

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING
31ST MAY 2014**

To: General Purposes Committee

Date: 1st July 2014

From: Chief Finance Officer

**Electoral
division(s):** All

Forward Plan ref: 2014/028 **Key decision:** Yes

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

Recommendations: General Purposes Committee is recommended to:

- a) Analyse resources and performance information and notes the remedial action currently being taken and considers if any further remedial action is required.
- b) Approve the virement of £512k Operational Savings from reserves to Corporate Services to support the continued provision of the Service Transformation function to Cambridgeshire County Council (section 3.2.4).
- c) Approve the use of the full £20.5m capital carry forward funding in 2014/15 (section 6.5).
- d) Approve the reduction of -£0.8m to the Prudential Borrowing requirement in 2014/15 in relation to the project cost reduction of two schemes within CFA where expenditure has been reclassified (section 6.5).
- e) Approve the reduction of -£0.7m to the Prudential Borrowing requirement in 2014/15 in relation to 'Schools – Scheme Final Payments' that are set for completion in 2014/15 (section 6.5).
- f) Approve that the Universal Infant Free School Meals capital funding of £1.3m in 2014/15 is allocated in full to CFA (section 6.5).
- g) Approve the allocation of the Special Educational Needs (SEN) Reform Grant (£810,875) in full to Children, Families and Adults (section 7.1).
- h) Approve the allocation of the Adoption Reform Grant (£579,941) in full to Children, Families and Adults (section 7.1).

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1. PURPOSE

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

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 April	Forecast Year End Position May	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	-	£1.1m	Amber	-
Basket Key Performance Indicators	Number at target (%)	-	57% (8 of 14) ¹	Amber	-
Capital Programme	Variance (£m)	-	-£0.4m	Green	-
Balance Sheet Health	Net borrowing activity (£m)	-	£393m	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 overspend of £1.1m (0.3%). This is due to reported pressures within CFA and LGSS Managed. See section 3 for details.
- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 8 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£0.4m (-0.2%), which relates to slippage within CFA's 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), is £406m. This projection has now fallen to £393m, 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. See section 8 for details.

