

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING  
28<sup>TH</sup> FEBRUARY 2014**

**To:** Cabinet

**Date:** 15<sup>th</sup> April 2014

**From:** Section 151 Officer

**Electoral division(s):** All

**Forward Plan ref:** 2014/006 **Key decision:** Yes

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

**Recommendations:** That Cabinet:

- a) Analyses resources and performance information and notes the remedial action currently being taken and considers if any further remedial action is required.
- b) Approve the £1.5m change in Children, Families and Adults (CFA) capital funding where additional Section 106 funding is to be used to fund their programme in 2013/14, which reduces their prudential borrowing requirement (section 6.5 of the report).
- c) Approve the allocation of the £1,531,297 Highway Flood Recovery funding in full to Economy, Transport and Environment (section 7.1 of the report).

**Report updates:** The following changes have been made to this version of the report from the one that was first circulated:

- Recommendation b) – quantified the change that Cabinet is being asked to approve (£1.5m).
- Section 2.2 (2<sup>nd</sup> bullet point) – corrected the number of indicators.
- Section 7.1 – amended the text in bold to be consistent with recommendation c (above).

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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). Information on the Balance Sheet Health is updated quarterly (June, September, December and March).

Area	Measure	Forecast Year End Position (Jan)	Forecast Year End Position (Feb)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	+£0.8m	-£3.6m	Green	↑
Basket Key Performance Indicators	Number at target (%)	59% (10 of 17)	50% (7 of 14) <sup>1, 2</sup>	Amber	↓
Capital Programme	Variance (£m)	-£45.0m	-£52.8m	Amber	↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£58.4m (Dec)	-£58.4m (Dec)	Green	↔

<sup>1</sup> The number of performance indicators on target reflects the current position.

<sup>2</sup> The basket of indicators has reduced this month, as the "Proportion of customer complaints received in the month before last that were responded to within minimum response times" indicator has been amalgamated into one overall indicator for the Council this month, with a breakdown of performance by Service provided within the 'Notes' section (see section 5.1).

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

- The overall revenue budget position is showing a forecast year end underspend of -£3.6m (-0.9%), which is an improvement in the forecast outturn of £4.3m from last month. The majority of this movement (£3.4m) relates to significant transactions within CFA that have been processed in the 2013/14 financial year, which relate to costs shown in the accounts in the 2012/13 financial year or earlier. See section 3 for details.

- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 7 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£52.8m (-32%), which is an increase in the forecast underspend of -£7.8m from last month. The majority of the movement this month is due to further slippage in the capital programme, mainly across Economy, Transport and Environment (ETE) and Children, Families and Adults (CFA), rather than total scheme underspends. See section 6 for details.
- Balance Sheet Health; net borrowing as at the end of December was £373.6m. The Council's cash flow profile varies considerably during the year as payrolls and payment to suppliers are made, and grants and income are received. Cash levels at the beginning of the year are stronger than at the end of the year as many grants are received in advance. However, the cash settlement with the contractor of the Guided Busway has strengthened the cash flow in the last quarter of this year. As a result net borrowing is forecast to fall to £346.7m by the end of the year, £58.4m lower than originally forecast in the business plan. See section 8 for details.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

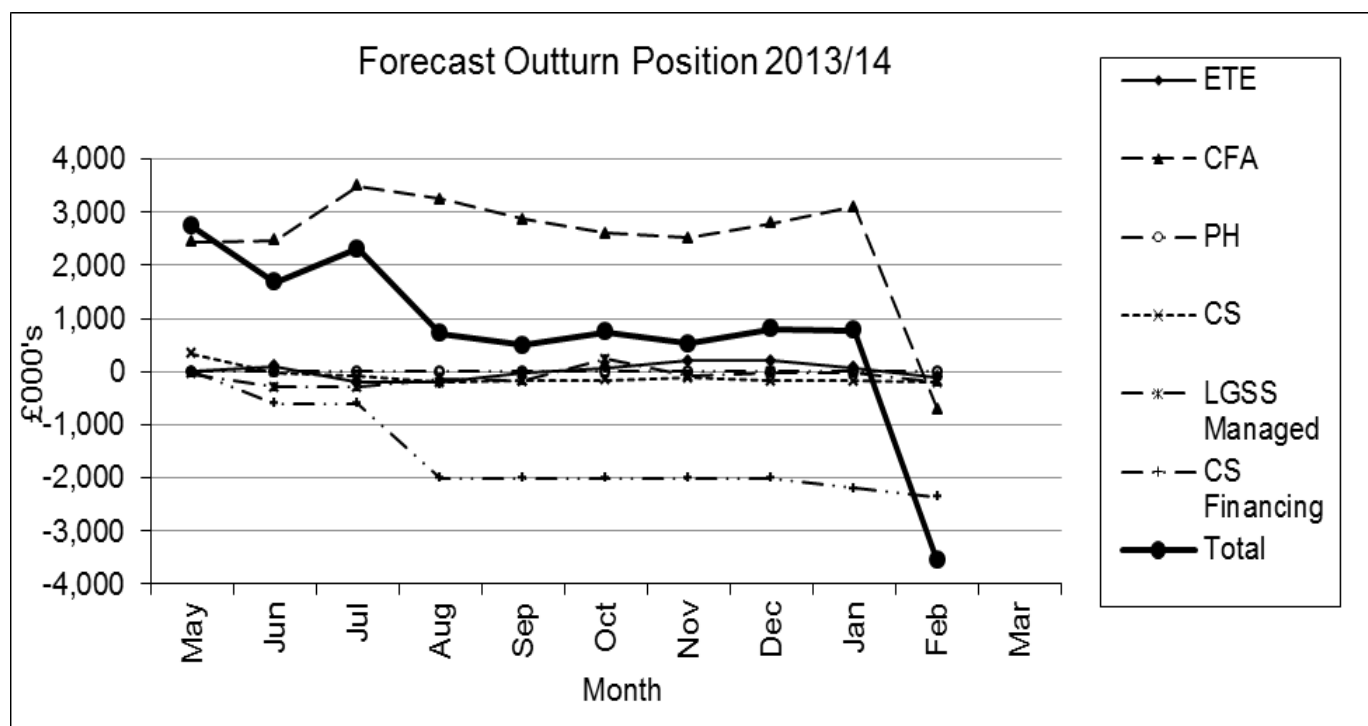
ETE	– Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP <sup>1</sup> £000	Service	Current Budget for 2013/14 £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Feb) %	Current Status	D o T
62,096	ETE <sup>2</sup>	68,433	69	-104	-0.2%	Green	↑
278,456	CFA	279,328	3,100	-708	-0.3%	Green	↑
13,678	Public Health	13,678	0	0	0.0%	Green	↔
14,112	Corporate Services	7,613	-179	-184	-2.4%	Green	↑
8,520	LGSS Managed	9,855	-13	-208	-2.1%	Green	↑
35,204	CS Financing	35,204	-2,200	-2,350	-6.7%	Green	↑
<b>412,066</b>	<b>Service Net Spending</b>	<b>414,110</b>	<b>777</b>	<b>-3,554</b>	<b>-0.9%</b>	<b>Green</b>	<b>↑</b>
-162	Financing Items	-3,206	5	5	-0.1%	Amber	↔
<b>411,904</b>	<b>Net Spending</b>	<b>410,904 <sup>3</sup></b>	<b>781</b>	<b>-3,550</b>	<b>-0.9%</b>	<b>Green</b>	<b>↑</b>
	<i>Memorandum Items:</i>						
10,919	LGSS Operational	11,918	-746	-884	-7.4%	Green	↑
<b>422,823</b>	<b>Total Net Spending 2013/14</b>	<b>422,823</b>					

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 2 of the Business Plan for each respective Service. CFA's budget figure is a combination of the CYPs and ASC Business Plan net budgets.

<sup>2</sup> ETE includes Winter Maintenance and Waste PFI Contract, where specific arrangements for under/overspends exist. Excluding this the underlying forecast outturn position for ETE is -£61k underspend.

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



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:** -£0.104m (-0.2%) underspend is forecast at year end.

