

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST JANUARY 2012

To: **Cabinet**

Date: **6th March 2012**

From: **Local Government Shared Services (LGSS): Director of Finance**

Electoral division(s): **All**

Forward Plan ref: **2012/022** *Key decision:* **Yes**

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

Recommendations: **That Cabinet:**

- a) Analyses resources and performance information, notes the remedial action currently being taken and considers if any further remedial action is required**
- b) Approves the virement of £600,000 from Children and Young People's Services (CYPS) to Corporate Reserves, which relates to transformational funding in the 2011/12 Integrated Plan that has not yet been fully spent, and the return of this funding to CYPS in 2012/13 (see section 3.2).**

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1. PURPOSE

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

2. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's performance to date and forecast performance at year end by value, RAG (Red (R), Amber (A), Green (G)) status and direction of travel (DoT). Information on the Balance Sheet Health is updated quarterly (June, September, December and March).

Area	Measure	End of Month Status	Month DoT	Forecast Year-End Status	Year DoT
Revenue Budget	Variance (£m)	-£7.5m	G ↑	-£3.2m	G ↑
Basket Key Performance Indicators	Number at target (%)	55% (6 of 11)	A ↔	50% (2 of 4)	A ↔
Capital Programme	Number of projects to budget and time (%)	70% (119 of 170)	A ↓	70% (119 of 170)	A ↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£6.2m (Dec)	G ↔	£0m (Dec)	G ↔

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

- Revenue Budget; overall the budget position is showing a forecast year-end underspend of -£3.2m (-0.8%). This is an increase in the forecast underspend of -£1.8m from last month, which is due to further savings being identified within Environment Services (ES) (mainly the Waste Private Finance Initiative (PFI) contract), Community and Adult Services (CAS) (a reduction in the Adult Social Care pressure) and Children and Young People's Services (CYPS) (cross-service savings). Last month's forecast underspend of -£1.5m is what was assumed in the reserve balance in the 2012/13 Integrated Plan. The current forecast outturn position therefore assumes a further £1.8m will be available in reserves for 2012/13, which will provide the Council with some flexibility going into the new financial year that was not planned for.

The overall forecast position includes the impact of firm and agreed action plans to address overspends. See section 3.2 for details and suggested actions.

- Key Performance Indicators; there are 13 indicators within the Council's basket. Targets are available for 11 of these indicators currently, of which 6 are on target. Of these, 4 indicators have year-end forecasts of which 2 are on target. However, please note that further work is underway to precisely define some of the indicators. See section 4 for details and suggested actions.
- Capital Programme; at present 119 out of 170 current projects are forecast to be on time and budget. The projects not to time and budget are mainly as a result of both slippage and schemes progressing more quickly than anticipated. See section 5.2 for details and suggested actions.
- Balance Sheet Health; end of quarter (December) figure shows the variance of actual net borrowing (a positive figure represents additional borrowing than what was planned). This can vary considerably due to the profile of cashflows throughout the year. There were investments of £26.1m at the end of the quarter (December) resulting in a projected borrowing requirement of £6.1m. An underspend of -£1.5m is currently forecast. See section 6.2 for details and suggested actions.