3. REVENUE BUDGET

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

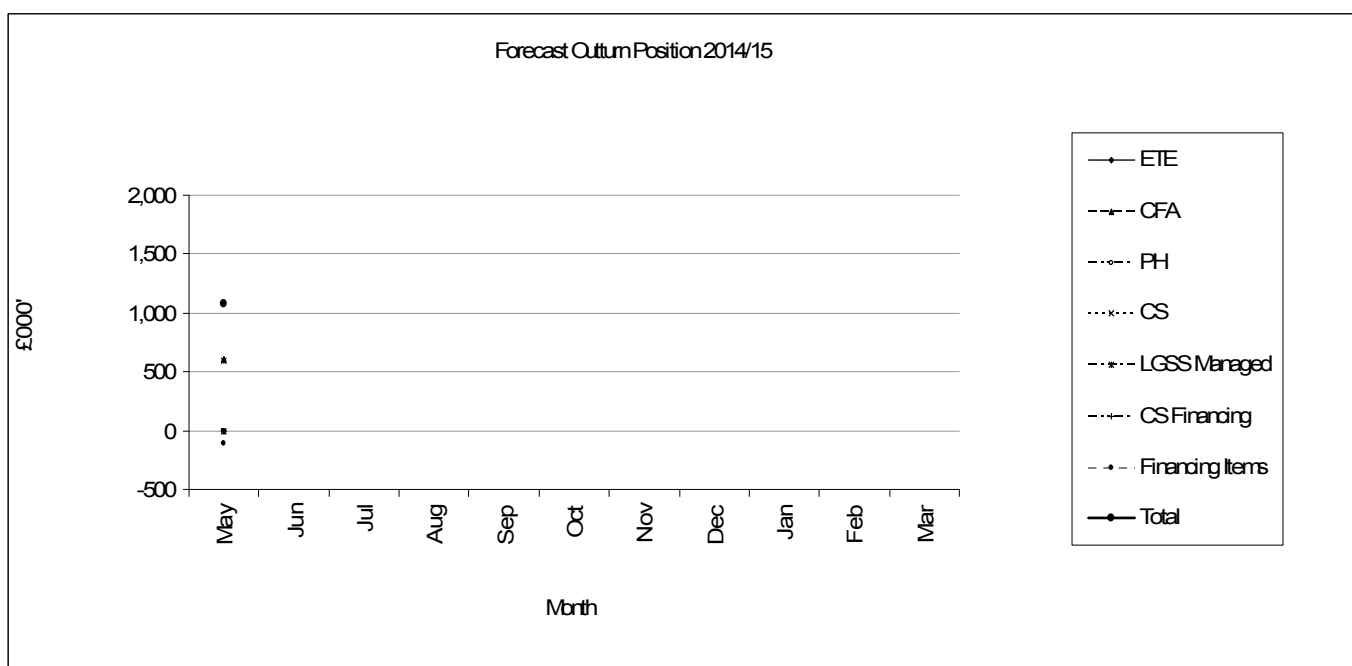
Key to abbreviations

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 (May) £000	Forecast Variance - Outturn (May) %	Current Status	D o T
63,225	ETE ²	63,263	0	0.0%	Green	-
251,616	CFA	252,045	603	0.2%	Amber	-
0	Public Health	0	0	0.0%	Green	-
5,851	Corporate Services	5,422	-10	-0.2%	Green	-
9,670	LGSS Managed	9,622	597	6.2%	Amber	-
34,142	CS Financing	34,142	0	0.0%	Green	-
364,504	Service Net Spending	364,494	1,190	0.3%	Amber	-
5,624	Financing Items	5,574	-112	-2.0%	Green	-
370,128	Net Spending	370,068 ²	1,078	0.3%	Amber	-
	<i>Memorandum Items:</i>					
10,351	LGSS Operational	10,411	0	0.0%	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 For budget virements between Services throughout the year, please see [Appendix 1](#).



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

3.2.2 **Children, Families and Adults:** £0.603m (0.2%) overspend is forecast at year end.

- | | £m | % |
|--|--------|--------|
| <ul style="list-style-type: none"> • Children's Social Care Directorate – the forecast 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. | 1.397 | (4%) |
| <ul style="list-style-type: none"> • Looked After Children Placements – external placement numbers are in line with budget, but there are higher than anticipated numbers of children needing to be placed in residential placements which cost significantly more than fostering placements. | 0.800 | (5%) |
| <ul style="list-style-type: none"> • Older People and Adult Mental Health – commitment records based on current levels of activity and cost reflect a breakeven position but the service is forecasting an underspend based on the assumption it will fully achieve a further £2.2m of planned savings within the financial year. These savings assume reductions in double-up homecare (£700k), standardising funding responsibilities pending health assessments (£200k), and ongoing demand management by care commissioners (£1.3m). Achievement of these savings will be very challenging for the | -2.175 | (-23%) |

directorate as established patterns of care provision will have to be adjusted within the context of an increasing elderly population. Progress towards meeting these savings and the level of risk associated with the expected underspend will be monitored and reported on a monthly basis. Achievement of these planned savings will create an underspend rather than a break-even position because the reduction in overspend late in the previous financial year (post agreement of the Business Plan) similarly impacted on the opening financial position in the new financial year.

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

- There are no exceptions to report this month.

3.2.4 Corporate Services: -£0.010m (-0.2%) underspend is forecast at year end.

- Corporate Services has allocated £512k from Operational Savings to support continued provision of the Service Transformation function to Cambridgeshire County Council for the next two financial years.

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General Purposes Committee is therefore asked to approve a virement of £512k from reserves to Corporate Services, to be transferred in equal instalments of £256k at the start of 2014/15 and 2015/16.

3.2.5 LGSS Managed: £0.597m (6.2%) overspend is forecast at year end.

£m %

- **County Offices** – a savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council's property portfolio. Delivery of this saving is being led by the Effective Property Asset Management (EPAM) Project and although some savings have been achieved in previous years, the reported pressure reflects the balance of savings still to be identified. The position is being monitored and the forecast outturn will be updated once savings have been secured.

0.597 (11%)

3.2.6 CS Financing: a balanced budget is forecast at year end.

- There are no exceptions to report this month.

3.2.7 Financing Items: -£0.112m (-2.0%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.8 LGSS Operational: a balanced budget is forecast at year end.

- There are no new exceptions to report this month.

Note: exceptions relate to Forecast Outturns and are considered to be in excess of either +/- 0.5% of the Service's overall net budget plus grants or +/- 0.1% of the Council's net budget plus grants (£380k), whichever is the greater.