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | £m    | %    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------|
| <ul style="list-style-type: none"> <li><b>Waste PFI</b> – the major mechanical breakdown at the Mechanical Biological Treatment (MBT) plant in Waterbeach has now been repaired, with the plant back in full operation. This happened slightly earlier than expected. However, as the plant was out of commission for over twelve months we have been entitled to charge AmeyCespa a daily rate for each day over the twelve month period it was out of commission.</li> </ul> | 0.354 | (1%) |

Within the bottom line figure there is a mixture of anticipated cost reductions and overruns. Cost savings include, the inflationary contract increase being less than was budgeted within the Business Plan and savings from temporary business rate re-evaluation of the Waterbeach site, while the plant was non-operational.

Cost overruns include a pressure regarding backdated business rates being due for two of the recycling centres. The business rates were originally paid by the contractor, but the Council has subsequently been made aware that it is now liable for payment of around £230k.

An increase in the forecast overspend this month is due partly to recycling rates in East Cambridgeshire being greater than expected, based on the roll-out of wheelie-bins to other districts, and composted waste which AmeyCespa were unable to dry sufficiently and therefore landfilled, incurring landfill tax. Cambridgeshire County Council's contractual position with regards to this latter issue is currently being explored by officers.

- **Winter Maintenance** – as a consequence of the mild winter, an underspend is expected on this budget. This will be transferred to Corporate reserves at year end. -0.397 (-20%)
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

### 3.2.2 Children, Families and Adults: -£0.708m (-0.3%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li>• <b>Prior Year Adjustments</b> – significant transactions have been processed in the 2013/14 financial year, which relate to the 2012/13 financial year or earlier. These include increased income or reduced costs relating to previous years of £4.1m: <ul style="list-style-type: none"> <li>○ The local authority has been in dispute with Health over responsibility for funding specific forensic clients (individuals with mental illness and developmental disabilities in the criminal justice system). To be prudent, the County Council had reserved for these payments in previous years. A resolution has been achieved and the Clinical Commissioning Group (CCG) has agreed to fully fund the clients, which allows the County Council to write the £2.55m reserves back to revenue.</li> <li>○ A prudent estimate was made relating to winter pressures and free nursing care funding from Health for 2012/13 and this was reflected in the 2012/13 accounts. However, Older People's Services was able to substantiate the full claim and Health have released the full allocations, so £669k of additional funding, relating to 2012/13, has now been received in 2013/14.</li> <li>○ Meals income relating to Somers Court was collect by Roddons (Housing Association) from November 2007 to March 2013 but Cambridgeshire Community Services (CCS) did not raise an invoice on behalf of Cambridgeshire County Council to</li> </ul> </li> </ul>	-3.376	-

Roddons to collect the income. Roddons have paid the full amount they were holding on behalf of the County Council, £454k, all of which relates to previous financial years.

- At the end of 2012/13 an estimate was made on the outstanding amount of Part 2.5 client contributions (relates to extra-care sheltered housing client income) so this could be reflected in the 2012/13 accounts. A reconciliation has now shown that another £127k of income related to 2012/13.
- Other small adjustments relating to prior years of £335k.

These decreases in costs have been partially offset by increased costs of £760k relating to previous years:

- Agreement has been reached with Suffolk County Council under the Ordinary Residence Protocol in relation to specified clients which means the County Council will not receive £454k of income which it had reflected in the 2010/11 to 2012/13 accounts.
- In 2012/13 the full costs of the Excelcare block contract were not charged to the 2012/13 accounts by CCS and therefore £306k of expenditure has had to be charged to 2013/14.

The resultant underspend from these amounts is a one off amount and will not be repeated in future years.

- **Older People and Adult Mental Health** – the forecast overspend has decreased by £0.8m this month.

Residential / nursing placements and homecare have remained relatively stable. Vacancy savings of £200k are now known in the Older Peoples Mental Health Team employed by Cambridgeshire and Peterborough Foundation Trust (CPFT). Further work has identified an additional £200k income from Extra Care facilities.

6.503 (9%)

Within Mental Health: CPFT Locality Teams, vacancy savings of £125k are now known from the Mental Health Team employed by CPFT. In addition through the negotiation of the responsibility of care packages with the Cambridgeshire and Peterborough Clinical Commissioning Group a further £240k saving has been achieved.

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

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

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

3.2.4 **Corporate Services:** -£0.184m (-2.4%) underspend is forecast at year end.

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

3.2.5 **LGSS Managed:** -£0.208m (-2.1%) overspend is forecast at year end.

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

3.2.6 **CS Financing:** -£2.350m (-6.7%) underspend is forecast at year end.

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

3.2.7 **LGSS Operational:** -£0.884m (-7.4%) underspend is forecast at year end.

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

**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 (£412k), whichever is the greater.

## 4. KEY ACTIVITY DATA

### 4.1 Looked After Children (LAC): February 14

Service Type	No. of Placements Anticipated at April 13	Latest No. of Placements end Jan 14	Anticipated direct Cost of Care (£/week)	Actual average direct Cost of Care (£/week)	Annual Budget £000	Estimated Annual Cost of Care £000	Variance from Annual Budget £000
Independent Fostering	210	238	724	779	7,906	9,014	1,108
Independent Residential	46	44	3,004	2,748	7,186	6,721	-465
Supported Accommodation/Living	33	32	587	389	1,007	799	-208
In-House Fostering (including placements with relatives or friends)	149	117	398	454	3,085	2,927	-158
In-House Residential	20 *	12	2,039	2,760	2,121	2,121	0
<b>Grand Total</b>	<b>458</b>	<b>443</b>			<b>21,305</b>	<b>21,582</b>	<b>277</b>

\* Based on 90% anticipated occupancy. *Note:* one home closed with effect from 31<sup>st</sup> December reducing capacity by 6.

*Additional information:* There are also 18 LAC currently living at home subject to Care Orders and 36 LAC placed for adoption.



## 4.2 Adult Social Care: January 14

Total number of people receiving a service each month											
Commissioning Area	Care Type	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Learning Disability Partnership	Community Based	1,224	1,226	1,241	1,256	1,257	1,260	1,258	1,257	1,262	1,264
	Residential Care	261	260	260	265	264	264	256	257	255	252
	Nursing Care	17	17	16	16	15	15	15	15	15	13
	<b>Total of above</b>	<b>1,502</b>	<b>1,503</b>	<b>1,517</b>	<b>1,537</b>	<b>1,536</b>	<b>1,539</b>	<b>1,529</b>	<b>1,529</b>	<b>1,532</b>	<b>1,529</b>
Disabilities Services	Community Based	974	966	978	979	1,011	1,023	1,005	991	997	974
	Residential Care	38	38	39	38	38	37	38	38	37	34
	Nursing Care	23	23	23	23	22	22	22	23	23	23
	<b>Total of above</b>	<b>1,035</b>	<b>1,027</b>	<b>1,040</b>	<b>1,040</b>	<b>1,071</b>	<b>1,082</b>	<b>1,065</b>	<b>1,052</b>	<b>1,057</b>	<b>1,031</b>
Adult Mental Health	Community Based	330	338	343	349	351	358	360	362	360	365
	Residential Care	88	87	84	82	82	81	80	82	83	82
	Nursing Care	19	19	19	20	20	20	22	22	20	22
	<b>Total of above</b>	<b>437</b>	<b>444</b>	<b>446</b>	<b>451</b>	<b>453</b>	<b>459</b>	<b>462</b>	<b>466</b>	<b>463</b>	<b>469</b>
Older People Mental Health	Community Based	117	123	116	118	123	129	128	125	121	122
	Residential Care	37	40	45	47	46	50	47	44	42	43
	Nursing Care	98	99	104	102	99	103	108	109	108	109
	<b>Total of above</b>	<b>252</b>	<b>262</b>	<b>265</b>	<b>267</b>	<b>268</b>	<b>282</b>	<b>283</b>	<b>278</b>	<b>271</b>	<b>274</b>
CCS Section 75 Services (Intermediate Care, AT, OT) <sup>1</sup>	Community Based	1,448	1,405	1,388	1,387	1,335	1,259	1,170	1,127	1,154	952
	Residential Care	14	13	8	11	14	19	13	7	5	6
	Nursing Care	8	10	12	8	7	15	14	4	2	2
	<b>Total of above</b>	<b>1,470</b>	<b>1,428</b>	<b>1,408</b>	<b>1,406</b>	<b>1,356</b>	<b>1,293</b>	<b>1,197</b>	<b>1,138</b>	<b>1,161</b>	<b>960</b>
Older People Directorate	Community Based	3,006	3,018	3,008	3,032	3,024	3,006	3,023	3,049	3,040	3,021
	Residential Care	824	823	823	835	854	846	866	885	885	877
	Nursing Care	392	409	409	415	410	412	409	427	428	431
	<b>Total of above</b>	<b>4,222</b>	<b>4,250</b>	<b>4,240</b>	<b>4,282</b>	<b>4,288</b>	<b>4,264</b>	<b>4,298</b>	<b>4,361</b>	<b>4,353</b>	<b>4,329</b>

<sup>1</sup> Due to operational pressures, a processing backlog has developed in the activity data for CCS Section 75 Services. As a consequence activity is probably understated. Work is taking place to correct this situation and it's expected that correct information will be available in early May.

