Agenda Item No.4

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING31STJULY2015

To:	**General Purposes Committee**
Date:	**15th September 2015**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2015/038** *Key decision:* **Yes**
Purpose:	**To present financial and performance information to assess progress in delivering the Council's Business Plan.**
Recommendations:	**That General Purposes Committee is recommended to:**

a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.

b) Approve the use of the further £1.0m capital carry forward funding in 2015/16 (section 6.5).

c) Approve the increase of £3.578m to the Prudential Borrowing requirement in 2015/16 (section 6.5).

d) Approve the -£17.5m rephasing of Economy, Transport and Environment's (ETE's) Department forTransport (DfT) Grant requirement in 2015/16 regarding City Deal (section 6.5).

e) Approve that the Independent Living Fund (ILF) grant of £1,037,438 is allocated in full to Children, Families and Adults (CFA) in 2015/16 (section 7.1).

f) Approve that the additional Deprivation of Liberty Safeguards (DoLS) funding of £247,899 received in 2015/16 is transferred to the General Fund at year end, to replenish the County's resources used in the first instance to fund this activity (section 7.1).

g) Approve the updated corporate performance scorecard for 2015/16(section 5.1).

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1. PURPOSE

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

2. OVERVIEW

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

Area	**Measure**	**Forecast Year End Position (Jun)**	**Forecast Year End Position (Jul)**	**Current Status**	**DoT** (up is improving)
Revenue Budget	Variance (£m)	+£4.5m	+£2.8m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	50% (7 of 14)	47% (9 of 19)[1]	Amber	↓
Capital Programme	Variance (£m)	+£0.8m	-£19.3m	Amber	↓
Balance Sheet Health	Net borrowing activity (£m)	£436m	£434m	Green	↑

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

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year end overspend of £2.8m (0.8%), which is adecrease in the reported overspend of £1.7m since last month. The majority of the reported overspend relates to pressures within CFA and the decrease this month relatesmainly to a £1.0m decrease in CFA's reported pressure and a £0.5m increase in the forecast underspend on debt charges.See section 3 for details.

- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2015/16. Some of the measures within this new set are still being developed and should be available in the coming months. There are 22 indicators in the Council's new basket, with data currently being available for 19 of these. Of these 19 indicators, 9 are on target.See section 5 for details.

- The Capital Programme is showing a forecast year end underspend of £19.3m (9.2%). The majority of the in-year underspend relates to ETE's capital programme.This does not represent a total scheme underspend. Seesection 6 for details.

- Balance Sheet Health; The original forecast net borrowing position for 31st March 2016, as set out in the Treasury Management Strategy Statement (TMSS) is £453m. This projection has now fallen to £434m, down by £2m month on month. This is largely as a result of changes in the net expenditure profile of the capital programme and changes in expected cash flows since the Business Plan was produced in February 2015. See section 7 for details.

3. REVENUE BUDGET

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

Key to abbreviations

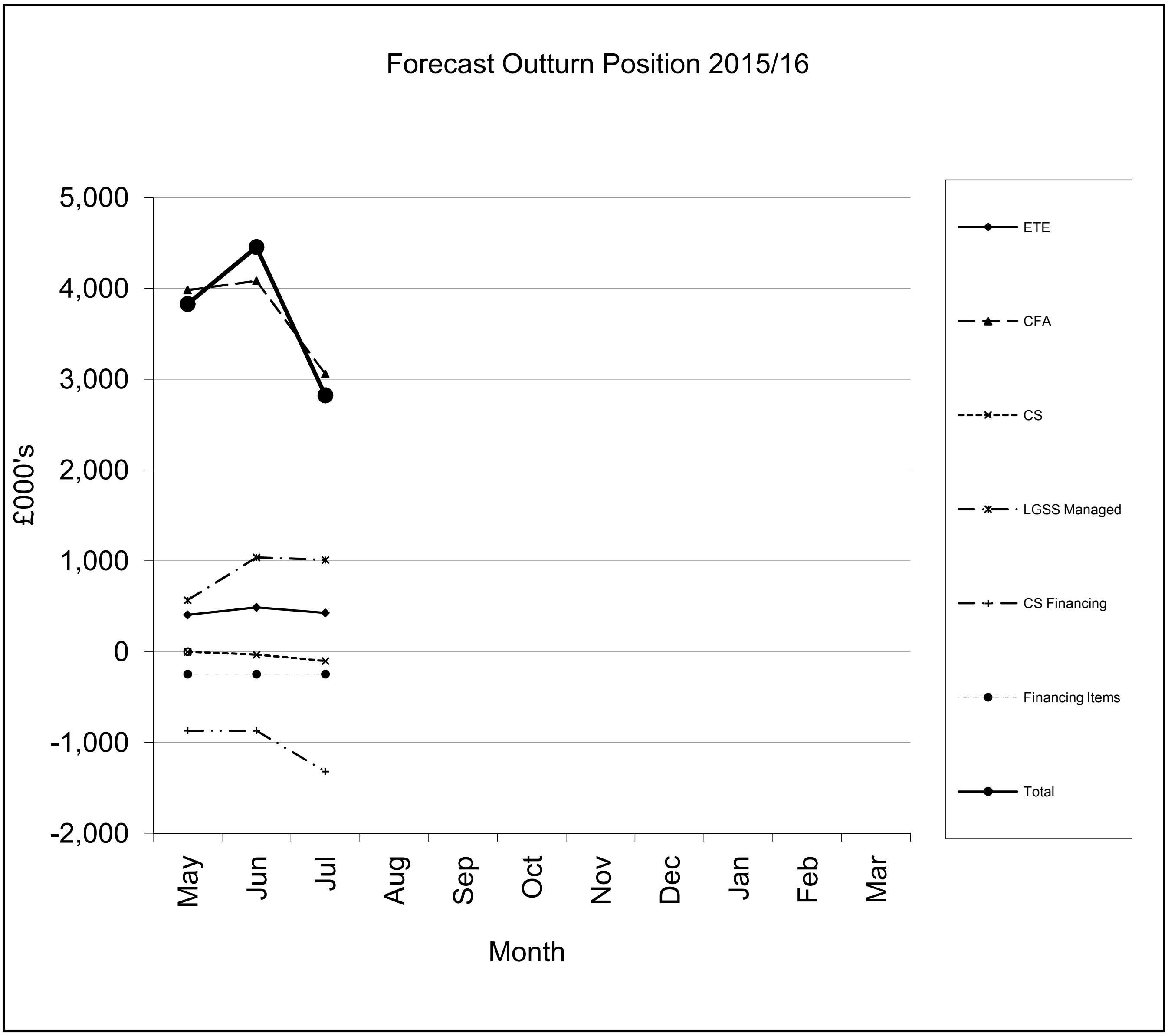
ETE –Economy, Transport and Environment
CFA – Children, Families and Adults
CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP [1] £000	Service	Current Budget for 2015/16 £000	Forecast Variance - Outturn (Jun) £000	Forecast Variance - Outturn (Jul) £000	Forecast Variance - Outturn (Jul) %	Current Status	DoT
63,308	ETE [2]	62,691	486	427	0.7%	Amber	↑
244,270	CFA	244,050	4,082	3,056	1.3%	Amber	↑
0	Public Health	0	0	0	0.0%	Green	↔
5,672	Corporate Services	6,166	-34	-105	-1.7%	Green	↑
9,145	LGSS Managed	10,271	1,039	1,011	9.8%	Red	↑
35,460	CS Financing	35,460	-870	-1,320	-3.7%	Green	↑
357,855	**Service Net Spending**	**358,638**	**4,703**	**3,068**	**0.9%**	**Amber**	**↑**
2,165	Financing Items	1,389	-248	-248	-17.8%	Green	↔
360,020	**Net Spending**	**360,027[3]**	**4,455**	**2,820**	**0.8%**	**Amber**	**↑**
	Memorandum Items:						
9,864	LGSS Operational	9,856	18	-20	-0.2%	Green	↑
369,884	**Total Net Spending 2015/16**	**369,884**					

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

[2] ETE includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under/overspends exist. Excluding these the underlying forecast outturn position for ETE is a £245k overspend.