4. KEY ACTIVITY DATA

4.1 Looked After Children (LAC): May 2014

Looked After Children - Key Activity Data May 14

	BUDGET			ACTUAL			FORECAST VARIANCE
Service Type	Budgeted No of Placements 2014/15	Budgeted Average Cost of Care (£/week)	Annual Budget £k	No of Placements end May 14	Actual average Cost of Care (£/week)	Annual Cost of Care £k	Forecast Variance from Budget £k
Independent Fostering	229	£769	£9,155k	222	£800	£8,977k	-£178k
Independent Residential	42	£2,601	£5,680k	49	£2,713	£6,680k	£1,000k
Supported Accommodation/Living	33	£425	£729k	33	£495	£707k	-£22k
In-House Fostering (including placements with relatives or friends)	127	£464	£3,061k	123	£468	£2,992k	-£69k
In-House Residential	14	£2,196	£1,599k	11	£2,795	£1,599k	£0k
Total	445		£20,224k	438		£20,955k	£731k
There are also 11 LAC currently living at home subject to Care Orders and 43 LAC placed for adoption.							

4.2 Adult Social Care: May 2014

		BUDGET			ACTUAL (April)			VARIANCE
Service Type		Budgeted number of clients 2014/15	Budgeted Average Unit Cost (£/client/week)	Annual Budget £	Number of clients May 14	Current Average Unit cost/week £	Projected spend £	Variance to budget £
Physical Disabilities Services	Residential	41	£841	£1,793k	41	£806	£1,793k	£206
	Nursing	23	£751	£898k	23	£720	£898k	£103
	Community based	604	£287	£9,015k	603	£275	£9,000k	-£15,226
Physical Disabilities Service Total		668	£337	£11,706k	667	£158	£11,691k	-£14,916
Learning Disability Service	Residential	295	£1,302	£19,974k	298	£1,299	£20,082k	£107,922
	Nursing	21	£1,649	£1,801k	21	£1,649	£1,800k	-£1,315
	Community based	1237	£610	£39,207k	1247	£610	£39,580k	£373,190
Learning Disability Service Total		1,553	£755	£60,982k	1,566	£385	£61,462k	£479,798

Key activity data to the end of April for **Older People (OP)** Services is shown below. This analysis is based on the first monthly snapshot of the commitment and spending record. It will be expanded in future months to encompass,

- Extra care
- Day Care
- Transport

- Other services not arranged through the automated commitment record, such as in-house day services
- Client Contributions

	BUDGET			ACTUAL (April)			VARIANCE
<i>Type of care</i>	<i>number of clients</i>	<i>Budget average cost per week</i>	<i>Budget available £000</i>	<i>Number of clients this month</i>	<i>Current average cost per week</i>	<i>Projected spend £000</i>	<i>Gross Variance</i>
Residential	877	£436	£19,949	918	£436	£20,502	£553,560
Nursing	425	£567	£12,560	444	£567	£12,908	£348,522
Spot Respite	117	£411	£179	120	£411	£184	£4,980
Homecare Arranged	2,156	£113	£15,787	2,216	£118	£16,944	£1,157,491
Direct payments	416	£198	£4,292	428	£198	£4,411	£119,099
Total	3,992		£52,766	4,126		£54,950	£2,183,653

The £2.2m variance above reflects the savings required to meet the locality teams remaining saving target (and for Older People's and Mental Health Directorate to underspend by £2.2m). The budget is built assuming the savings will be achieved through a reduction in the number of clients, however savings could also be achieved through lower average cost. For homecare the average nightly cost has also been reduced to reflect a reduction in daily spend from planned double-up reviews. The variance here is shown gross (i.e. it will be reduced by client contributions); however a further savings initiative connected to continuing healthcare is not yet included and reported within this activity analysis.