## 5. PERFORMANCE TARGETS

5.1 Performance Indicators are shown below:

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 30 <sup>th</sup> Sep 2013	%	76.1	72.5	Green	↔
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/01/14	%	95.4	94.5	Green	↔
	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	31/01/14	%	66.2%	70%	Amber	↓
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/01/14	%	83.0	95	Red	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/01/14	%	58.3	55	Green	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/01/14	Number per 100,000 of population	612.8	735.0	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	31/12/13	Number	1,950	2,285	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	31/01/14	Rate per 10,000	38.7	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	31/01/14	%	21.2	25	Green	↓
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/01/14	%	79.4	85	Amber	↓
	A reduced volume of acute bed days attributable to adult social care	CFA	Low	31/12/13	Number	4,969	3,542 reimbursable bed day delays (50% reduction on previous year)	Red	See notes
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	All Services	High	31/01/14	%	87	90	Amber	See notes
	The average number of days lost to sickness per full-time equivalent staff member	LGSS HR	Low	31/01/14	Days	5.9	7.8	Green	↓
			Low	28/02/14		5.9		Green	↔

#### Notes:

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

This measure is populated by data published by NHS England. The last published data was for the period 31<sup>st</sup> December 2013, which was reported last month. When the January data is published this measure will be updated accordingly.

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

This indicator has been amalgamated into one overall indicator for the Council this month, with a breakdown of performance by Service provided below:

Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	31/01/14	%	96	90	Green	↑
ETE	High	31/01/14	%	80	90	Red	↓
CST	High	31/01/14	%	50	90	Red	↓
LGSS	High	31/01/14	%	No complaint	90	n/a	n/a

For CFA, 53 complaints were received and 2 failed to meet the target.

For ETE, 56 complaints were received and 11 failed to meet the target.

For CST, 2 complaints were received and 1 failed to meet the target.

For LGSS, no complaints were received.

**The average number of days lost to sickness per full-time equivalent staff member**

Due to a delay in running a report for the sickness measure last month resulted in the figure for the period 31<sup>st</sup> January 2014 not being reported. This, along with the figure for the period 28<sup>th</sup> February 2014, is being reported this month.

## 5.2 Key exceptions are identified below.

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

There are currently 137 out of 202 primary schools in Cambridgeshire which are good or outstanding. This is lower than the national average. Of our 58 satisfactory or Required to Improve (RTI) schools there is an improving picture as schools are re-inspected by Her Majesty's Inspectors (HMI); in all but two cases practice is deemed effective and improving rapidly. There are currently 7 schools judged as inadequate. The Local Authority is working intensively to improve these schools and in most cases is looking to a structured solution.

In many of the schools that are judged as good, and some RTI schools, leadership is found to be a strength in Cambridgeshire. Where practice is not good, teaching is often found to be ineffective, particularly differentiation and accurate identification of next steps in learning.

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

Performance is improving, but is significantly below target. An additional 1,242 new and existing service users have been given SDS since April 2013, which is a significant improvement.

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

There has been very little change in performance over the past three months. There has been another small drop again in December and performance remains below target trajectory. As indicated in previous reports this reflects the 10% national drop in performance attributed to e-cigarettes with more smokers adopting a harm reduction approach. Performance in GP practices, the main provider, remains low but there is 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. Visits to Practice Manager and Practice Nurse meetings are taking place to increase awareness of the poor performance and problem solve. The immediate post-Christmas period was critical in attracting additional smokers into the services as historically this has been a period of high activity reflecting the post-Christmas/New Year resolution factor. Data is not available for this period until the end of March 2014. The March No Smoking Day has historically been effective in recruiting smokers into making a quit attempt. The Stop Smoking message is being promoted across a range of media and is well supported by Cambridgeshire County Council's Communications Team.

Please note that these figures relate to the end of December. 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.

- **The proportion of support plans created through the common assessment framework (CAF) that were successful**

There may have been a slight decline in terms of outturns for the performance measure related to the percentage of effective support plans for CAFs across the county, however, the fall in performance is not reflective of the real situation for practitioners and is instead reflective of some data quality and cleansing work being undertaken by the central CAF team to close those CAFs that have been open erroneously for a longer period.

Data quality issues are being explored on an individual basis and corrected with the practitioners, teams and agencies that undertook the CAFs in cases where errors have occurred. This will ensure that any data quality issues are remedied and that practitioners are effectively trained to prevent future example of these recording concerns from occurring. The data quality issues highlighted will also feature in the revised suite of performance reports that are being rolled out in the next financial year. This will ensure effective oversight of data quality and recording standards by lead officers in appropriate agencies.

This will improve significantly in the next quarter as further data quality issues are remedied, with performance results visibly improving from late March onwards. Officers responsible for improvement are Roy Elmer, CAF Development Manager and Lorraine Lofting, Head of Service.

The revised performance framework mitigates against the risk of data quality issues and there will be improvements across the board in the following months. The risks are that the framework will not be implemented as effectively in organisations and agencies outside of Cambridgeshire County Council.

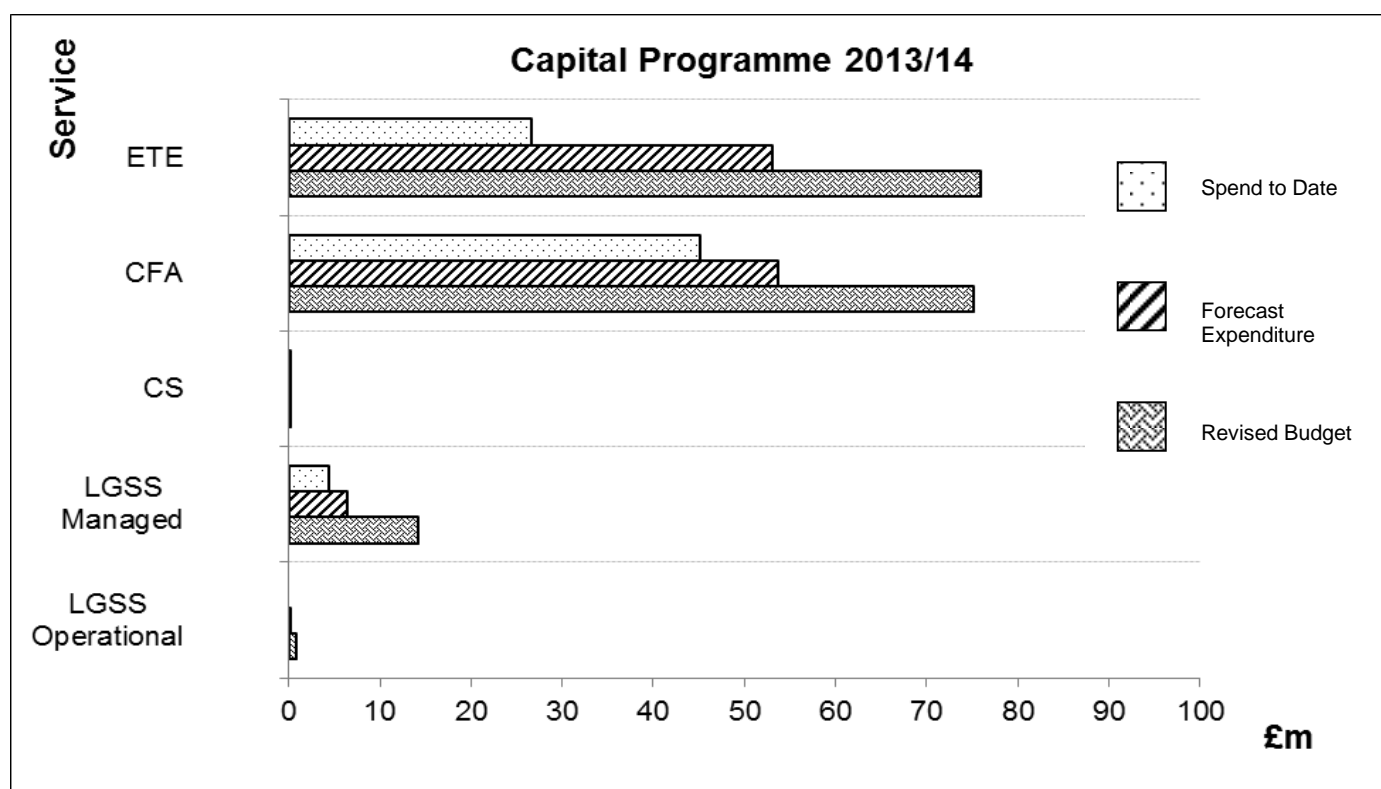
- **A reduced volume of acute bed days attributable to adult social care**