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:**£0.427m (0.7%) overspend is forecast at year end.

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

3.2.2 **Children, Families and Adults:** £3.056m (1.3%) overspend is forecast at year end.

	£m	%
• **Adult Social Care (ASC) Directorate** – this directorate is reporting a forecast underspend of £8k, which is a change of £677k from last month's overspend. This change is mainly due to:		
- **Strategic Management** – a £2.1m underspend is forecast,	-2.092	(-55%)

which is an increase of £0.5m from last month.

Care Act funding reforms scheduled for April 2016 have been delayed until 2020. Assessment of people funding their own care and the technical preparations for recording their care spending will now not need to take place this financial year. This has led to a favourable change of £873k in the ASC Strategic Management forecast.

The intention to charge an additional £400k of equipment expenditure to the capital budget was first reported last month. In this report, this has been allocated to the equipment budget leading to a favourable change for the Older People & Mental Health directorate and a corresponding change for Adult Social Care, where this was initially shown.

As previously reported:

Underspends have been identified through the careful allocation of funding available to support the new requirements of the Care Act. Examples include the timing of recruitment for staff to undertake assessments for self-funders from October 2015, so that the assessments are current enough to inform the cost of meeting the identified needs recorded in the Care Account and investment for self-service IT systems linked to the procurement of a new adult IT system that will not come into place until after April 2016. In addition there has been a delay in being able to secure appropriate staff to manage the increased demand for processing Mental Capacity Act (MCA) / Deprivation of Liberty Safeguards (DOLS) cases, so there is an anticipated underspend.

+2.621 (5%)

- **Learning Disability Services** – a £2.6m overspend is forecast, which is a decrease of £0.3m from last month.This is due to the overspend forecast for the Learning Disability Partnership improving slightly (£288k) after review of estimates for likely expenditure on services delivered through the NHS.Additionally the forecasted level of direct payment allocations expected to be unused has increased; this occurs when a service user not does spend their full personal budget when this is paid directly.

  As previously reported:

  This overspend is due to increased clients' needs recognised in the South Cambs locality; cost increases as a result of reviewing expenditure and improving the accuracy of the commitment record within each locality; reviewing headquarters costs and fully implementing revised financing arrangements for in-house services; the achievement in savings possible in the remainder of the year with a further month having now elapsed has reduced; all are offset slightly with reductions in homecare packages in Fenland.

- **Physical Disabilities** – a forecast underspend of £478k is being reported, which is a decrease of £102k from last month.This is due to an increase in the number of residential clients in the last month. -0.478 (-4%)

  As previously reported:

  Physical Disability and Sensory Services continue to forecast an overall underspend for 2015/16, this is the target outcome in view of the underspend which developed through 2014/15.

- **Older People & Adult Mental Health Directorate** – this directorate is reporting a forecast underspend of £0.7m, which is an increase of £286k from last month.This increase is mainly due to:

  - **Integrated Community Equipment Service** – a forecast underspend of £476k is reported; this largely arises from the intention to charge an additional £400k of equipment spend to the capital budget. This was reported for the first time last month against ASC Strategic Management, but is now correctly reflected against the budget where expenditure is incurred. -0.476 (-59%)

- 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 exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in appendix 2

3.2.4 **Corporate Services:** £0.105m (-1.7%) underspend is forecast at year end.

- There are no exceptions to report this month.

3.2.5 **LGSS Managed:**£1.011m (9.8%) overspend is forecast at year end.

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

3.2.6 **CS Financing:**£1.320m (-3.7%) underspend is forecast at year end.

	£m	%
Debt Charges – this is reporting a forecast underspend of £1.3m,	-1.320	(4%)

which is an increase of £450k from last month. This increase is mainly due to favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following year-end, however there may be some additional small movement once the charge has been finalised.

As previously reported:
A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years, so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally.

3.2.7 **Financing Items:**£0.248m (-17.8%) underspend is forecast at year end.

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

3.2.8 **LGSS Operational:**£0.020m (-0.2%) underspendis forecast at year end.

- There are no exceptions to report this month.

Note:*exceptionsrelate to Forecast Outturnsthat are considered to be in excess of +/- £250k.*

3.3 Actions to address 2015/16 forecast overspends can be found in Appendix 7.

4. KEY ACTIVITY DATA

4.1 The Actual Weekly Costs for all clients shown below are calculated based on all clients who have received a service, are receiving a service, or we plan will receive a service. Some clients will have ceased receiving a service in previous months, or during this month, or we will have assumed an end date in the future.

4.2 Looked After Children (LAC): July 2015

	BUDGET				ACTUAL (July)				VARIANCE		
Service Type	*No of placements Budgeted*	*Annual Budget*	*No. of weeks funded*	*Average weekly cost*	*Snapshot of No. of placements July 15*	*Yearly Average*	*Projected Spend*	*Average weekly cost*	*Yearly Average to budgeted no. of placements*	*Net Variance to Budget*	*Average weekly cost*
Residential - disability	2	£381k	52	3,663.30	3	2.52	£241k	2,152.13	0.52	-£140k	-1,511.17
Residential schools	8	£828k	52	1,990.93	9	8.71	£880k	1,934.64	0.71	£52k	-56.29
Residential homes	16	£2,342k	52	2,814.92	28	28.12	£4,125k	2,857.65	12.12	£1,783k	42.73
Independent Fostering	261	£9,813k	52	723.03	257	249.94	£9,948k	771.79	-11.06	£135k	48.76
Supported Accommodation	15	£1,170k	52	1,500.00	21	16.54	£878k	985.74	1.54	-£292k	-514.26
16+	9	£203k	52	433.58	7	8.08	£253k	450.73	-0.92	£50k	17.15
Growth/Replacement	-	£k	-	-	-	-	£630k	-	-	£630k	-
Savings requirement	-	£k	-	-	-	-	-£2,218k	-	-	-£2,218k	-
TOTAL	311	£14,737k			325	313.91	£14,737k		2.91	£0k	
In-house fostering	140	£3,472k	55	185.55	117	126.27	£3,363k	176.07	-13.73	-£108k	-9.48
Kinship	26	£733k	55	185.55	34	28.67	£752k	195.68	2.67	£18k	10.13
In-house residential	16	£1,588k	52	1,908.52	15	13.66	£1,588k	2,035.75	-2.34	£k	127.23
Concurrent Adoption	3	£50k	52	350.00	6	7.73	£140k	350.00	4.73	£90k	0.00
TOTAL	185	£5,843k			172	176.33	£5,843k		-8.67	£0k	
Adoption	289	£2,442k	52	162.50	335	326.21	£2,967k	167.70	37.21	£525k	5.19
TOTAL	289	£2,442k			335	326.21	£2,967k		37.21	£525k	
OVERALL TOTAL	785	£23,022k			832	816.45	£23,547k		31.45	£525k	

In the following key activity data for Adults and Older People's Services, the information given in each column is as follows:

- Budgeted number of clients: this is the number of full-time equivalent (52 weeks) service users anticipated at budget setting, given budget available
- Budgeted average unit cost: this is the planned unit cost per service user per week, given budget available
- Actual service users and cost: these figures are derived from a snapshot of the commitment record on a set date and reflect current numbers of service users and current average cost