5. PERFORMANCE TARGETS

- 5.1 The current performance indicators reported below were developed by consensus between Cabinet and SMT 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 CCC 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	12 months ending 31 st Dec 2013	%	77.4	72.5	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	30/04/14	%	94.3	94.5	Amber	↓
	The number of people starting as apprentices	ETE	High	2012/13 academic year	Number	4,394	4,000	Green	↔
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	30/04/14	%	63.9	70%	Amber	↔
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/03/14	%	84.4	95	Red	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/03/14	%	57.1	55	Green	↔
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/03/14	Number per 100,000 of population	703.2	735.0	Green	↓

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)
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	31/03/14 Final year end data available end of June	Number	2,721	3,614	Red	↓
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	30/04/14	Rate per 10,000	39.0	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	30/04/14	%	16.6	25	Green	↑
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	30/04/14	%	81.3	80	Green	↑
	A reduced volume of acute bed days attributable to adult social care (<i>“Delayed Transfer of Care”, which often carry fines</i>)	CFA	Low	31/03/14	Number	6,483	3,542 reimbursable bed day delays (50% reduction on previous year)	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	30/04/14	%	94.4	90	Green	↑
	The average number of days lost to sickness per full-time equivalent staff member	LGSS HR	Low	30/04/14	Days	5.9	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	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	30/04/14	%	96	90	Green	↑
ETE	High	30/04/14	%	88	90	Amber	↑
CST	High	30/04/14	%	100	90	Green	↔
LGSS	High	30/04/14	%	-	90	-	n/a

5.2 Key exceptions are identified below.

- **The proportion of eligible users receiving Self Directed Support (SDS)**

Please note this is not the final year end position, as data is still being validated ahead of the two statutory return submission periods (May and July 2014).

Performance is improving, but remains below target. An additional 1,472 new and existing service users have been given SDS since April 2013, which shows the personalisation agenda is embedded within the social care process. The target was set on the assumption that the self-directed support processes would have been extended to cover extra care services within the 2013/14 financial year, however, due to complications balancing the need for personalised support with accurate provider payments and appropriate client contributions, this has not been possible. Excluding the 312 service users receiving extra care from the denominator would increase performance to 89%.

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

Overall there has been a lower performance than last year, which reflects the national trend that has seen over a 20% drop in activity. This is associated with e cigarettes with more people adopting a harm reduction approach. There was a drop from 78.8% in February to 75.3% in March against the monthly trajectory. Performance in GP practices, the main provider, remains low but there has been more interest from practices about their smoking activity. CAMQUIT the Stop Smoking Service is providing intensive support to all providers including the provision of additional clinics.

The Stop Smoking message is being promoted across a range of media and is well supported by Cambridgeshire County Council's Communications Team. Visits to Practice Manager and Practice Nurse are taking place to increase awareness of the poor performance and problem solve. Data trawling in practices to identify unreported data has commenced, which usually yields unreported data. However, the main challenge remains of how to increase throughput into the Services as traditional approaches of attracting quitters through historically successful campaigns has proved unsuccessful. Social marketing intelligence is being sought to help identify the best approach to engage smokers in a quit attempt.

Please note that these figures relate to the end of March. This is due to the nature of the intervention where smokers make a quit attempt that lasts for 4-5 weeks, which allowing for data returns, means that there is a delay of two months in reporting performance.

- **A reduced volume of acute bed days attributable to adult social care**

Action has been taken to streamline the commissioning of homecare services to minimise hospital delays, known as 'Delayed Transfers of Care' (DTOC), and work is being done with homecare providers and the re-ablement service to improve capacity. However, this remains a challenging and ambitious target.

A piece of work was undertaken in late January with acute providers to ensure that the volume of reported DTOC days are a) compliant with department of health guidance, and b) validated by county council staff prior to submission. A second piece of work is about to begin with non-acute providers.

As of the end of February 2014, there have been 234 fewer reimbursable bed-day delays (DTOC fines) attributable to adult social care in comparison to the same period in the previous financial year – representing a reduction of 3.7%. The reduction continued into March and by financial year end there were 676 fewer bed day delays attributable to adult social care – a reduction of 10%.