This is a new measure focused on a 50% reduction on acute bed day delays attributable to adult social care. Action has been taken to streamline the commissioning of homecare services to minimise hospital delays, and work is being done with homecare providers and the reablement service to improve capacity. However, this remains a challenging and ambitious target.

## 6. CAPITAL PROGRAMME

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

Original 2013/14 Budget as per BP £000	Service	Revised Budget for 2013/14 £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Feb) %	Total Scheme Forecast Variance (Feb) £000
51,437	ETE	75,914	-21,518	-22,959	-30.2%	-528
76,149	CFA	75,125	-15,949	-21,502	-28.6%	-4,274
584	Corporate Services	187	0	-107	-57.2%	0
9,477	LGSS Managed	14,116	-7,030	-7,714	-54.6%	-2,064
600	LGSS Operational	718	-500	-500	-69.6%	0
<b>138,247</b>	<b>Total Spending 2013/14</b>	<b>166,059</b>	<b>-44,996</b>	<b>-52,781</b>	<b>-31.8%</b>	<b>-6,866</b>



**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:** -£23.0m (-30.2%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li>• <b>Cycle City Ambition Schemes</b> – in September 2013, the Department for Transport (DfT) announced that the Council will be receiving over £4m of capital funding, which is to be spent by May 2015. DfT allocated £2.175m of this funding to the Council in 2013/14; however, it is not possible to spend the full level of this funding by 31st March 2014 due to resource, planning and consultation constraints in light of the late announcement. This therefore results in a forecast underspend of -£1.5m in 2013/14, with the remainder of the funding being carried forward to 2014/15. The in-year underspend has increased by -£0.5m this month due to a further delay in site works.</li> </ul>	-1.5	(-64%)
<ul style="list-style-type: none"> <li>• Previously reported exceptions that are still applicable can be found in <a href="#">appendix 3</a>.</li> </ul>		

**6.2.2 Children, Families and Adults:** -£21.5m (-28.6%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li>• <b>Secondary Schools - New Communities</b> – Southern Fringe Secondary build main contract work was expected to commence in October 2013. However, aspects of the contract have been further delayed until this month, resulting in the forecast underspend to increase by -£1.2m. The overall cost of the project is expected to remain on budget.</li> </ul>	-2.8	(-61%)
<ul style="list-style-type: none"> <li>• <b>Adult Social Care - Transformation Initiatives</b> – this spend has been reviewed in light of the transformation programme underway in Adults Services and Older People's Social Care and a revised programme is being developed. As a result the funding will not be required in 2013/14, but instead has been reflected in the 2014/15 Business Plan.</li> </ul>	-1.5	(-100%)
<ul style="list-style-type: none"> <li>• Previously reported exceptions that are still applicable can be found in <a href="#">appendix 3</a></li> </ul>		

**6.2.3 Corporate Services:** -£0.1m (-57.2%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

**6.2.4 LGSS Managed:** -£7.7m (-54.6%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)



6.2.5 **LGSS Operational:** -£0.5m (-69.6%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

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:

**£m          %**

**ETE:**

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

**CFA:**

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

**LGSS Managed:**

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

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

<b>Funding Source</b>	<b>BP Budget £m</b>	<b>Rolled Forward Funding<sup>1</sup> £m</b>	<b>Revised Phasing £m</b>	<b>Additional/Reduction in Funding £m</b>	<b>Revised Budget £m</b>	<b>Outturn Funding<sup>3</sup> £m</b>	<b>Funding Variance<sup>3</sup> £m</b>
Department for Transport (DfT) Grant <sup>2</sup>	16.8	0.0	0.0	5.2	<b>22.0</b>	19.8	-2.2
Capital Maintenance Grant	5.8	0.0	0.0	0.3	<b>6.1</b>	6.1	0.0
Basic Need Grant	10.3	0.0	0.0	2.3	<b>12.6</b>	12.6	0.0
Devolved Formula Capital	1.0	2.3	0.0	0.1	<b>3.4</b>	3.4	0.0
Other Grants <sup>2</sup>	2.6	7.3	0.0	3.3	<b>13.1</b>	9.9	-3.2

Section 106 Contributions	29.5	0.0	-10.0	-4.9	<b>14.6</b>	13.3	-1.3
Other Contributions	3.9	0.0	0.0	7.8	<b>11.7</b>	11.7	0.0
Capital Receipts	4.7	0.0	0.0	1.5	<b>6.3</b>	6.3	0.0
Prudential Borrowing	63.6	15.0	-1.9	-0.5	<b>76.2</b>	30.1	-46.1
<b>Total</b>	<b>138.2</b>	<b>24.5</b>	<b>-12.0</b>	<b>15.2</b>	<b>166.1</b>	<b>113.3</b>	<b>-52.8</b>

<sup>1</sup> Reflects the difference between the anticipated 2012/13 year end position, as incorporated within the 2013/14 Business Plan, and the actual 2012/13 year end position.

<sup>2</sup> Funding has been re-categorised between the DFT Grant and Other Grants this month to reflect the correct funding split. This is a net nil movement and so does not impact on the overall funding position.

<sup>3</sup> The Outturn Funding and Funding Variance columns have been included within the table this month.

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

<b>Funding</b>	<b>Service</b>	<b>Amount (£m)</b>	<b>Reason for Change</b>
Additional / Reduction in Funding (S106 Contributions)	CFA	1.4	<p>As part of an exercise undertaken within CFA to investigate current S106 balances held, £1.1m has been identified as being applicable to schemes in the current programme and therefore applied in the current financial year (thereby reducing the prudential borrowing requirement in 2013/14).</p> <p>A further £0.4m S106 receipt has been received where the expenditure for the project was incurred in a previous financial year. This is therefore to be used to repay prudential borrowing, as due to timing the scheme was originally funded by borrowing prior to the S106 receipt being received.</p> <p><b>Cabinet is therefore asked to approve this change in funding.</b></p>
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-1.4	<p>As above – additional S106 funding has resulted in a reduction to the prudential borrowing requirement in 2013/14.</p>

Additional / Reduction in Funding (Capital Receipts)	LGSS Managed	0.1	The forecast level of capital receipts currently exceeds the 2013/14 Business Plan expectation of £4.7m by £0.1m, which is a decrease of £0.9m to the previously reported figure based on the latest schedule of asset sales. This will therefore result in a £0.1m reduction in prudential borrowing in 13/14. This forecast will be updated each month, with Cabinet being asked to approve any change in the Business Plan expectation at year end, where applicable.
Additional / Reduction in Funding (Prudential Borrowing)	LGSS Managed	-0.1	As above.