4.3 Adult Social Care (ASC): July2015

		BUDGET			ACTUAL (July)			VARIANCE
Service Type		*Budgeted No. of Clients 2015/16*	*Budgeted Average Unit Cost (per week)*	*Annual Budget*	*Snapshot of No. of Clients at End of July 15*	*Current Average Unit Cost (per week)*	*Projected Spend*	*Net Variance to Budget*
Physical Disability Services	Residential	40	£969	£2,015k	41	£1,132	£2,426k	£411k
	Nursing	23	£926	£1,107k	22	£984	£1,132k	£25k
	Community	835	£236	£10,251k	827	£235	£10,144k	-£107k
Physical Disability Services Total		**898**		**£13,373k**	**890**		**£13,702k**	**£328k**
Income variance								**-£526k**
Further savings assumed within forecast								**-£202k**
Learning Disability Services	Residential	294	£1,253	£19,161k	300	£1,352	£21,148k	£1,986k
	Nursing	17	£1,437	£1,270k	18	£1,434	£1,345k	£75k
	Community	1,272	£543	£35,907k	1,234	£589	£37,900k	£1,993k
Learning Disability Service Total		**1,583**		**£56,338k**	**1,552**		**£60,393k**	**£4,055k**
Further savings assumed within forecast								**-£487k**

The Learning Disability Partnership is in the process of loading care packages for automatic payment and commitment recording through the Council's AFM system. Until this has been fully completed, activity analysis is based on more restricted details about package volume (hours/nights) and length, than is available through AFM. In the table above, the assumption has been made that packages that are currently open last 365 days, as a proxy for full year activity, rather than full reflection of closed and part-year packages.

The forecasts presented in this report reflect the impact of savings measures to take effect later in the year. The further savings within forecast lines within these tables reflect the distance from this position based on current activity levels.

4.4 Older People (OP): July 2015

	BUDGET			ACTUAL (July)			VARIANCE		
Service Type	*Budgeted No. of clients 2015/16*	*Budgeted Average Cost (per week)*	*Annual Budget*	*Service Users*	*Current Average Cost (per week)*	*Projected spend*	*Service Users*	*Current Average Cost (per week)*	*Variance*
Residential	581	£424	£12,863k	547	£482	£13,784k	-34	£58	£920k
Residential Dementia	357	£475	£8,888k	336	£506	£8,389k	-21	£31	-£499k
Nursing	350	£576	£10,537k	318	£634	£10,508k	-32	£58	-£28k
Community based	2,163		£20,228k				170		£864k
Direct payments				344	£203	£3,980k			
Homecare arranged				1,989	£16 p/hr	£17,112k			
Total	**3,451**		**£52,516k**	**3,534**		**£53,773k**	**83**		**£1,257k**
Further savings assumed within forecast									**-£1,160k**

4.5 Adult Mental Health (OP): July 2015

		BUDGET			ACTUAL (July)			VARIANCE
Service Type		*Budgeted No. of Clients 2015/16*	*Budgeted Average Unit Cost (per week)*	*Annual Budget*	*Snapshot of No. of Clients at End of July 15*	*Current Average Unit Cost (per week)*	*Projected Spend*	*Variance*
Adult Mental Health	Community based support	67	£76	£265k	87	£91	£513k	£248k
	Home & Community support	196	£86	£886k	181	£78	£763k	-£122k
	Nursing Placement	13	£719	£461k	15	£656	£494k	£33k
	Residential Placement	71	£728	£2,704k	67	£744	£2,453k	-£250k
	Supported Accomodation	137	£81	£579k	141	£96	£703k	£124k
Adult Mental Health Total		**484**		**£4,894k**	**491**		**£4,926k**	**£32k**
Further savings assumed within forecast								**-£237k**

4.6 Older People Mental Health (OPMH): July 2015

	BUDGET			ACTUAL (July)			VARIANCE		
Service Type	*Budgeted No. of clients 2015/16*	*Budgeted Average Cost (per week)*	*Annual Budget*	*Service Users*	*Current Average Cost (per week)*	*Projected spend*	*Service Users*	*Current Average Cost (per week)*	*Variance*
Residential	14	£460	£332k	18	£491	£467k	4	£31	£134k
Residential Dementia	42	£465	£1,020k	41	£497	£1,062k	-1	£32	£43k
Nursing	30	£736	£1,173k	18	£741	£700k	-12	£5	-£473k
Nursing Dementia	161	£659	£5,518k	178	£663	£5,992k	17	£5	£474k
Community based:	83	£280	£840k				20		£35k
Direct payments				18	£253	£243k			
Homecare arranged				85	£16 p/hr	£632k			
Total	**330**		**£8,883k**	**358**		**£9,096k**	**29**		**£213k**
Further savings assumed within forecast									**-£213k**

We are continuing to develop this data to encompass an increasing proportion of the service's expenditure (currently complicating month-to-month comparisons). For Older People's Services additional extra care and interim bed block contracts have been added.

Although this activity data shows current expected and actual payments made through direct payments, this in no way precludes increasing numbers of clients from converting arranged provisions into a direct payment.

5. PERFORMANCE TARGETS

5.1 In March 2015 GPC received and approved a paper which agreed a new approach to performance managing the County Council's Business Plan. The agreed approach was to split performance management and thus the performance indicators into two groups:

- The first group, largely monitored by the service committees, would contain indicators that were available regularly and importantly that measure the progress of activities / projects that 'lead' to the achievement of the County Council's long term objectives. As an example KPIs such as the *'number of people successfully quitting smoking with support from stop smoking services'* would be included.

- The second half of the performance report would feature indicators that reflect longer term success of the County Council's Business Plan and are truly strategic. These indicators would be monitored by GPC. For example against the developing the local economy objective items like jobs growth and proportion of working age population in employment would be reported.

Within performance management practice the path to identifying truly strategic measurements without falling back on things that are easier to measure such as input, project or operational process measurements is elusive.

In building the current performance indicator set for GPC officers took a judgement regarding which of the existing indicators could be described as strategic and relating to the long term aims of the current Business Plan.

The above is an interim measure in recognition that as part of the transition to the new operating model, GPC in coming months will anyway be establishing an appropriate set of strategic indicators to accompany the outcome-led business planning approach.

In the meantime, any indicators which GPC feel should be included within the strategic set will be incorporated.**This month the corporate performance scorecard has been updated to include the following indicators, which GPC is asked to approve:**

- **The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted.**
- **The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted.**
- **The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted.**
- **Number of ASC attributable bed-day delays per 100,000 population (aged 18+).**

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	31/03/15	%	80.1	77.5 (2014/15 target)	Green	↑
	Additional jobs created	ETE	High	30/09/13 *	Number	7,700	3,500 (2015/16 target)	N/A	↑
	'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others	ETE	Low	30/11/14	%	Top 10% = 11.9% Others = 5.8%	≤12	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	30/06/15	%	93.6	96.0	Amber	↓
	Percentage of 16-19 year olds not in education, employment or training (NEET)	CFA	Low	30/06/15	%	3.3	3.6	Green	↔
	The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	76.6	75	Green	↑
	The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	44	75	Red	↑
	The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted	CFA	High	30/06/15	%	86.6	75	Green	↔
Helping people live independent and healthy lives	Percentage of closed Family Worker cases demonstrating progression	CFA	High	31/05/15	%	75	80	Amber	↔

Corporate Priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber, or Red)	Direction of Travel (up is good, down is bad)
	The proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into re-ablement / rehabilitation services	CFA	High	*Awaiting completion of statutory returns*	%	*Currently measured annually*	TBC	TBC	TBC
	The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase	CFA	High	30/06/15	%	54.4	57	Amber	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	31/05/15	Number	507	406.3 per month (4,874.5 per year)	Red	↓
	Number of ASC attributable bed-day delays per 100,000 population (aged 18+)	CFA	Low	31/05/15	Number	111	94	Red	↓
	Healthy life expectancy at birth (males)	Public Health	High	2011-2013	Years	66.4	TBC *(new indicator)*	Green *(compared with England – local value to be assessed at year end)*	↑ *(compared with previous year)*
	Healthy life expectancy at birth (females)	Public Health	High	2011-2013	Years	65.5	TBC *(new indicator)*	Amber *(compared with England – local value to be assessed at year end)*	↓ *(compared with previous year)*