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

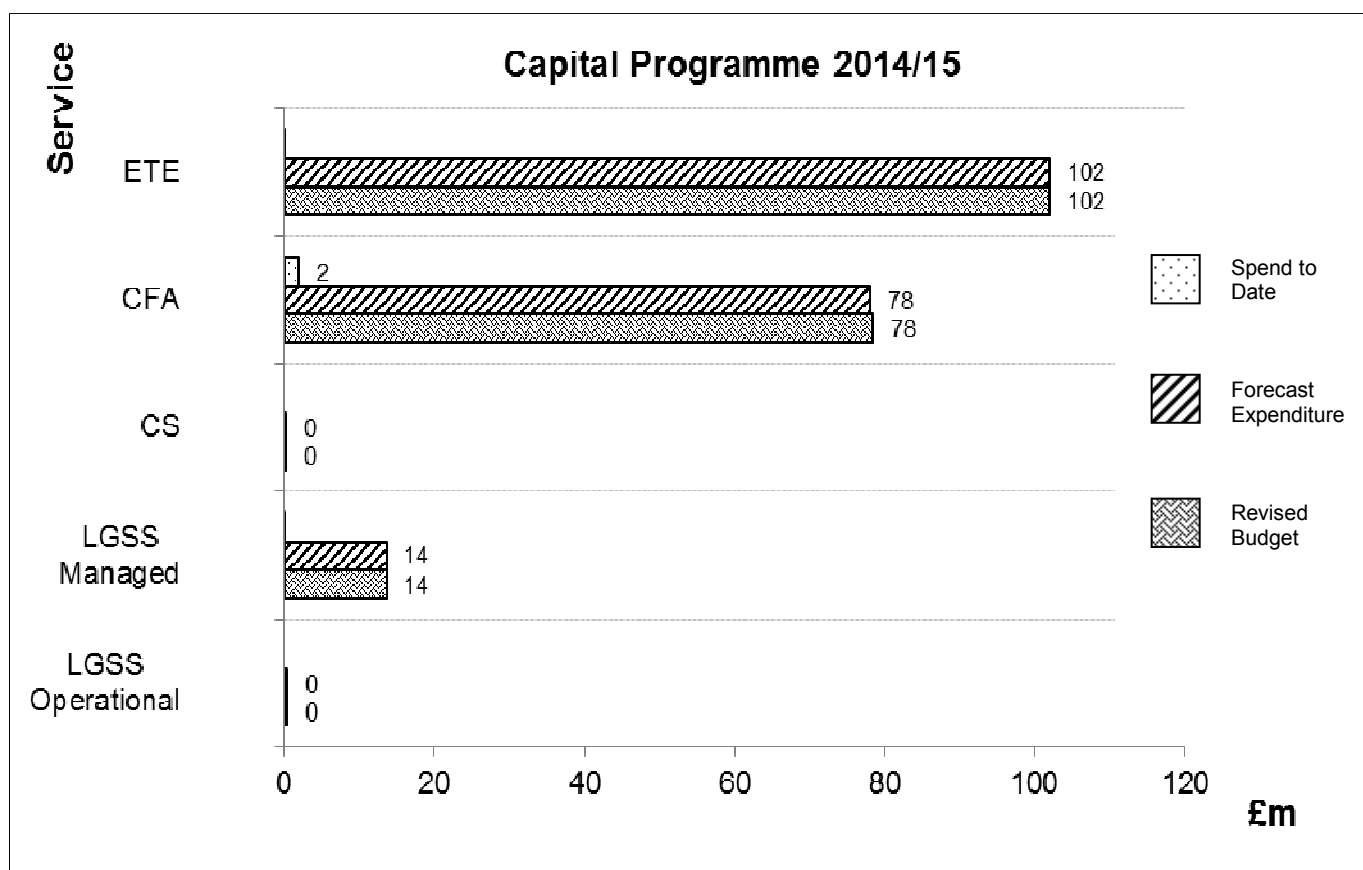
ETE

Out of 40 complaints recorded during April, 5 failed to meet the target of responding within 10 days. Of those 5 cases, 4 have since been closed and the remaining 1 case is being investigated by the assigned officer.

6. CAPITAL PROGRAMME

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

2014/15					TOTAL SCHEME	
Original 2014/15 Budget as per BP £000	Service	Revised Budget for 2014/15 £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %	Total Scheme Revised Budget (May) £000	Total Scheme Forecast Variance (May) £000
90,999	ETE	101,935	0	0.0%	467,610	0
76,409	CFA	78,431	-374	-0.5%	528,435	-95
-	Corporate Services	185	0	0.0%	340	0
12,206	LGSS Managed	13,573	0	0.0%	90,347	-1,591
-	LGSS Operational	412	0	0.0%	630	0
179,614	Total Spending 2014/15	194,535	-374	-0.2%	1,087,362	-1,686



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:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

6.2.2 **Children, Families and Adults:** -£0.4m (-0.5%) underspend is forecast at year end.

- There are no material exceptions to report this month.

6.2.3 **Corporate Services:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

6.2.4 **LGSS Managed:** a balanced budget is forecast at year end.

- There are no exceptions to report this month.