6.6 Previously reported key funding changes that are still applicable can be found in [appendix 5](#).

## 7. GRANT ALLOCATIONS FOR 2013/14

7.1 Where there has been a material change in 2013/14's grant allocations to what was budgeted in the Business Plan (BP) i.e. +/- £160k, this will require SMT and Cabinet/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 Cabinet for approval.

### Highway Flood Recovery

Department for Transport (DfT) has recently announced the allocation of funding to local authorities for highway flood recovery, which was not budgeted. Cambridgeshire's allocated funding is £1,531,297, which comprises of £561,944 capital and £969,353 revenue.

**To ensure the Council utilises this funding as intended, Cabinet is asked to approve the allocation of the £1,531,297 Highway Flood Recovery funding in full to Economy, Transport and Environment.**

## 8. BALANCE SHEET

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

Measure	Target end of Feb	Actual end of Feb
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.6m

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%

8.2 A comparison of the net borrowing activity from plan to the previous financial year can be found in the following table:

Measure	Actual 1 <sup>st</sup> April	Actual end of June	Actual end of Sept	Actual end of Dec	Original forecast for end of Mar	Revised forecast for end of Mar
Net borrowing activity from plan, £m (2013-14)	£340.7m	£299.2m	£359.7m	£373.6	£405.1m	£346.7m
Prior year comparator (2012-13 actual)	£330.8m	£319.4m	£327.3m	£305.8m	£370.8m	£340.7m

8.3 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 £405.1m. The actual net borrowing position at 31 <sup>st</sup> December is £373.6m.	<p>Interest rates have risen during the year driven upwards by a return in confidence in equity markets, better economic indicators and shift from the safe haven of UK gilts, though this has not been without volatility.</p> <p>As a result interest payable on new borrowing will rise, however given capital programme slippage and stronger than expected cash flow this year little or no further long term borrowing will be undertaken.</p> <p>Interest rates continue to be monitored closely and a pragmatic approach to borrowing is adopted.</p>

8.4 A schedule of the Council's reserves and provisions can be found in [appendix 6](#).

## 9. EXTERNAL AND CONTEXTUAL ISSUES

9.1 The Chancellor, George Osborne, announced the 2014 Budget on Wednesday 19<sup>th</sup> March. Local Government was specifically referred to within the announcements of £200m to repair potholes in 2014/15 and £150m repayable funding to regenerate large housing estates.

The Budget also included the announcement that Government plan to revalue the local government pension scheme (estimated to save £1bn in 2015/16 and 2016/17) and the Treasury's promise to hold a number of seminars on redesigning local services.

The full report can be found on the HM Treasury [pages](#) of the government website.

- 9.2 The Chancellor also announced the agreement of a City Deal for Greater Cambridge (covering Cambridge City and South Cambridgeshire). This is for up to £500m of new grant funding to be invested in transport infrastructure from 2015/16, to be paid in three tranches, over 15-20 years. The details of this proposal are to be taken through each Council's Member processes in the coming weeks.

## **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](http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports)

## **11. IMPLICATIONS**

- 11.1 Resources and Performance:

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

- 11.2 Statutory, Legal and Risk:

There are no significant statutory, legal and risk implications.

- 11.3 Equality and Diversity:

There are no significant equality and diversity implications.

- 11.4 Engagement and Consultation:

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

Source Documents	Location
ETE Budgetary Control Report (February) CFA Budgetary Control Report (February) PH Budgetary Control Report (February) CS and LGSS Cambridge Office Budgetary Control Report (February) Performance Management Report & Corporate Scorecard (February) Capital Monitoring Report (February) Aged Debt per Directorate – as at 28 <sup>th</sup> February 2014 Payment Performance Report (February)	Room 301 Shire Hall Cambridge

<b>APPENDIX 1 – transfers between Services throughout the year</b> (only virements of £1k and above (total value) are shown below)									
	<b>CFA</b>	<b>Public Health</b>	<b>ETE</b>	<b>CS Financing</b>	<b>Corporate Services</b>	<b>LGSS Managed</b>	<b>LGSS Operational</b>	<b>Financing Items</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening Cash Limits as per Business Plan (BP)	278,456	13,678	62,096	35,204	14,112	8,520	10,919		-162
Post BP corrections						346	-346		
Use of operational savings to fund Capital pension costs			30						-30
Blue badge	-17				17				
MAC funding from EPAM			1			-1			
Centralised property cost centres from depots			-158			158			
Transfer depots income budget						-118	118		
Aspire support	30					-30			
FM centralised properties income to service	-22					22			
ITT Loan Advance					183				-183
Centralised properties recharge to ASC Provider Units	258					-258			
Use of operational savings to fund ETE transformation project team			7						-7
Procurement contract savings from MFD and Insurance budgets						-97	97		
Transfer Contact Centre telephony budget to IT Managed					-57	57			
Return Cromwell Museum cleaning budget to service					2	-2			
Transfer budget for centralised stationery staffing costs						-20	20		
Adjustment to property income budgets with CFA	11					-11			
Transfer CFA Service Transformation project manager post from CS	54				-54				
Transfer laundry facilities budget to LGSS Managed						34	-34		
Correction to budget prep error between LGSS Operational and LGSS Managed budgets						19	-19		
CS Operational Savings – restructure pressures					134				-134
CS Operational Savings – various					336				-336
CS Operational Savings – libraries bookfund					100				-100
LAF Funding			-6		6				

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
YOT HR annual charge	-4						4	
Funding for Election Costs 13/14					345			-345
Finance Operational Savings 13/14 – CIPFA Trainee							44	-44
ETE Operational Savings – capital pension costs			37					-37
CS Operational Savings – service transformation & restructure pressures					126			-126
ETE Operational Savings – early retirement costs			65					-65
ETE Operational Savings – fund joint strategic planning			45					-45
ETE Operational Savings – cover costs prior to possible externalisation of SmartLife			50					-50
Sawston Funding	-56		56					
Correction to budget prep figures						-2	2	
Allocation of LGSS central charges budget from CS					-8		8	
Migration demography	-30				30			
ETE Operational Savings – pension costs			20					-20
CCS corp staffing budget	-38						38	
13/14 pay inflation award	635		156		42	51	116	-1,000
Service Realignment - Community and Cultural Services			5,983		-7,447	978	486	
LGSS Operational Savings							350	-350
Migration demography	15				-15			
OT double-up project funding 13/14	35							-35
Admin review					3		-3	
Employment review					-199	199		
Allocation of Public Health support budgets to LGSS					-65		65	
Ramsey library WAN costs			-10			10		
CS Operational Savings – Community Engagement restructure					22			-22
LGSS Operational Savings – data centre consolidation work							40	-40
LGSS Operational Savings – data centre consolidation work (additional)							6	-6



	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
LGSS Operational Savings – Apprenticeships							9	-9
ETE Operational Savings – various			60					-60
<b>Current budget</b>	<b>279,327</b>	<b>13,678</b>	<b>68,432</b>	<b>35,204</b>	<b>7,613</b>	<b>9,855</b>	<b>11,920</b>	<b>-3,206</b>
<i>Rounding</i>	<i>1</i>	<i>-</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-2</i>	<i>-</i>

## APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	<b>Executive Director</b> – the predicted overspend is due to a target in the Business Plan to increase charges and other fees by £690k (this includes £640k increased charges and £50k additional charges budgeted within ETE Transformation). Work is currently taking place to determine which charges will be increased / new charges introduced in order to hit this target, with the charging for parking at Park and Ride sites being the main consideration at this point. However, this increased saving requirement will not be achieved in 2013/14, with the increased charges for Park and Ride sites not being introduced until the new financial year.	0.690	(177%)
	<b>Local Infrastructure and Street Management (LISM) Other</b> – the predicted underspend is due to a combination of staff vacancies (these are currently being recruited to, with the forecast outturn savings figure reflecting the amount accrued to date), and greater income from developer fees being forecast than was originally expected. These additional funds will be utilised for frontline maintenance in Network Management and Local Infrastructure and Streets.	-0.542	(-23%)
CFA	<b>Learning Disability Services - Ordinary Residence</b> – this funding was planned to fund care packages for service users who we anticipated would become the responsibility of Cambridgeshire County Council. However, to date referrals have not been received from other local authorities and no spend is anticipated against this budget in the current financial year.	-1.330	(-100%)
	<b>Learning Disability Services - Head of Services</b> – this is due to: (i) negotiations with an independent sector provider to end an arrangement to cover costs associated with the TUPE transfer of staff on NHS conditions; (ii) the ending of a time limited arrangement to contribute funding to the Supporting People budget; and (iii) management of inflation relating to a block contract and a slippage in staffing budgets whilst recruitment takes place.	-0.703	(-19%)