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)
	Inequalities in life expectancy – slope index of inequality (males)	Public Health	Low	2011-2013	Years	6.8	TBC *(new indicator)*	Amber *(compared with 2010-2012 value)*	↑
	Inequalities in life expectancy – slope index of inequality (females)	Public Health	Low	2011-2013	Years	5.0	TBC *(new indicator)*	Amber *(compared with 2010-2012 value)*	↔
Supporting and protecting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	30/06/15	Rate per 10,000	42.1	32.8 to 38.5	Red	↓
	New indicator in development – strategic indicator for ASC/OP measuring whether fewer people are slipping into crisis	CFA	TBC	TBC	TBC	TBC	TBC	TBC	TBC
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	30/06/15	%	81.5	80	Green	↓
An efficient and effective organisation	The percentage of all transformed transaction types to be completed online	CCC	High	01/04/15 to 30/06/15	%	76.8	75	Green	↑
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/07/15	Days (12 month rolling average)	6.48	7.8	Green	↔

** The data is reported annually and so the 2014 data will be available in September 2015.*

Notes:

- **Number of ASC attributable bed-day delays per 100,000 population (aged 18+)**

  Earlier this year Adults Committee requested that the performance indicator relating to Delayed Transfers of Care should reflect delayed transfers attributable to social care, as well as all of those across the health and care system. Adults Committee will receive information on two performance indictors to reflect this distinction from August 2015 onwards. It is recommended that General Purposes Committee also receives information for both of these indicators as part of the Integrated Resources and Performance Report, adding the following performance indicator to future reports to GPC: Number of Adult Social Care attributable bed-day delays per 100,000 population (aged 18+).

5.2 Key exceptions are identified below.

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

  The proportion of pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'. Only 14 out of 32 Secondary schools with Inspection results are judged as good or outstanding, covering 14,550 pupils. This is 44% of pupils against the target of 75%. (Source: Watchsted).

- **Delayed transfers of Care: Better Care Fund (BCF) Average number of bed-day delays, per 100,000 of population per month (aged 18+)**

  The Cambridgeshire health and social care system is experiencing a monthly average of 2,608 bed-day delays, which is 25% above the current BCF target of 2,088. In April there were 2,622 bed-day delays, up 29 from the previous month, 534 above the monthly target.

  Between June '14 and May '15 there were 34,597 bed day delays across the whole of the Cambridgeshire system - representing a 36% increase against the preceding 12 months. This situation is well documented in the media with several of our local hospital trusts having to close their A & E departments due to insufficient capacity. Many of the patients are elderly who on average have longer lengths of stay in hospital, which in turns impacts on the hospitals ability to ensure sufficient throughput. Daily conference calls are held between CCC and the hospitals to identify patients who can be discharged safely and quickly.

  Across this period NHS bed-day delays have increased by 70% from 14,596 (June'13 - May '14) to 24,812 (June'14 - May '15), while bed-day delays attributed to Adult Social Care have decreased from 10,051 (June'13 - May '14) to 7,733 (June'14 - May '15) an improvement of 23%.

- **Delayed transfers of Care: Average number of ASC attributable bed-day delays per 100,000 population per month (aged 18+)**

  This indicator deals specifically with bed-day delays attributable to adult social care (either fully or jointly), and is a subset of the overall system indicator above. Between April - May '15 there were 1,146 bed-day delays recorded attributable to ASC in Cambridgeshire. This translates into a rate of 111 delays per 100,000 of 18+ population, above the target of 94. For the same period the national rate was 95.3 delays per 100,000.

  The numbers have increased due to a number of factors, one of which is the increased number ofadmissions within the Acute Trusts particularly for the over 85s who tend to require longer more complex care on discharge. In addition, there have been some challenges around the availability of domiciliary care provision particularly in hard to reach areas of the county. In addressing these issues, we are in regular contact with providers and are actively working with them to increase their staffing capacity.

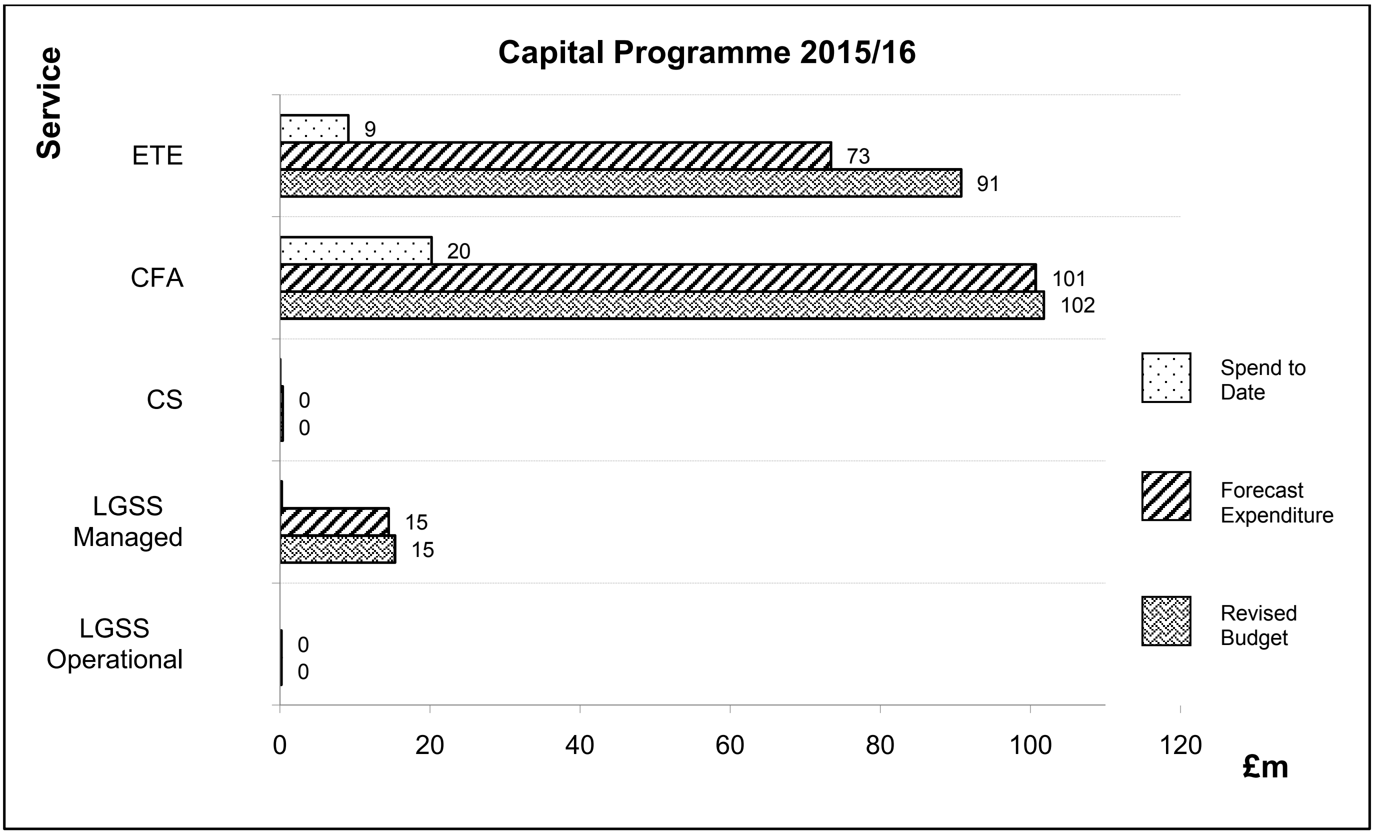
- **Number of Looked After Children (LAC) per 10,000 population under 18**

  The number of LAC has increased during June to 554. The current target has been set with an upper limit equating to 500 LAC by April 2016. The newly established Alternative to Care Service alongside robust care planning and delivery of good exit plans from care will be needed to meet this ambitious target by the end of this year. Additional work is also ongoing to analyse the recent increase in numbers to see if there are opportunities to prevent further increases.