3. REVENUE BUDGET, ISSUES AND ACTIONS

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

Key to abbreviations

ES - Environment Services

CAS - Community and Adult Services

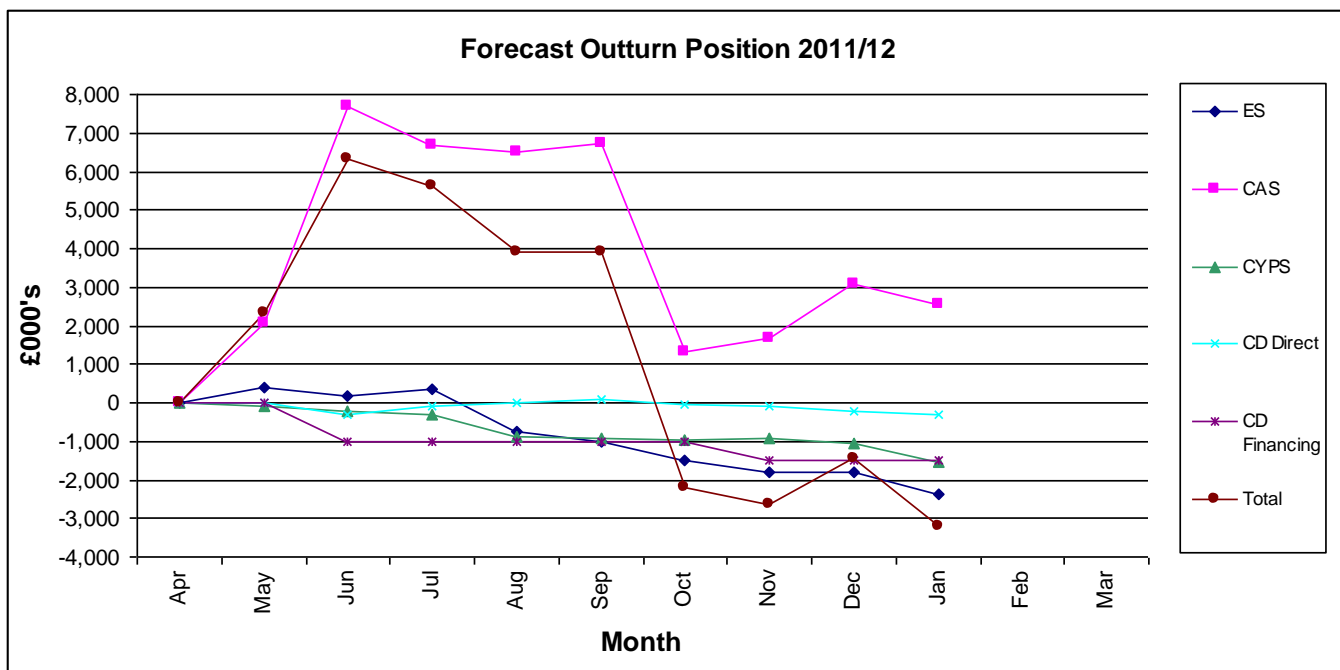
CYPS - Children and Young People's Services

CD - Corporate Directorates (including Local Government Shared Services (LGSS) Cambridge Office)

DoT - Direction of Travel

Outturn Variance (Dec) £000	Service	Budget for 2011/12 £000	Current Variance £000	Forecast Outturn (Jan) £000	Forecast Outturn (Jan) %	Overall Status	D o T
-1,803	ES*	62,198	-4,206	-2,381	-3.8%	G	↑
3,088	CAS	172,852	5,490	2,545	1.5%	A	↑
-1,035	CYPS	108,495	-2,403	-1,556	-1.4%	G	↑
-205	CD Direct	31,763	-2,008	-317	-1.0%	G	↑
-1,500	CD Financing	33,420	-4,313	-1,500	-4.5%	G	↔
-1,455	Total Service Spending	408,728	-7,440	-3,209	-0.8%	G	↑
-16	Financing Items	-9,227	-17	-16	0.2%	G	↔
-1,471	Total Spending 2011/12	399,501	-7,457	-3,225	-0.8%	G	↑

* ES includes the Waste PFI Contract, where specific arrangements for under/over spends exist. Excluding this the underlying forecast outturn position for ES is -£403k underspend.



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ES	<p>A total Service underspend of -£2.4m (-4%) is forecast at year-end. This is an increase in the forecast underspend of -£578k from last month.</p> <p>Asset Management is currently reporting a material variance at year-end (£420k overspend (6%)) – as reported in October.</p> <p>Road Safety is currently reporting a material variance at year-end (-£462k underspend (-24%)) – as reported in October.</p> <p>Waste PFI is currently reporting a material variance at year-end (-£2m underspend (-8%)) – as reported in August.</p>	<p>This is an increase in the forecast underspend of £505k to what was previously reported, which is due to the plant running more efficiently in the run up to commissioning and therefore reducing the amount being diverted to landfill.</p>