6.2.5 **LGSS Operational:** a balanced budget 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):

- There are no exceptions to report this month.

Children, Families and Adults (CFA):

- There are no exceptions to report this month.

Corporate Services (CS):

- There are no exceptions to report this month.

LGSS Managed:

- There are no exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#)

LGSS Operational:

- There are new exceptions to report this month.

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

Funding Source	BP Budget £m	Rolled Forward Funding¹ £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	26.2	1.6	0.0	5.2	27.8	27.8	0.0
Basic Need Grant	15.2	0.0	0.0	0.0	15.2	15.2	0.0
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 ²	11.9	0.6	0.0	-0.4	12.1	12.0	-0.1
Section 106 Contributions	24.3	0.1	0.0	0.4	24.8	24.8	0.0

Capital Receipts	4.7	0.0	0.0	0.0	4.7	4.7	0.0
Other Contributions	8.0	1.6	0.0	0.0	9.7	9.7	0.0
Universal Infant Free School Meals	0.0	0.0	0.0	1.3	1.3	1.3	0.0
Prudential Borrowing	81.9	15.0	-5.6	-1.3	89.9	89.6	-0.3
Total	179.6	20.5	-5.6	0.1	194.5	194.1	-0.4

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.

6.5 Key funding changes this month (of greater than £0.5m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	20.5	<p>Following a review of the capital programme's carry forward funding from 2013/14, agreement has been reached on those schemes where the final year end position for 2013/14 was different to that forecast and approved within the 2014/15 Business Plan. This mainly reflects changes to the timing of expenditure and, as such, the funding will need to be carried forward.</p> <p>Of the £20.5m carry forward funding, £15.0m of this relates to Prudential Borrowing. However, as this is a timing issue there is no significant impact on the Debt Charges budget as a result.</p> <p>The General Purposes Committee is asked to approve the use of the full £20.5m carry forward funding in 2014/15.</p>
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.8	<p>There has been a project cost reduction of -£0.8m in respect of the following 2 schemes where expenditure has been removed as it is already included within the LA Maintained Early Years Provision scheme:</p> <ul style="list-style-type: none"> - Orchard Park Primary (-£0.340m) - Soham (-£0.420m) <p>This results in a reduction of -£0.8m to the Prudential Borrowing requirement in 2014/15, which the General Purposes Committee is asked to approve.</p>

Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	<p>There has been a net reduction of -£0.7m to sundry 'Schools – Scheme Final Payments' that are set for completion in 2014/15, reducing the Prudential Borrowing requirement in 2014/15.</p> <p>General Purposes Committee is asked to approve this reduction to the Prudential Borrowing Requirement in 2014/15.</p>
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-5.5	<p>A number of schemes have been rephased since the Business Plan was approved in February 2014, which has resulted in a net reduction to the Prudential Borrowing requirement in 2014/15 of -£5.5m. The material changes this relates to are:</p> <ul style="list-style-type: none"> - Southern Fringe (-£3.1m) - King's Hedges Primary (-£2.6m) - Cavalry Primary (-£1.3m) - Trinity School Hartford (-£1.2m) - Northstowe First Primary (-£1.0m) - Littleport (+£2.2m) - Brampton Primary (+£1.6m) <p>General Purposes Committee is asked to approve the reduction of -£5.5m to the Prudential Borrowing requirement in 2014/15, as a result of this rephasing.</p>
Additional / Reduction in Funding (Universal Infant Free School Meals)	CFA	1.3	<p>Additional capital funding of £1.3m has been received in 2014/15 from the Department for Education (DfE) for Universal Infant Free School Meals. This is to be used by local authorities to ensure schools have the infrastructure within kitchens and dining halls to deliver the initiative and improve facilities to meet the increase in demand for school food.</p> <p>General Purposes Committee is asked to approve that this funding is allocated in full to CFA.</p>

7. GRANT ALLOCATIONS FOR 2014/15

- 7.1 Where there has been a material change in 2014/15's grant allocations to what was budgeted in the Business Plan (BP) i.e. +/- £160k, this will require 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 for approval.