6. CAPITAL PROGRAMME

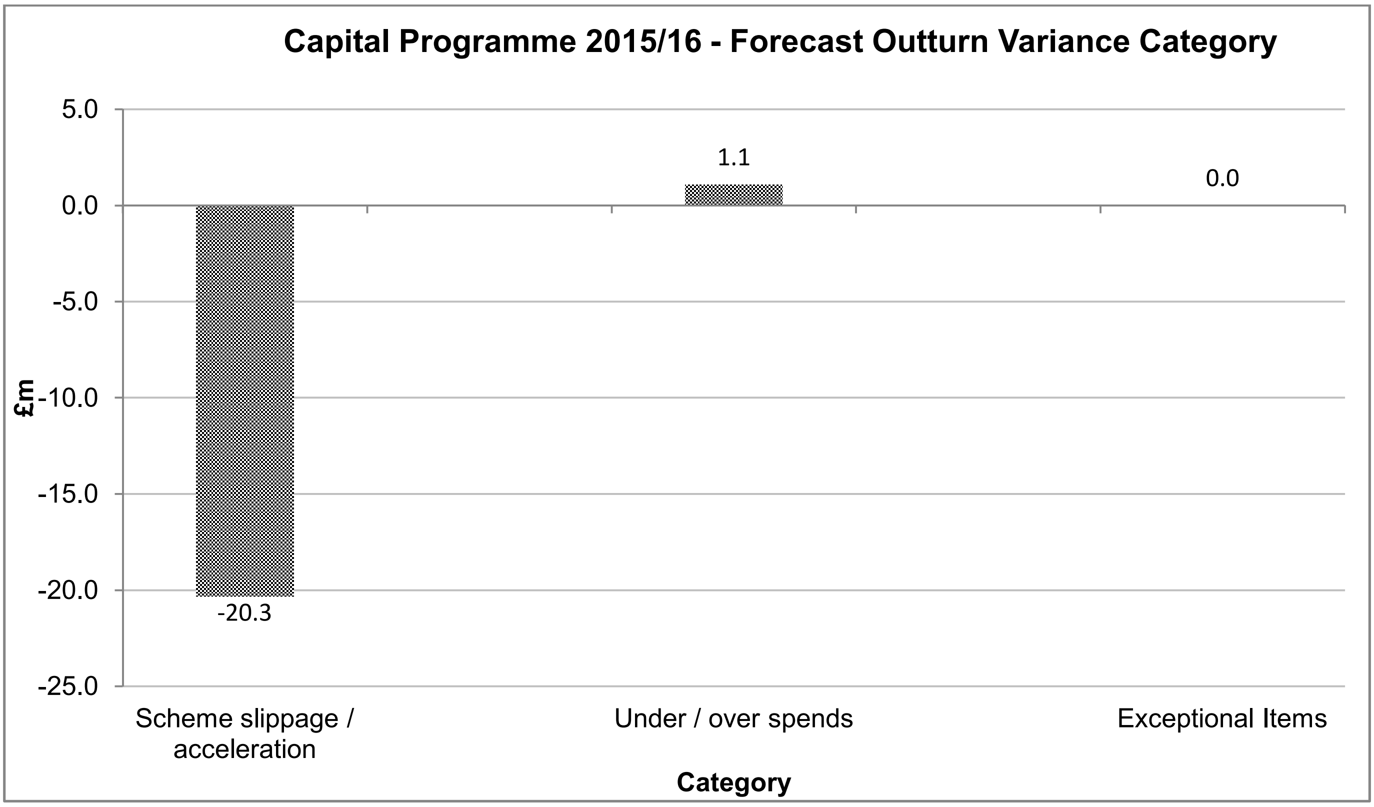
6.1 A summary of capital financial performance by service is shown below:

2015/16						TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	**Service**	**Revised Budget for 2015/16 £000**	**Forecast Variance - Outturn (Jun) £000**	**Forecast Variance - Outturn (Jul) £000**	**Forecast Variance - Outturn (Jul) %**	**Total Scheme Revised Budget (Jul) £000**	**Total Scheme Forecast Variance (Jul) £000**
102,192	ETE	90,781	-880	-17,336	-19.1%	516,253	0
104,854	CFA	101,804	1,681	-1,099	-1.1%	568,938	7,566
300	Corporate Services	386	0	0	0.0%	640	0
11,385	LGSS Managed	15,331	0	-830	-5.4%	81,452	-4,827
-	LGSS Operational	209	0	0	0.0%	600	0
218,731	**Total Spending**	**208,511**	**801**	**-19,265**	**-9.2%**	**1,167,883**	**2,739**



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

The following graph provides an indication of the cause for the 2015/16 capital forecast outturn variance:



Note: The 'Exceptional Items' category could include, for example, post Business Plan (BP) amendments.

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:**£17.3m (-19.1%) underspend is forecast at year end.

	£m	%
• **Delivering the Transport Strategy Aims** – a number of cycling schemes funded by S106 developer contributions will slip into 2016/17 partly due to resources being required for City Deal schemes. Delayed schemes include Bar Hill to Longstanton, Yaxley to Farcet and the link to Babraham research campus. Two cycling schemes, St Neots route 4 and St Neots route 7 are likely to be underspent overall however we are still waiting for a land deal to concludebefore this can be reported.	-1.7	(-36%)
• **Cycling Schemes** – a number of schemes funded by Cycle City Ambition grant or S106 developer contributions will slip into 2016/17 partly due to resources being required for City Deal schemes as well as delays in being able to progress land deals. Officers are investigating securing additional resources to bring these back on programme.Delayed schemes include Trumpington Road from the first phase of the Cycle City Ambition grant funding and Chesterton to Abbey Bridge, Quy to Lode and two schemes for A10 Harston from the second phase of funding. The delayed S106 developer funded schemes are all within the Cambridge City boundary.	-3.0	(-51%)
• **Huntingdon – West of Town Centre link road** – spend is expected to be lower than budgeted this year due to outstanding land deals. Until these land deals are completed it is too early to know if the overall scheme will be underspent.	-2.1	(-63%)
• **Ely crossing** – the majority of expenditure is now likely to take place next financial year due to delays in the programme as a result of a procurement regulation change and limited consultancy resources. This has resulted in greater contract preparation time than originally anticipated.	-6.9	(-70%)
• **Guided Busway** – The variance on this scheme relates to retention payments which are unlikely to be paid this year.	-0.7	(-20%)
• **King's Dyke** – Spend on this scheme has been delayed due to the planning application taking longer than expected.	-2.0	(-39%)

- Previously reported exceptions that are still applicable can be found in appendix 3

6.2.2 **Children, Families and Adults:**£1.1m (-1.1%) underspend is forecast at year end.

	£m	%
• **Primary School – Demographic Pressures** –A number of	-0.8	(-2%)

schemes have experienced cost movements (slippage and acceleration) since the Business Plan was approved.