	<b>Strategic Management - Adult Social Care</b> – this is mainly due to: (i) £325k reduced expenditure on transport for day services; (ii) £756k contract contingency budget to offset unanticipated pressures arising during the year; (iii) £140k from staff vacancies; and (iv) £117k fleet management annual mileage savings.	-1.354	(-38%)
	<p><b>Physical Disabilities</b> – the teams continue to scrutinise spend. All new service users are directed through the Reablement Service and social inclusion needs are met locally. A new process for scrutinising reviews has recently been put in place.</p> <p>In addition to the on-going work to manage demand, greater numbers of people have transferred to the older people service than accounted for and a concentrated piece of work has been undertaken to recover unspent Direct Payments, spanning across the last 2 years. These unspent Direct Payments have provided additional income of £398k to date. There will be no further spend on the Stroke Project.</p>	-0.600	(-5%)
	<b>Children's Social Care</b> – this is principally as a result of savings from vacant posts not being high enough to meet the target set for the Directorate; higher than anticipated Agency staffing costs; and an increase in Legal Proceedings.	1.566	(5%)
Public Health	N/A	-	-
CS	N/A	-	-
LGSS Managed	<b>County Offices</b> – there is a net pressure of £203k resulting from business rates costs for the vacant Black Horse House wing of Castle Court (£79k), estimated dilapidation costs from vacating two leased properties (£65k) and an overspend of £59k on utilities across the portfolio. A savings target of £736k was allocated in the Business Plan linked to a reduction in the Council's property portfolio. Delivery of this saving is being led by the Effective Property and Asset Management (EPAM) Project, but it is not expected that any savings will be secured before year end.	0.939	(18%)
	<b>Insurance</b> – this results from ongoing work by the Insurance Section to minimise the cost of internal provision, coupled with significant savings on external insurances for the Authority.	-0.500	(-26%)

CS Financing	<p><b>Debt Charges</b> – the Guided Busway receipt of £33m, which was forecast to come in 2014/15, was received on 30<sup>th</sup> January 2014. In addition, the projected Capital Financing Requirement (CFR) as at 31st March 2014 has fallen since the budget was set in February 2013, which is due to slippage in the capital programme. As a result, the Council's need to borrow has been reduced and the decision to undertake long term borrowing was deferred until 2014/15 and following the refresh of the Business Plan. This, together with other small variances in the Debt Charges budget, generating savings of £2.2m.</p> <p>A further £150k favourable movement is being forecast this month, as a result of establishing the Minimum Revenue Provision charge for the year. This brings the total forecast underspend to -£2.35m. There may be a small movement on the Debt Charges budget between now and the year end once all technical year end adjustments have been made. The risk is to the upside, so the forecast underspend may increase marginally.</p>	-2.350	(-7%)
LGSS Operational	N/A	-	-

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

<b>Service</b>	<b>Description</b>	<b>Current Forecast Variance - Outturn £m</b>	<b>Current Forecast Variance - Outturn %</b>
ETE	<p><b>Highways Maintenance including Footways and Signals</b> – the forecast underspend relates to the following:</p> <p>A -£0.1m underspend on Bridges relating to one particular bridge in Over. The scheme has been delayed due to investigations and complications which will not be resolved before year end. The work will need to be completed in 2014/15;</p> <p>A -£0.1m underspend on Signals, which is mainly due to efficiencies being made on the agreed schemes (this underspend will be reallocated across the Highways Maintenance programme); and</p> <p>A -£0.8m underspend on Roads including signs and lines, which relates to the estimated costs from Eastern Highways Alliance being significantly less than budgeted for. They are a relatively new contractor and when the budgets for schemes were set the engineers were prudent in their estimations. Efficiencies have also been found within these schemes (this underspend will be reallocated across the Highways Maintenance programme).</p>	-1.1	(-6%)
	<b>Waste – Replacement of March RC</b>	-0.7	(-100%)
	<b>Waste – North &amp; East Cambridge Recycling Centre</b>	-3.2	(-100%)
	<b>Waste – District Council Investment</b>	-0.6	(-100%)
	<p><b>Waste Management Infrastructure</b></p> <p>The majority of the waste capital programme will not be delivered this year because the larger schemes (including Northstowe and Cambridge North and East) are not currently required, as a consequence of delays in and changes to the implementation of the growth development strategy. Although shown as an underspend, the funding for these schemes will be required in future years, linked to implementation of new major developments and the emerging revised Cambridge and South Cambridgeshire Local Plan.</p>	-1.9	(-84%)

CFA	<p><b>Science Park Station</b> – negotiations are ongoing with Department for Transport (DfT) and Network Rail regarding delivery of the scheme. This has therefore resulted in in-year slippage and a forecast underspend of -£0.9m in 2013/14. However, the total cost of the project is expected to remain on budget.</p>	-0.9	(-36%)
	<p><b>Connecting Cambridgeshire</b> – the predicted underspend is a result of rephasing of work on the programme as the original phasing of expenditure was estimated prior to the award of the contract for this area of work. The contract was signed in March 2013, with the first expected milestone contract payment expected to occur in December 2013 (now delayed to March 2014).</p>	-10.0	(-68%)
	<p><b>Primary Schools - New Communities</b> – North West Cambridge Primary (NIAB) profiled expenditure has been revised for 2013/14 in response to the rescheduled start on site date reflecting the fact that the design code for the development has yet to be approved - without this, the design for the primary school cannot be finalised. <i>Note:</i> S106 receipts for this scheme are delayed and will now be received and used in 2014/15 as a reflection of delayed build across the site. The forecast spend for 2013/14 has been reduced by a further £30k this month to £50k, giving rise to the -£510k projected underspend at year end. The total cost of the project is expected to remain on budget.</p> <p>All expected costs to be incurred for the University development site have been removed (£4.3m) as confirmation has now been received that the University has been granted approval by the Secretary of State to open the new primary as a University Training School. Agreement has been reached with the University that they will undertake the development, and fully fund the project themselves. Future year adjustments have been reflected within the 2014/15 Business Plan.</p> <p>Both Northstowe and Alconbury Weald's S106 receipts have been delayed. The project costs for the year have been revised to take account of this, reducing the forecast underspend to -£510k (as reported last month). Following considerable discussion and negotiation, the S106 for the first phase of Northstowe has now been signed. The project's completion is now set for November 2015. Due to uncertainty over the development timetable for Alconbury Weald, option appraisal work only began in December 2013, with the commission brief being developed early in 2014.</p>	-0.5	(-16%)