Service	Key Exceptions	Impacts and Actions
	<p>There are no new exceptions to report this month.</p> <p>See the ES Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CAS	<p>A total Service overspend of £2.5m (1%) is forecast at year-end. This is a decrease in the forecast overspend of £543k from last month.</p> <p>Executive Director CAS: -£3.5m underspend (-87%) forecast at year-end.</p> <p>Adult Social Care (ASC) Director of Strategy & Commissioning is currently reporting a material variance at year-end (-£1.4m underspend (-186%)) – as reported in July.</p> <p>Mental Health is currently reporting a material variance at year-end (-£600k underspend (-6%)) – as reported in October.</p> <p>Supporting People are currently reporting a material variance at year-end (-£900k underspend (-9%)) – as reported in July.</p> <p>Older People are currently reporting a material variance at year-end (£6.3m overspend (10%)) – as reported last month.</p>	<p>This represents the transfer of £3.5m from Corporate Reserves, which was approved by Cabinet as part of October's Integrated Resources & Performance Report, to assist with meeting pressures across the Service.</p> <p>This forecast includes the impact of the one-off contribution of £1.5m from the Department for Health (via NHS Cambridgeshire) to Social Care for winter pressures in the current financial year. Cabinet approved the allocation</p>

Service	Key Exceptions	Impacts and Actions
	<p>Quality & Transformation is currently reporting a material variance at year-end (-£1.1m underspend (-25%)) – as reported in October.</p> <p>Learning Disability Services are currently reporting a material variance at year-end (£3.3m overspend (8%)) – as reported in May.</p> <p>See the CAS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>of this funding in full to CAS in last month's report.</p>
CYPS	<p>A total Service underspend of -£1.6m (-1%) is forecast at year-end. This is an increase in the forecast underspend of -£521k from last month.</p> <p>Home to School Transport – Mainstream: -£407k underspend (-4%) forecast at year-end.</p>	<p>The projected underspend has further increased following the detailed review of the many one-off projects and schemes which are funded on an academic year basis. The element of the project costs which fall into 2012/13 are now projected as an underspend this financial year and will be the first call on CYPS reserves in 2012/13.</p> <p>Cabinet is asked to approve the virement of £600k to Corporate Reserves, which relates to transformational funding in the 2011/12 Integrated Plan that has not yet been fully spent, and the return of this funding to CYPS in 2012/13.</p> <p>Savings have been secured through negotiations and route reviews.</p>

Service	Key Exceptions	Impacts and Actions
	<p>Looked After Children (LAC) / Special Educational Needs (SEN) Placements: -£433k underspend (-2%) forecast at year-end.</p> <p>Learning Directorate is currently reporting a material variance at year-end (-£701k underspend (-5%)) – as reported in August.</p> <p>Home to School Transport – Special is currently reporting a material variance at year-end (£483k overspend (8%)) – as reported in October.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>This is due to the positive impact of the Placements Strategy in reducing growth in costs and numbers of Looked After Children.</p> <p>This is an increase in the forecast underspend of £201k to what was previously reported, which is due to underspends on projects that span the 2011/12 academic year and for which final spend is not now expected until the summer term.</p>
CD	<p>A total underspend of -£1.8m (-2.8%) is forecast at year-end. This is an increase in the forecast underspend of -£112k from last month.</p> <p><u>Corporate Services</u></p> <p>There are no new exceptions to report this month.</p>	<p>Following Cabinet approval in Augusts' Integrated Resources & Performance Report to transfer £0.5m from the Corporate Grant Holding Reserve to fund the revenue costs of the Superfast Broadband scheme over 3 years, £100k was allocated for 2011/12. Subsequent analysis has indicated that actual spend in the current year is expected to be £215k, reflecting re-phasing of project costs. Therefore, please note that a further £115k will be advanced from Corporate Reserves during February, which will be offset against future years' allocations.</p>

Service	Key Exceptions	Impacts and Actions
	<p><u>LGSS Cambridge Office</u></p> <p>Carbon Trading is currently reporting a material variance at year-end (-£500k underspend (-79%)) – as reported in October.</p> <p>County Offices is currently reporting a material variance at year-end (£383k overspend (12%)) – as reported in September.</p> <p>There are no new exceptions to report this month.</p> <p><u>Financing</u></p> <p>Debt Charges is currently reporting a material variance at year-end (-£1.5m underspend (-5%)) – as reported in November.</p> <p>See the CD Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	