Schemes which have been accelerated due to programme schedules being ahead of anticipated plans are:

- Little Paxton (£29k); and
- Grove Primary (£100k)

Schemes that have encountered slippage in 2015/16 include:

- Fordham (£201k) where original phasing is not being achieved as a result of the decision to undertake a review of possible alternative options to meet on-catchment need; start on site now anticipated March 2016;
- Fulbourn (£102k) due to overall scheme revision which will see phase 2 works identified as a separate scheme in the 2016/17 Business Plan;
- Orchard Park (£365k) due to anticipated timescales not being achieved, it is expected only design costs will be incurred in 2015/16; and
- Fourfields (£200k) where slippage from original programme has occurred and the start on site is now anticipated in February 2016.

Additionally there is a small adjustment to the expected cost for Hardwick Second Campus (£18k) following receipt of a more accurate costing.

• **Children Support Services** – Significant slippage (£2,323k) has occurred on the Trinity School schemedue to delays in securing the acquisition of the property. As a result, the start on site date has now slipped to October 2015.	-2.3	(-50%)

- Previously reported exceptions that are still applicable can be found in appendix 3

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

- There are no exceptions to report this month.

6.2.4 **LGSS Managed:**£0.8m (-5.4%) underspend is forecast at year end.

	£m	%
• **The EPAM** – County Farms Viability is forecasting an in-year underspend of £0.5m.The level of funding required for County Farms Viability has been reassessed for Business Planning and it has been determined that it can be reduced by £0.5m per year to better reflect actual activity with tenant farmers more cautious due to the unsettled global market. This will also result in a total scheme underspend and the scheme budget will be adjusted as part of the 2016/17 Business Planning process.	-0.5	(-42%)

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

- There are no exceptions to report this month.

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

Economy, Transport and Environment (ETE): a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

Children, Families and Adults (CFA): £7.6m (1%) total scheme overspend is forecast.

	£m	%
• **Primary School – Demographic Pressures** – Fulbourn is forecasting a total scheme underspend of £896k due to overall scheme revision which will see phase 2 works identified as a separate scheme in the 2016/17 Business Plan.	-0.9	(-51%)

- Previously reported exceptions that are still applicable can be found in appendix 4

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

- There are no exceptions to report this month.

LGSS Managed: £4.8m (-5.9%) total scheme underspend is forecast.

	£m	%
• **The EPAM** – as reported above, the level of funding required for County Farms Viability has been reassessed for Business Planning. This will result in a total scheme underspend of £2.4m and the scheme budget will be adjusted as part of the 2016/17 Business Planning process.	-2.4	(-48%)

- Previously reported exceptions that are still applicable can be found in appendix 4

LGSS Operational: a total scheme balanced budget is forecast.

- There are no exceptions to report this month.

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

Funding Source	**B'ness Plan Budget £m**	**Rolled Forward Funding [1] £m**	**Revised Phasing £m**	**Additional/ Reduction in Funding £m**	**Revised Budget £m**	**Outturn Funding £m**	**Funding Variance £m**
Department for Transport (DfT) Grant	38.2	-13.2	0.0	1.5	**26.5**	25.6	-1.0
Basic Need Grant	4.9	1.5	0.0	0.0	**6.4**	6.4	0.0
Capital Maintenance Grant	6.3	0.0	0.0	-1.2	**5.1**	5.1	0.0
Devolved Formula Capital	1.1	1.1	0.0	0.0	**2.2**	2.2	0.0
Specific Grants	11.5	6.1	0.0	1.0	**18.6**	14.5	-4.1
Section 106 Contributions& Community Infrastructure Levy (CIL)	35.8	-0.4	-5.8	0.0	**29.6**	25.1	-4.5
Capital Receipts	4.5	0.0	0.0	0.0	**4.5**	4.3	-0.2
Other Contributions	29.6	0.7	0.0	-19.9	**10.4**	5.7	-4.8
Prudential Borrowing	86.8	19.5	-7.1	5.9	**105.1**	100.4	-4.8
Total	**218.7**	**15.3**	**-12.9**	**-12.7**	**208.5**	**189.2**	**-19.3**

[1]Reflects the difference between the anticipated 2014/15 year end position, as incorporated within the 2015/16 Business Plan, and the actual 2014/15 year end position.

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	ETE	1.0	*As set out in June's report:* As reported last month, following a review of the capital programme over and underspends at the end of 2014/15, it has been noted that many of these are a result of changes to the timing of expenditure, rather than scheme over or underspends. As such, this funding is still required in 2015/16 to complete projects. A further £1.0m funding has since been identified from last month in relation to Waste and Library schemes within ETE, which is to be carried forward. This all relates to prudential borrowing, however, as this is a timing issue there is no significant impact on the Debt Charges budget as a result. **General Purposes Committee (GPC) is asked to approve the use of this further £1.0m carry forward funding in 2015/16.**
Revised Phasing (Section 106 & CIL)	ETE	-3.6	The expected timescales for receiving S106 contributions with respect to the Guided Busway have recently been reviewed and as such the amount to be received this year is £3.578m lower than originally budgeted. Therefore, additional Prudential Borrowing will be required to offset the shortfall in funding for 2015/16 (see below). This revised phasing is currently being incorporated into the Business Plan for 2016/17.
Revised Phasing(Prudential Borrowing)	ETE	+3.6	An additional £3.578m Prudential Borrowing is required to offset the shortfall in funding from S106 contributions RE: the Guided Busway (see above) for 2015/16. This reflects a change to timing of receipt rather than an overall reduction in funding. **GPC is asked to approve the increase of £3.578m to the Prudential Borrowing requirement in 2015/16.**

Revised Phasing (DfT Grant)	ETE	-17.5	Although the Council has already received £20m worth of grant funding for the City Deal, the nature of the schemes will mean that the majority of the expenditure will take place in the latter years of the initial five year period. The budget for 2015/16 has therefore been adjusted to match the likely profile of spend and will be revised for later years as part of the Business Planning process. **GPC is asked to approve the -£17.5m rephasing of ETE's DfT Grant requirement in 2015/16.**

6.6 Previously reported key funding changes that are still applicable can be found in appendix 5.

7. GRANT ALLOCATIONS 2015/16

7.1 Where there has been a material change in 2015/16's grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require SMT discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee (GPC) for approval.

Independent Living Fund (ILF) Grant

On 6 March 2014, the government announced it would close the ILF on 30 June 2015. From 1 July 2015 responsibility for supporting ILF users in England passed to local authorities. As a result of this transfer of responsibility, local authorities have been allocated funding to cover ILF payments for the remainder of the financial year. Cambridgeshire County Council's allocation for 2015/16 is £1,037,438.

This funding has not been budgeted for and therefore the General Purposes Committee is asked to approve that the ILF grant of £1,037,438 is allocated in full to CFA in 2015/16.

Deprivation of Liberty Safeguards (DoLS)

On the 27 March 2015, the Minister for Care and Support announced an additional £25m would be made available to local authorities for the Deprivation of Liberty Safeguards (DoLS). This is a un-ringfenced grant that has not been budgeted for, with £247,899 being allocated to Cambridgeshire County Council in 2015/16.

The activities that this funding is to be deployed for were funded within CFA's 2015/16 base budget via the Business Planning process - at the time of preparing the Business Plan the Council did not know how much grant would be received in relation to DoLS.