	<p><b>Primary Schools - Demographic Pressures</b> – North Ely Primary profiled expenditure has been revised for 2013/14 as the main build works, and therefore expenditure, will occur in 2014/15. This presents a -£4.7m underspend on the scheme in this financial year. The £50k increase in the forecast underspend this month reflects design work by consultants not progressing as expected. However, the total cost of the project is expected to remain on budget.</p> <p>Wisbech (additional places) has initial costs of £0.8m relating to feasibility and planning fees expected to be incurred in 2013/14 ahead of time for the provision of places. The total cost of the project is expected to remain on budget and the scheme has been reprofiled during the Business Planning process for 2014/15.</p> <p>Hemingford Grey Primary is reporting a -£1.0m underspend for the year on a £2.0m original budget. As previously reported this is the result of a greater than expected number of pre commencement planning conditions, however, work on site did start in January 2014 and is progressing well hence the reduction in underspend this month. The overall cost of the project is expected to remain on budget.</p> <p>Thorndown Primary is progressing well, although as reported last month there has been some slippage and rescheduling of build programme items of c.£600k. This month £400k in payments has been withheld as a result of issues with the roof. Contractor payments are in total, therefore, £1m less than originally anticipated at the beginning of the year.</p> <p>Huntingdon Town additional 1FE places expenditure has been revised for 2013/14 to £20k as the project completion has slipped to September 2016 opening following a review of known and predicted demand for places. The total expenditure is expected to remain on budget, but there is a -£130k in year underspend due to the slippage.</p> <p>Kings Hedges Primary and Hardwick second campus (Cambourne) anticipate increased costs of £150k and £187k respectively due to design phases of the projects being progressed more quickly than anticipated. Kings Hedges increased costs have been revised down this month by £100k. Overall costs of both projects will remain on budget.</p>	-5.829	(-20%)
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	<p><b>Schools - Scheme Final Payments</b> – final accounts are not being concluded as anticipated at the commencement of this financial year. There are numerous issues that need to be resolved between project managers/employers' agents and contractors. These are being actively pursued as until they are either substantiated or proved unfounded, the Council cannot agree and conclude final payments.</p> <p>At Spring Meadow defects have been discovered, which require rectification hence £82k of final payments have been withheld. The project at Colville is unlikely to close out this year and therefore the forecast underspend has been increased by -£83k in respect of this scheme. These two schemes account for the increase from last month's reported figure.</p>	-0.9	(-39%)
	<p><b>Condition, Maintenance and Suitability</b> – there have been some delays in schemes, principally at Girton and Coton, with the result that work has now been scheduled for Easter 2014. In addition, a number of tenders for the Priority 1 condition projects have come in with lower prices than had been anticipated.</p>	-1.5	(-28%)
	<p><b>Children Support Services</b> – the expenditure profile for the Trinity School's Hartford Centre project was adjusted to show an earlier than anticipated spend of £1m and hence an overspend, following Cabinet's approval on 26<sup>th</sup> November 2013 to conclude negotiations to purchase an appropriate site. This adjustment has now been reversed as the Council's initial offer has been rejected. However, negotiations are ongoing with a view to securing an agreement early in the new financial year. £530k of the underspend is in respect of the reduction in anticipated spend in 2013/14 for 2 year old places and a further £40k of expenditure, which has been absorbed by the maintenance revenue budget in respect of the roof work at Ascham Road.</p>	-0.6	(-26%)
	<p><b>Build Own Residential Home (Cambridge or South Cambs)</b> – this scheme was considered as part of the 2014/15 Business Planning process and has subsequently been removed from the 14/15 Business Plan.</p>	-5.0	(-100%)
	<p><b>Adult Social Care</b> – the Community Capacity grant is now expected to be spent in 2014/15.</p>	-1.3	(-100%)
CS	N/A	-	-
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) – Shire Hall Campus</b> – this budget includes £0.5m for Black Horse House remedial works. It is expected that this work will be delayed and so funding will need to be carried forward to 2014/15.</p>	-0.5	(-45%)



	<b>EPAM - Fenland</b> – construction work on Awdry House has been completed and services have moved in. The final account for construction is due to be agreed during March and it is currently expected that the scheme will underspend by -£0.9m.	-0.9	(-61%)
	<b>EPAM - Reps for Local Plans</b> – an in-year underspend of £0.6m is forecast. Funding will need to be carried forward into 2014/15 as some significant costs from the existing work programme are expected early in the new financial year.	-0.6	(-87%)
	<b>EPAM – Building Maintenance</b> – the difficulties being experienced in reducing the property portfolio in line with the Business Plan has resulted in an additional pressure on the capital building maintenance budget. It is currently estimated that the original budget will be exceeded by approximately £0.5m, but that this will be able to be managed in-year within the overall EPAM budget, as slippage on other schemes will generate an underspend. However, it is possible that this could become a greater issue in future years and officers are currently undertaking a re-forecast of future needs.	0.5	(174%)
	<b>EPAM - Community Hubs</b> – this is due to the timing of works and does not represent a reduction in overall scheme costs. The originally planned programme of works has been reviewed and the scheme has been split into three separate proposals as part of the Business Planning (BP) process to better reflect proposed activity.	-1.4	(-93%)
	<b>EPAM - Other Projects</b> – the forecast underspend is due to slippage on bringing new projects to business case stage. This scheme has been re-evaluated during Business Planning and will come to an end once existing commitments have been met. A number of new schemes have been approved within the 2014/15 Business Plan, which will supersede future years spend on this scheme.	-1.5	(-63%)
	<b>Carbon Reduction</b> – the in-year underspend of -£0.9m reflects expenditure forecast on projects identified to date and is subject to revision during the course of the year. This does not reflect a reduction in total scheme costs.	-0.9	(-71%)
	<b>Thin Client / Rationalisation of Applications</b> – this is due to the timing of works and does not represent a reduction in overall scheme costs. The scheme has been reviewed as part of the Business Planning process.	-1.0	(-100%)
CS Financing	N/A	-	-

LGSS Operational	<b>R12 Convergence</b> – this is due to a delay in progressing work to identify and install a converged financial reporting tool across LGSS and does not represent a reduction in total scheme cost.	-0.5	(-83%)
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**APPENDIX 4 – previously reported total scheme capital exceptions that are still applicable**

<b>Service</b>	<b>Description</b>	<b>Total Forecast Variance - Outturn £m</b>	<b>Total Forecast Variance - Outturn %</b>
ETE	<p><b>Babraham Park &amp; Ride Extension</b> – the risk during construction was controlled and managed and more efficient construction processes were identified during the work, which resulted in lower construction costs.</p> <p>This scheme was funded by S106 area funding, which means that the unspent funding will be utilised for other transport schemes. This will be approved via the normal mechanism for the allocation of S106 funding.</p>	-0.5	(-100%)
CFA	<p><b>Primary Schools - New Communities</b> – all expected costs to be incurred for the University development site have been removed as confirmation has now been received that the University has been granted approval by the Secretary of State to open the new primary as a University Training School. Agreement has been reached with the University that they will undertake the development, and fully fund the project themselves. Future year adjustments will be reflected in the 2014/15 Business Planning process.</p>	-4.3	(-7%)
	<p><b>Building Schools for the Future</b> – the forecast overspend is as a result of additional ICT spend that was under estimated in the original project plan.</p>	0.7	(2%)
	<p><b>Condition, Maintenance and Suitability</b> – this is a result of the withdrawal of the Disabled Children's Short Breaks Grant in both 2013/14 and 2014/15 - £388k is included in the Business Plan for each of these years.</p>	-0.8	(-2%)
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) - Fenland</b> – construction work on Awdry House has been completed and services have moved in. It is currently reported that the scheme will underspend by -£0.9m.</p>	-0.9	(-14%)

	<p><b>EPAM - Building Maintenance</b> – the difficulties being experienced in reducing the property portfolio in line with the Business Plan has resulted in an additional pressure on the capital building maintenance budget. It is currently estimated that the original budget will be exceeded by approximately £0.5m, but that this will be able to be managed in-year within the overall EPAM budget, as slippage on other schemes will generate an underspend. However, it is possible that this could become a greater issue in future years and officers are currently undertaking a re-forecast of future needs.</p>	0.5	(8%)
	<p><b>EPAM - Other Projects</b> – the forecast underspend is due to slippage on bringing new projects to business case stage. This scheme has been re-evaluated during Business Planning and will come to an end once existing commitments have been met. A number of new schemes have been approved within the 2014/15 Business Plan, which will supersede future years spend on this scheme.</p>	-1.2	(-5%)

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	24.5	This reflects slippage or rephasing of the 2012/13 capital programme – as reported in May.
Additional / Reduction in Funding (DfT Grant)	ETE	1.2	Better Bus Area Funding: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Other Grants)	ETE	1.7	Growing Places funding to finance the Huntingdon Link Road Project (£1.7m for 2013/14): allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (DfT Grant)	ETE	0.9	Local Sustainable Transport Funding: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (DfT Grant)	ETE	1.2	Cycle Safety Fund: allocated to appropriate schemes across ETE – as reported in May and approved by Cabinet on 9 <sup>th</sup> July 2013.
Additional / Reduction in Funding (DfT Grant)	ETE	2.2	Cycle City Ambition Grant: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 9 <sup>th</sup> July 2013.
Additional / Reduction in Funding (S106 Contributions)	ETE	1.3	Allocated across various schemes – as reported in May.
Additional / Reduction in Funding (Other Contributions)	ETE	5.3	<p>Broadband Delivery UK (BDUK) funding for the Connecting Cambridgeshire scheme (£1.3m): brought forward funding in order to remove the 2013/14 prudential borrowing requirement – as reported in July and approved by Cabinet on 10<sup>th</sup> September 2013.</p> <p>The Busway capital contingency funding of £4m has been applied to the ETE capital programme, as this is no longer required for the Busway following settlement with the contractor. This reduces the prudential borrowing requirement in 2013/14.</p>

