21 LGSS Operational	30	0	30	0	
22 Corporate	22,594	32,679	55,272	42,727	Section 106 balances.
subtotal	34,326	98,381	132,707	53,347	
GRAND TOTAL	81,458	98,764	180,222	100,096	

Note 1 – CFA have undertaken an exercise to review their Service reserve balance to identify funds for future specific use, reporting these funds within their 'Other Earmarked Funds' forecast balance at 31 March 2015. ETE and CS & LGSS will undertake a similar exercise at year end.

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Description	Balance at 31 March 2014	2014-15		Forecast Year End Balance 2014-15	Notes
		Movements in 2014-15	Balance at 31 Mar 15		
	£000s	£000s	£000s	£000s	
<u>Short Term Provisions</u>					
1 ETE	669	0	669	669	
2 CS	1,000	0	1,000	1,000	
3 LGSS Managed	2,866	-1,653	1,213	1,180	
subtotal	4,535	-1,653	2,882	2,849	
<u>Long Term Provisions</u>					
4 LGSS Managed	4,721	0	4,721	4,721	
subtotal	4,721	0	4,721	4,721	
GRAND TOTAL	9,256	-1,653	7,603	7,570	