Service	Emerging Issues	Impacts and Actions
ES	None	
CAS	None	
CYPS	Academies Funding	Following the consultation in the Summer on the basis for the decision on the appropriate amount of Academies funding transfer for 2011/12 and 2012/13, the Secretary of State for Education, in consultation with the Secretary of State for Communities and Local Government has reached a “minded to” decision. The consultation has

Service	Emerging Issues	Impacts and Actions
		<p>closed and the outcome is awaited. If the “minded to” proposals are implemented there will be no further financial impact on the County Council for 2011/12 and 2012/13. If the government were to change its proposals following this latest consultation, there could still be a financial pressure both this financial year and next financial year.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> • This position will be updated accordingly once the outcome of the latest consultation is known.
CD	None	

Note: material variances are considered to be in excess of either +/- 0.5% of the Services' overall net budget plus grants or +/- 0.1% of the Council's net budget plus grants (£400k), whichever is the greater.

4. PERFORMANCE TARGETS, ISSUES AND ACTIONS

4.1 A detailed analysis of performance against key targets is tabled below:

<i>Description</i>	<i>Frequency</i>	<i>What is good?</i>	<i>Unit</i>	<i>Last data entered</i>	<i>Target</i>	<i>Actual</i>	<i>Status</i>	<i>DoT</i>	<i>Predicted year-end status</i>
Economy and employment									
The number of young people starting as apprentices in the county	Quarterly	High	Number	31-Jul-11	2433	3115	GREEN	n/a	GREEN
The proportion of 16 - 19 year olds in education, employment or training	Monthly	High	%	31-Dec-11	92.1	92.4	GREEN	↑	n/a
The number of people completing courses to directly improve their chances of employment	Monthly	High	Number	n/a	n/a	See note 1	n/a	n/a	n/a
Local places									
The proportion of streetlights that are currently working	Monthly	High	%	31-Jan-12	97.5	98.6	GREEN	↔	AMBER
The proportion of household waste collected in the last 12 months that was sent to landfill	Monthly	Low	%	31-Dec-11	45.3	44.65	GREEN	↓	GREEN
The number of people killed or seriously injured in road traffic accidents in previous 12 months	Monthly	Low	Number	31-Dec-11	328	334	RED	↑	RED
People and prevention									
The proportion of people who are independent following short-term support to help them be self-sufficient	Monthly	High	%	31-Dec-2011	50	56	GREEN	↓	n/a

The proportion of older people still at home after three months following discharge from hospital and support to regain independence	Monthly	High	%	31-Dec-11	81	85.8	GREEN	↑	n/a
The proportion of people using social care services who have chosen how their support is provided	Monthly	High	%	31-Jan-12	80	57.2	RED	n/a	n/a
The proportion of people living in Cambridgeshire who actively use a library service	Monthly	High	%	31-Jan-12	25	24.6	AMBER	↑	n/a
The number of children admitted to hospital as a result of injury, per 10,000 children	Quarterly	Low	Rate per 10,000 children	31-Dec-11	See note 2	19.5	n/a	n/a	n/a
The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted	Monthly	High	%	31-Dec-11	82	77.8	AMBER	↓	n/a
Repeat incidents of domestic violence in supported cases	Quarterly	Low	%	30-Sep-11	29	35	RED	n/a	n/a

Note 1: A definition for this indicator has now been agreed and work is underway to calculate an actual.

Note 2: Work is underway with CYPS and NHS Cambridgeshire to review work and data in this area.

4.2 There are four indicators that are exceptions this month:

- **The number of people killed or seriously injured in road traffic accidents in the previous 12 months (RED)**

The provisional 2011 target of 334 is slightly above (worse than) the Council's target of no more than 328, although it is slightly lower than the 2010 total of 339. The number of pedal cyclist and pedestrian casualties (combined) has increased, but overall there has been a decrease in casualties travelling by other modes.