Special Educational Needs (SEN) Reform Grant

The SEN Reform Grant is a one grant for 2014/15 from the Department for Education (DfE). Cambridgeshire County Council's allocation is £810,875, which we did not budget to receive. Although this is an un-ringfenced grant, the purpose of it is to recognise the programmes of change underway in the areas of SEN for local authorities. **As such, it is recommended that this grant be allocated in full to CFA, which the General Purposes Committee is asked to approve.**

Adoption Reform Grant

The Adoption Reform Grant is a one grant for 2014/15 from the Department for Education (DfE). Cambridgeshire County Council's allocation is £579,941, which we did not budget to receive. Although this is an un-ringfenced grant, the purpose of it is to recognise the programmes of change underway in the area of adoption for local authorities. **As such, it is recommended that this grant be allocated in full to CFA, which the General Purposes Committee is asked to approve.**

- 7.2 The below grants are deemed to be non-material changes and are for information purposes only:

Care Bill Implementation Grant

The Department of Health is providing an extra £23m to support the implementation of the care and support reforms in 2014/15. Each local authority will receive £125,000 to help implement the Care Bill.

This is an unringfenced grant, which was not budgeted for. The purpose of the grant is to provide additional support to local authorities with building change management capacity to implement the requirements of the Care Bill in advance of the implementation funds already confirmed for 2015/16.

The Council will utilise these funds in 2014/15 in line with the purpose set out above.

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 will therefore reduce for local authorities if a school converts to an academy.

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. Recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in increased total ESG funding of £6,216,834 for 14/15, an additional amount of £112,619.

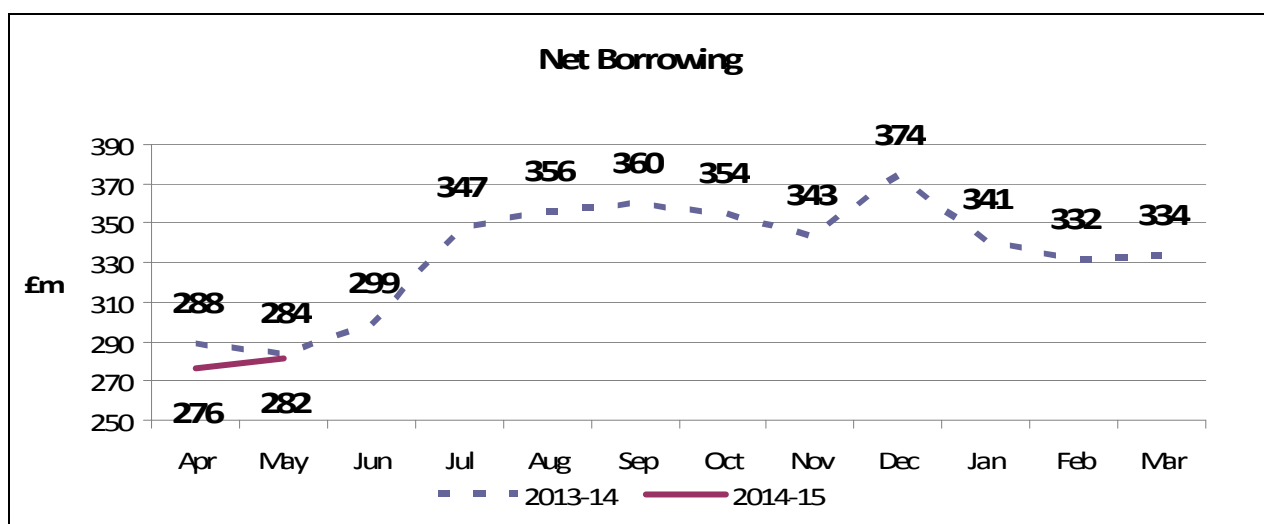
This additional income will be transferred to corporate reserves at year end. However, an update to the current reported position will be provided if this projection changes.

8. BALANCE SHEET

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

Measure	Target end of May	Actual end of May
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.5m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.1m
Invoices paid by due date (or sooner)	95%	99.8%

8.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of May were £99.5m and gross borrowing was £381.1m, giving a net borrowing position of £281.6m.



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 forecast for the end of this financial year is now £393m.

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 31 st May is £281.6m and the forecast year end position is £393m.	There is currently no outturn variance forecast for the Debt Charges budget. £1m was stripped out of this budget during the setting of the Business Plan in expectation of slippage in the capital programme, and this is expected to be met. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing is adopted.