Additional / Reduction in Funding (Prudential Borrowing)	ETE	-5.3	As above, using BDUK brought forward funding (£1.3m) and The Busway capital contingency funding (£4m) reduces the need for prudential borrowing in 2013/14.
Additional / Reduction in Funding (Other Grants, S106 Contributions and Other Contributions)	ETE	3.1	Huntingdon West of Town Centre Link Road scheme: £0.6m Housing Growth Funding; £1.5m S106 Contributions; and £1m Other Contributions: allocated to appropriate projects across ETE – as reported in September and approved by Cabinet on 29 <sup>th</sup> October 2013.
Revised Phasing (S106 Contributions)	CFA	-9.2	NIAB triggers (£6m) and University Primary triggers (£4m) have been rephased – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Revised Phasing (Prudential Borrowing)	CFA	-2.0	Ely College funding rephased to reflect the new phasing of expenditure – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Basic Need Grant)	CFA	2.4	An additional £2.4m funding has been received following a successful Additional Targeted Needs bid to the Education Funding Agency (EFA). This funding will result in a reduction to prudential borrowing in 2013/14.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-2.4	As above - additional Basic Need Grant received has resulted in a reduction to the prudential borrowing requirement in 2013/14.
Additional / Reduction in Funding (Other Grants)	CFA	0.7	Building Schools for the Future (BSF) Grant - following a review of the BSF funding position an additional £0.7m of grant is available, which reduces the prudential borrowing requirement – as reported in December and approved by Cabinet on 28 <sup>th</sup> January 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	As above – additional BSF funding has resulted in a reduction to the prudential borrowing requirement in 2013/14.
Additional / Reduction in Funding (S106 Contributions)	CFA	-9.4	The following capital schemes' spend plans exceed the in-year S106 receipts due to timing differences: - Cambourne Secondary (£3.4m) - Trumpington Meadows Secondary & Primary (£2.5m & £2.2m) - Orchard Park Primary (£0.6m) - Thorndown and Hemingford Grey Expansions (£0.3m)

			<p>- Sundry movements (£0.3m)</p> <p>Prudential borrowing will be required to bridge the funding gap until the S106 triggers are reached and the funding released from developers - as reported last month and approved by Cabinet on 4<sup>th</sup> March 2014.</p>
Additional / Reduction in Funding (Prudential Borrowing)	CFA	9.4	As above – capital schemes' spend plans have exceeded S106 receipts, which has resulted in an increase in prudential borrowing to bridge the funding gap.
Revised Phasing (S106 Contributions)	CFA	-0.8	<p>The following schemes' S106 receipts have been delayed in 2013/14 and so the project costs for the year have been revised to take account of this:</p> <ul style="list-style-type: none"> <li>- Northstowe (£300k)</li> <li>- Alconbury (£250k)</li> <li>- Hauxton (£230k)</li> </ul> <p>The cost of the projects and associated funding has been moved into 2014/15 – as reported last month and approved by Cabinet on 4<sup>th</sup> March 2014.</p>
Additional / Reduction in Funding (Capital Receipts)	LGSS Managed	1.4	California Road (ringfenced element): used to offset the capital works completed – as reported in November and approved by Cabinet on 14 <sup>th</sup> January 2014.

## APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2013	2013-14		Forecast Balance at 31 March 2014	Notes
		Movements in 2013-14	Balance at 28 Feb 14		
	£000s	£000s	£000s	£000s	
<b>General Reserves</b>					
- County Fund Balance	5,365	3,938	9,302	12,469	Includes £3m from Guided Busway contractor as a refund towards revenue costs incurred.
- Services					
1 CFA	4,276	-646	3,630	4,124	Includes Service Forecast Outturn (FO) position.
2 ETE	2,199	-259	1,940	1,268	Includes Service FO position.
3 CS	1,628	-938	690	1,323	Includes Service FO position.
4 LGSS Managed	8	-8	0	0	Any FO will be transferred to the County Fund Account.
5 LGSS Operational	1,905	-997	908	953	Includes Service FO position.
subtotal	15,381	1,089	16,470	20,137	
<b>Earmarked</b>					
- Specific Reserves					
6 Insurance	5,085	0	5,085	5,085	
7 Invest to Transform – Corporate	183	-183	0	0	
8 Invest to Transform – Services	675	-675	0	0	
9 Connecting Cambridgeshire	3,585	-100	3,485	3,485	
10 Contingency Reserve	1,000	-1,000	0	0	
subtotal	10,528	-1,958	8,570	8,570	
<b>Trading Units</b>					
11 LGSS Managed	70	-70	0	0	
subtotal	70	-70	0	0	
<b>Equipment Reserves</b>					
12 CFA	330	110	440	592	
13 ETE	245	98	343	152	
14 CS	132	-106	25	50	
15 LGSS Managed	451	0	451	347	
16 LGSS Operational	85	0	85	85	
subtotal	1,243	102	1,344	1,227	
<b>Other Earmarked Funds</b>					
17 CFA	2,469	-163	2,306	2,022	
18 ETE	15,839	-241	15,597	7,659	Includes liquidated damages in respect of the Guided Busway.
19 CS	1,204	-880	323	323	
20 LGSS Operational	1	-1	0	0	
subtotal	19,512	-1,286	18,227	10,005	
<b>Self-Managed Institutions (SMIs) (Local Management of Schools (LMS) etc)</b>					
21 DSG carry-forward	22,628	0	22,628	14,728	Includes balances held for Pools and Contingency Fund and Schools accumulated balances. Adjusted for estimated Academy conversions and anticipated reductions in balances held by maintained schools.
subtotal	22,628	0	22,628	14,728	



<b>SUB TOTAL</b>	<b>69,362</b>	<b>-2,123</b>	<b>67,239</b>	<b>54,667</b>	
<b>Capital Reserves</b>					
<b>- Services</b>					
22 CFA	8,356	20,125	28,491	3,014	
23 ETE	2,842	26,680	29,522	5,000	
24 LGSS Managed	381	4,922	5,303	485	
25 LGSS Operational	0	0	0	0	
26 Corporate	27,911	7,983	35,894	21,338	Section 106 balances.
subtotal	39,490	59,720	99,210	29,837	
<b>- Schools</b>					
27 Devolved Formula Capital	2,258	1,183	3,441	0	
subtotal	2,258	1,183	3,441	0	
<b>GRAND TOTAL</b>	<b>111,110</b>	<b>58,781</b>	<b>169,890</b>	<b>84,504</b>	

**Note 1:** CFA balances as at 31 March 2013 are a combination of CYPS' and ASC's 12/13 closing balances.

**Note 2:** CS' 12/13 closing balances have been split between CS, LGSS Managed and LGSS Operational as at 31 March 2013.

**Note 3:** Balances as at 31 March 2013 have been updated to reflect the audited 2012/13 Statement of Accounts position.

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 2013	2013-14		Forecast Balance at 31 March 2014	Notes
		Movements in 2013-14	Balance at 28 Feb 14		
	£000s	£000s	£000s	£000s	
<b><u>Short Term Provisions</u></b>					
1 LGSS Managed	5,397	-3,394	2,003	1,603	
2 LGSS Operational	250	-250	0	0	
subtotal	5,647	-3,644	2,003	1,603	
<b><u>Long Term Provisions</u></b>					
3 LGSS Managed	4,721	0	4,721	4,721	
subtotal	4,721	0	4,721	4,721	
<b>GRAND TOTAL</b>	<b>10,368</b>	<b>-3,644</b>	<b>6,723</b>	<b>6,323</b>	