Within the death and serious injury total there were 26 deaths on Cambridgeshire's roads in 2011, which is the second lowest total ever recorded and is a welcome reduction from the toll of 34 in 2010.

- **The proportion of people using social care services who have chosen how their support is provided (RED)**

This indicator is calculated by dividing the number of clients and carers who have received support in the community from Adult Social Care since 1st April 2011 by the number of clients and carers in the community who are in receipt of Self-Directed Support (SDS) in the same time frame. **Currently, more than half of all clients receiving support in the community have chosen how their support is provided.** This is good performance compared to other areas and better performance than in the same month in the previous year.

The overall number of clients receiving SDS continues to grow (the numerator grew by 262 in December) although this is offset by larger increase in the denominator (which grew by 544).

For some groups of clients, current practice is not to offer SDS as the default option. These groups are: Occupational Therapy, Assistive Technology Team, Sensory Services and Hospital Discharge. At the end of December these teams account for 4,054 clients. Removing these from the equation would put performance at 82%. **So for clients for whom SDS is appropriate or the default option, more than 80% are able to choose how their support is delivered.**

Last month's exception report made two further points, for which updated data is now available and explained below:

- The number of clients in appropriate groups is still increasing faster than the number of clients in appropriate groups who are receiving SDS, but January's figures show an increase in the latter figure. This is encouraging as it suggests that the rate of clients from appropriate groups who are able to choose their support is increasing.
 - The largest client group is older people, so effort should be focused on increasing the proportion of older people receiving SDS to make the most impact. According to the latest available data, the proportion of older people receiving SDS is lower in January than in December.
- **The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted**

This indicator measures the placements for small numbers of Looked After Children (LAC) overall. In December, 37 out of 171 LAC aged 10 to 15 were not in foster care or placed for adoption.

It is important to note that for some children in care a children's home, residential school or specialist placement will be the best way to meet their need and a positive choice will be made for this kind of placement. However the sufficiency of foster carers and adopters and the pattern of commissioning placements are continually monitored through both the Placement Strategy work and the newly formed CYPS Performance and Quality Assurance Board.

As reported last month, the Board has commissioned a piece of work to produce an in-depth analysis of the placement patterns of the current cohort of LAC - the report has now been delayed until March when further information will be available

- **Repeat incidents of domestic violence in supported cases (RED)**

No update for quarter 3 (to end December 2011) is available. A full report will be provided at year-end.

5. CAPITAL PROGRAMME, ISSUES AND ACTIONS

5.1 A more detailed analysis of capital performance by programme for individual schemes of £0.5m or greater is tabled below:

Service	No. of Programmes	No. on Budget	No. on Time	Target end of January	Actual end of January
ES	57	50	57	50 schemes to budget and time.	50 schemes to budget and time.
CAS	22	22	6	6 schemes to budget and time.	6 schemes to budget and time.
CYPS	64	46	63	45 schemes to budget and time.	45 schemes to budget and time.
CD	27	20	24	18 schemes to budget and time.	18 schemes to budget and time.

5.2 Key exceptions and emerging issues are identified below:

Service	Key Exceptions	Impacts and Actions
ES	<p>An underspend of -£1.8m (-4%) is currently being forecast for ES' capital programme in 11/12.</p> <p>Infrastructure Management & Operations is currently reporting a material variance at year-end (-£1.7m underspend (-19%)) – as reported in May.</p> <p>There are no new exceptions to report this month.</p>	

	See the ES Finance and Performance Report for details of individual variances (link provided in section 8.1).	
CAS	<p>An underspend of -£2.6m (-52%) is currently being forecast for CAS' capital programme in 11/12.</p> <p>Transformation Initiatives is currently reporting a material variance at year-end (-£1.2m underspend (-99%)) – as reported in May.</p> <p>There are no new exceptions to report this month.</p> <p>See the CAS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CYPS	<p>An underspend of -£4.5m (-5%) is currently being forecast for CYPS' capital programme in 11/12.</p> <p>Primary Schools – New Communities is currently reporting a material variance at year-end (-£4.9m underspend (-86%)) – as reported in August.</p> <p>Primary Schools – Demographic Pressures is currently forecasting a material variance (£1.2m overspend (6%)) - as reported in October.</p>	The forecast underspend has increased by 1.5m due to land transfer issues with Trumpington Meadows, further delaying the project start.