8.4 A schedule of the Council's reserves and provisions can be found in [appendix 3](#).

9. EXTERNAL AND CONTEXTUAL ISSUES

9.1 The outlook for 2014/15 is not any brighter than it was in 2013/14, as the Council faces a substantial increase in demand for its services, both as a result of the substantial growth seen in Cambridgeshire and the changing demographics – particularly relating to the ageing population. These, coupled with a 5.3% reduction in Government funding, have resulted in a savings requirement of £38.2m in 2014/15 and £149.1m to be achieved over the next five years. This has been addressed and accounted for as part of the 2014/15 Business Planning (BP) process.

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 (May 14) CFA Finance & Performance Report (May 14) PH Finance & Performance Report (May 14) CS and LGSS Cambridge Office Finance & Performance Report (May 14) Performance Management Report & Corporate Scorecard (May 14) Capital Monitoring Report (May 14)	Room 301 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	£'000
Opening Cash Limits as per Business Plan (BP)	251,616	0	63,225	34,142	5,851	9,670	10,351	5,624	
Healthwatch 14-15 from Corporate Services	429				-429				
We car annual cost 14-15						-10	10		
County Farms investment to team budget						-50	50		
Legionella testing			-13			13			
ETE Operational Savings – LEP funding 14-15			50						-50
Current budget	252,045	0	63,262	34,142	5,422	9,623	10,411	5,574	
<i>Rounding</i>	-	-	1	-	-	-1	-	-	-

APPENDIX 2 – previously reported total scheme capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
LGSS Managed	<p>Effective Property Asset Management (EPAM) - Fenland – residual work on the Awdry House site will be completed early in 2014/15. Upon completion, this will result in a total scheme underspend of - £0.9m, due to:</p> <ul style="list-style-type: none"> ○ A robust design brief with commercial negotiation on the initial construction costs; ○ Further savings through the procurement of a joint construction contractor to carry out the construction of Cambridgeshire County Council's Awdry House and the College of West Anglia's Technology Block in parallel; ○ Challenging the costs throughout the construction process; ○ Managing the wants and needs of potential users to ensure that the building is flexible and not bespoke, providing essential requirements; ○ Challenging users to work smarter; and ○ The contingency spend is currently below the standard 10% that is built into construction projects as a result of up front controls and limiting further changes. 	-0.9	(-14%)

APPENDIX 3 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31 May 14		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,337	0	12,337	15,438	
- Services					
1 CFA	6,760	0	6,760	6,157	Includes Service Forecast Outturn (FO) position.
2 PH	749	0	749	749	
3 ETE	2,796	-50	2,746	0	Includes Service FO position.
4 CS	1,314	0	1,314	175	Includes Service FO position.
5 LGSS Managed	0	0	0	0	Any FO will be transferred to the County Fund Account.
6 LGSS Operational	1,116	0	1,116	71	Includes Service FO position.
subtotal	25,073	-51	25,022	22,590	
Earmarked					
- Specific Reserves					
7 Insurance	4,105	0	4,105	4,105	
8 Connecting Cambridgeshire	3,485	-100	3,485	3,485	
subtotal	7,590	0	7,590	7,590	
Equipment Reserves					
9 CFA	453	234	687	173	
10 ETE	567	0	567	793	
11 CS	50	0	50	50	
12 LGSS Managed	559	0	559	419	
13 LGSS Operational	85	0	85	85	
subtotal	1,715	233	1,948	1,520	
Other Earmarked Funds					
14 CFA	3,443	-270	3,173	2,125	Includes liquidated damages in respect of the Guided Busway.
15 ETE	8,975	53	9,028	2,076	
16 CS	336	0	336	530	
17 LGSS Operational	0	0	0	0	
subtotal	12,754	-217	12,537	4,731	
SUB TOTAL	47,132	-35	47,097	36,431	
Capital Reserves					
- Services					
18 CFA	4,180	4,699	8,879	2,713	Section 106 balances.
19 ETE	7,041	5,048	12,089	2,000	
20 LGSS Managed	481	357	838	838	
21 LGSS Operational	0	0	0	0	
22 Corporate	22,594	1,931	24,525	15,363	
subtotal	34,296	12,035	46,331	20,915	
GRAND TOTAL	81,428	12,000	93,428	57,346	

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 Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31 May 14		
	£000s	£000s	£000s	£000s	
<u>Short Term Provisions</u>					
1 ETE	669	0	669	669	
2 CS	1,000	0	1,000	0	
3 LGSS Managed	2,866	-404	2,462	1,180	
subtotal	4,535	-404	4,131	1,849	
<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	-404	8,852	6,570	