	<p>Secondary Schools – Adaptions: £491k overspend (9%) forecast at year-end, as reported last month.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>The previously reported overspend of £522k has reduced slightly due to the scheme not progressing as quickly as expected.</p>
CD	<p>An underspend of -£5m (-30%) is currently being forecast for CD's capital programme in 11/12.</p> <p><u>Corporate Services</u></p> <p>There are no new exceptions to report this month.</p> <p><u>LGSS Cambridge Office</u></p> <p>Better Utilisation of Property Assets (BUPA) Building Maintenance: £600k overspend (100%) forecast at year-end.</p> <p>BUPA Fenland Project: £291k overspend (746%) forecast at year-end – as reported last month.</p> <p>BUPA College of West Anglia (CoWA) Project is currently reporting a material variance at year-end (-£4.8m underspend (-97%)) – as reported in November.</p>	<p>The overspend is due to catching up on a backlog of works. This is manageable within the BUPA Programme as a whole, due to slippage on other schemes and will be off-set against the 2012/13 allocation. It therefore does not represent an increase in overall scheme costs.</p> <p>The previously reported overspend of £844k has reduced, reflecting delays in construction.</p>

	Carbon Reduction is currently forecasting a material variance at year-end (-£505k underspend (-56%)) – as reported in October. See the CD Finance and Performance Report for details of individual variances (link provided in section 8.1).	
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Service	Emerging Issues	Impacts and Actions
ES	None	
CAS	None	
CYPS	None	
CD	None	

6. BALANCE SHEET, ISSUES AND ACTIONS (reported quarterly)

6.1 A more detailed analysis of balance sheet health issues is tabled below:

Measure	Target end of January	Actual end of January
Net borrowing activity from plan, £m	£352m (Dec)	£345.9m Dec)
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.3m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£0.9m
Invoices paid by due date (or sooner), %	95%	99%

6.2 Key exceptions and emerging issues are identified below:

Key exceptions	Impacts and actions
Variance of net borrowing activity from plan	The sovereign debt crises in the Eurozone has gained momentum over the past six months and this has led in turn to an increase in safe haven flows into UK gilts, which has depressed gilt yields to record lows. As a result interest rates on new long term borrowing have been secured at lower levels than budgeted, which has resulted in an underspend of £1.5m being forecast.

Emerging issues	Impacts and actions
None	

7. EXTERNAL AND CONTEXTUAL ISSUES

7.1 On 31st January 2012 the final local government finance settlement for 2012/13 was announced. Cambridgeshire's settlement of £107.436m was as expected and therefore matches the figure built into the 2012/13 Integrated Plan.

7.2 An initial assessment of these issues is set out below.

External and Contextual Issues; key issues, impact and suggested actions

Key issues	Impacts and actions
None	

8. FURTHER INFORMATION

8.1 Members requiring further information on issues raised in this report may wish to access the reporting and drill down facilities in CORVU (for performance issues) and the Oracle e-Business Suite for finance issues, or follow the links below:

CYPS Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Children+and+Young+Peoples+Services.htm
CAS Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Community+and+Adult+Services.htm
ES Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Environment+Services.htm
CD Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Corporate+Directorates.htm

9. IMPLICATIONS

Resources and Performance

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

Statutory, Legal and Risk

9.2 There are no significant statutory, legal and risk implications.

Equality and Diversity

- 9.3 There are no significant equality and diversity implications.

Engagement and Consultation

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

SOURCE DOCUMENTS:

ES Budgetary Control Report (January) CAS Budgetary Control Report (January) CYPS Budgetary Control Report (January) CD Budgetary Control Report (January) Performance Management Report & Corporate Scorecard (January) Capital Monitoring Report (January) Aged Debt per Directorate – as at 31 st January 2012	Room 301, Shire Hall, Cambridge
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