It is therefore recommended that the additional DoLS funding of £247,899 received in 2015/16 is transferred to the General Fund at year end, to replenish the County's

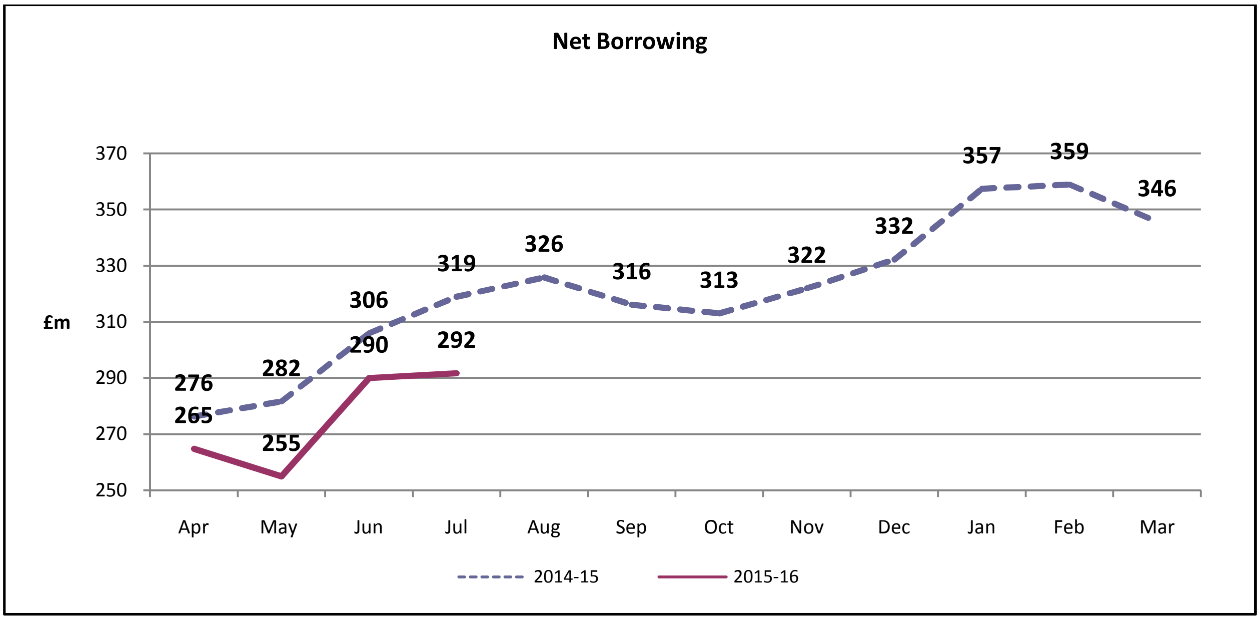
resources used in the first instance to fund this activity, which the General Purposes Committee is asked to approve.

8. BALANCE SHEET

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

Measure	**Year End Target**	**Actual as at the end of July**
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.7m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.5m
Invoices paid by due date (or sooner)	97.5%	99.8%

8.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of July were £90.5 and gross borrowing was £381.1m.



8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2015-16 TMSS was set in February 2015, it was anticipated that net borrowing would reach £453m at the end of this financial year. This has now fallen to £434m. Net borrowing at the beginning of this year was lower than expected and the position at the 31st March 2015 was £346m.

8.4 From a strategic perspective, the Council is currently reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved.

8.5 Although there is link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including, interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

8.6 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 flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.

8.7 Key exceptions are identified below:

Key exceptions	**Impacts and actions**
Less borrowing activity than planned –original net borrowing forecast was £453m. Actual net borrowing at 31st July was £292m.	An underspend of £1.320m is forecast for Debt Charges. This is largely as a result of favourable variances for MRP (Minimum Revenue Provision) and Interest Payable. The initial estimate for MRP has been revised down following completion of the 2014-15 financial year, however there may be some additional small movement once the charge has been finalised. A favourable variance for Interest payable has been included on the assumption that the Council will experience significant slippage in the capital programme, as it has done in past years so that borrowing is deferred until next year. There is also a small positive variance for interest that is recharged internally. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and pragmatic approach to borrowing is adopted.

8.8 A schedule of the Council's reserves and provisions can be found in appendix 6.

9. EXTERNAL AND CONTEXTUAL ISSUES

9.1 HM Treasury (HMT) this month published a document setting out its approach to the spending review:'A country that lives within its means: Spending Review 2015'. The document sets out the parameters of the review, the outcome of which will be published on 25 November 2015.

The main headlines for local government are as follows:

- As part of the Spending Review, the government will look at transforming the approach to local government financingand further decentralising power.

- Non-protected government departments have been asked to model 25% and 40% real terms decreases in their resource (revenue) budgets over the four year period covered by the spending review (2016-17, 2017-18, 2018-19 and 2019-20). According to HMT, this is the same approach as was taken in Spending Review 2010.

- Spending for the NHS and defence, will be increased as outlined in the Budget. The Government will continue to spend 0.7% of Gross National Income on international aid and development. Schools funding, including the pupil premium, will be protected on a per-pupil basis.

10. FURTHER INFORMATION

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

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

11. ALIGNMENT WITH CORPORATE PRIORITIES

11.1 **Developing the local economy for the benefit of all**

There are no significant implications for this priority.

11.2 **Helping people live healthy and independent lives**

There are no significant implications for this priority.

11.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

12. SIGNIFICANT IMPLICATIONS

12.1 **Resource Implications**

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

12.2 **Statutory, Risk and Legal Implications**

There are no significant implications within this category.

12.3 **Equality and Diversity Implications**

There are no significant implications within this category.

12.4 **Engagement and Consultation Implications**

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

12.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

12.6 **Public Health Implications**

There are no significant implications within this category.

Source Documents	**Location**
ETE Finance & Performance Report (July 15) CFA Finance & Performance Report (July 15) PH Finance & Performance Report (July 15) CS and LGSS Cambridge Office Finance & Performance Report (July 15) Performance Management Report & Corporate Scorecard (July 15) Capital Monitoring Report (July 15) Report on Debt Outstanding (July 15) Payment Performance Report (July 15)	1st Floor, Octagon, Shire Hall, Cambridge

APPENDIX 1 – transfers between Services throughout the year(only virements of £1k and above (total value) are shown below)

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening Cash Limits as per Business Plan	244,270	0	63,308	35,460	5,672	9,145	9,864	2,165
Green Spaces budget from CS to ETE			11		-11			
Scrutiny Members Training budget to Members Allowances 15/16						15	-15	
City Deal budget from ETE to LGSS Managed			-717			717		
ETE Operational Savings – LEP subscription			50					-50
Green Spaces staff budget from CS to ETE			43		-43			
Travellers Support budget from CS to ETE			51		-51			
Allocation of Supporting Disadvantaged Children in Early Years Grant and SEND Preparation for Employment Grant to CFA	63							-63
Microsoft Support Extension - Windows 2003						33		-33
Reablement to LGSS Operational	-34						34	
Mobile Phone Centralisation	-286		-55		-3	372	-28	
Reversal of Mobile Phone Centralisation for pooled budgets in 2015/16	17					-17		
CS Operational Savings – various					602			-602
Property budget for 9 Fern Court from CFA to LGSS Mgd.	-7					7		
Allocation of Staying Put Implementation Grant to CFA (Qtr 1)	27							-27
Current budget	**244,050**	**0**	**62,691**	**35,460**	**6,166**	**10,271**	**9,856**	**1,389**
Rounding	-	-	-	-	-	*-1*	*1*	*-1*

APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	**Park & Ride** – a predicted shortfall in income in the region of £560k is expected for parking fees at the Park & Ride sites based on income levels achieved in the first four months of this year. This overspend will be partially covered by increased income from bus lane enforcement, which is expected to be in the region of £300k.	+0.260	(+154%)
CFA	**Children's Social Care Directorate:** - **Strategic Management, Children's Social Care Access and Children in Need** – a cumulative forecast overspend of £1.1m is being reported. The overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making the vacancy saving target difficult to deliver. - **Head of Social Work** – a £525k overspend is forecast due to an increase in the number of adoption / special guardianship orders. The increase in Adoption/Special Guardianship/Child Arrangement orders are however a reflection of the good practice in making permanency plans for children outside of the looked after system.	+1.100 +0.525	(+10%) (+13%)
	Older People & Adult Mental Health Directorate: - **Adult Mental Health** – a £205k underspend is forecast, of which £175k relates to care packages, particularly in the Huntingdon and Fenland area.	-0.205	(-3%)
	Strategy & Commissioning Directorate: - **Home to School Transport - Special –** a £1.2m overspend is forecast due to a residual pressure from 2014/15 and a pressure in LAC Transport resulting from the policy of trying to keep young people in the same educational setting when they are taken into care or their care placement	+1.200	(+15%)

	moves, providing stability.		
	Learning Directorate: - **Home to School Transport - Mainstream** – This is due to savings from contract re-tendering now forecast to be 20% of the original savings target and a reduction in savings achievable from safer route reviews. There is a higher than anticipated growth in demand as families move into Cambridgeshire, and within Cambridgeshire into catchment areas of schools which are full. This is resulting in increased individual transport and therefore increased unit costs.	+0.930	(+10%)
Public Health	**Public Health Grant** – the consultation for the 2015/16 in year savings is out, and closes 28 August. The Department of Health's preferred option is to reduce the allocation to all Local Authorities by a standard flat rate percentage. The effect of this option on Cambridgeshire County Council would be a reduction of £1,613k to be met through reserves and in-year savings.	-	-
CS	N/A	-	-
LGSS Managed	**County Offices** – County Offices is forecasting an overspend of £967k. As previously reported, the pressure resulting from Children's Centre business rates received to date and an assessment of the potential liability for Children's Centres where bills have not yet been received is forecast to be in the region of £616k. Of this amount, £471k is the estimated liability for prior years billing and £145k relates to the estimated annual cost for 2015/16 onwards. The position will continue to be monitored and forecast outturn updated accordingly when / if further business rates bills are received. Full-year savings have now been realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior-year savings target for a reduction of the property portfolio has therefore been fully achieved and progress is being made towards the new 2015/16 target (£400k), with a balance of £379k to be identified. In addition, there is a small pressure of £14k resulting from cancellation of prior year invoices that had been disputed and some minor budgeting corrections. These pressures have been partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations. Under the agreement to lease Castle Court, the 50% rental period is due to commence on 31st October 2015, subject to planning permission being granted. Should this be forthcoming, additional income of £281k would be generated in 2015/16. This is not currently reflected in the outturn position and so receipt of this rental income would reduce the reported overspend accordingly.	+0.967	(+18%)

Financing Items	**Education Services Grant (ESG)** – the ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream / high needs) and status (academy / maintained). Funding will therefore reduce for local authorities if a school converts to an academy. Based on the expected number of academy conversions during 2015/16 a figure of £4,735,117 was budgeted for the ESG during the Business Planning (BP) process. Recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in an increased total ESG funding of c.£5,000,000 for 2015/16, an additional amount of c.£265,000. It is proposed that his additional income will be transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval. However, an update to the current reported position will be provided if this projection changes.	-0.265	(-6%)
LGSS Operational	N/A	-	-

APPENDIX 3 – previously reported capital exceptions that are still applicable

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	**Waste Infrastructure** – this is mainly due to an amended approach to the delivery of a replacement householder recycling facility in the Cambridge area. This budget will now be spent over a number of years.	-0.5	(-79%)
CFA	**Temporary Accommodation** – it had been anticipated at business planning that the current stock of mobiles would prove sufficient to meet September 2015 demand. Unfortunately, it has proved necessary to purchase additional mobiles due to rising rolls at primary schools around the county.	+1.0	(+200%)
	Condition, Maintenance and Suitability – this is due to Castle and Highfields Special School projects continuing from 2014/15 due to delays on site, together with significantly higher than anticipated tender prices for kitchen ventilation works required to meet health and safety standards.	+0.7	(+20%)

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

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
CFA	**Primary Schools - Demographic Pressures** – the overspend has decreased by £0.9m, as reported in section 6.3. The overspend of £7.8m reported in May is due to the scope and costs of schemes increasing since the Business Plan was approved in response to changes to development timescales and school capacity. This includes the following increases in 2016/17: - Wisbech additional places - £4,791k increase. - Little Paxton - £2,600k increase. - Orchard Park - £200k increase. - Fordham - £175k increase. - Burwell - £14k increase. This will be managed through the 2016/17 Business Planning (BP) process.	+6.9	(+5%)
	Condition, Maintenance and Suitability – this is due to Castle and Highfields Special School projects continuing from 2014/15 due to delays on site, together with significantly higher than anticipated tender prices for kitchen ventilation works required to meet health and safety standards. This will be addressed as part of the 2016/17 Business Planning process.	+0.7	(+1%)
LGSS Managed	**Effective Property Asset Management (EPAM) - Fenland** – as reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m.	-1.1	(-17%)
	Carbon Reduction – the works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.7m.	-0.7	(-39%)

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

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	31.9	This reflects slippage or rephasing of the 2014/15 capital programme – as reported last month and approved by the General Purposes Committee (GPC) on 28th July 2015.
Additional / Reduction in Funding (Other Contributions)	ETE	-20.0	Removal of Science Park Station – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Specific Grant)	ETE	1.0	Growth Deal Funding relating to Wisbech Access Strategy – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (DfT Grant)	ETE	1.5	Cycling City Ambition grant – as reported last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Capital Maintenance)	CFA	-1.2	Condition, Suitability and Maintenance funding reduction – as reported last month.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.2	Prudential Borrowing required to offset the shortfall in funding from the DfE RE: Condition, Suitability and Maintenance (note above) – as reported last month and approved by the GPC on 28th July 2015.
Revised Phasing (Section 106)	CFA	-5.8	Rephasing (mainly North West Cambridge (NIAB) Primary) – as reported last month and approved by the GPC on 28th July 2015.
Revised Phasing (Prudential Borrowing)	CFA	-7.1	Rephasing (various schemes) – as last month and approved by the GPC on 28th July 2015.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	3.2	New Schemes (various) – as reported last month and approved by the GPC on 28th July 2015.

Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.5	Increase in costs (various schemes) – as reported last month and approved by the GPC on 28th July 2015.

APPENDIX 6– Reserves and Provisions

Fund Description	Balance at 31 March 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31 Jul 15		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	16,001	111	16,112	16,287	
- Services					
1 CFA	0	0	0	-3,056	Includes Service Forecast Outturn (FO) position.
2 PH	952	0	952	952	
3 ETE	3,369	-51	3,318	0	Includes Service FO position.
4 CS	1,020	-603	417	522	Includes Service FO position.
5 LGSS Operational	1,003	0	1,003	20	Includes Service FO position.
Subtotal	22,345	-543	21,802	14,725	
Earmarked					
- Specific Reserves					
6 Insurance	2,578	0	2,578	2,578	
Subtotal	2,578	0	2,578	2,578	
Equipment Reserves					
7 CFA	744	159	903	254	
8 ETE	893	0	893	650	
9 CS	50	0	50	50	
10 LGSS Managed	642	0	642	642	
Subtotal	2,329	159	2,488	1,596	
Other Earmarked Funds					
11 CFA	7,533	-572	6,961	2,174	
12 PH	2,081	-61	2,020	1,300	
13 ETE	7,404	-55	7,358	4,251	Includes liquidated damages in respect of the Guided Busway.
14 CS	527	-55	472	368	
15 LGSS Managed	198	0	198	233	
16 LGSS Operational	130	0	130	0	
17 Corporate	63	-63	0	0	
Subtotal	17,936	-806	17,130	8,326	
SUB TOTAL	**45,187**	**-1,189**	**43,998**	**27,225**	
Capital Reserves					
- Services					
18 CFA	6,272	6,145	12,417	1,903	
19 ETE	15,897	29,273	45,170	25,670	
20 LGSS Managed	481	276	757	427	
21 Corporate	33,547	8,277	41,824	24,159	Section 106 balances.
subtotal	56,197	43,971	100,168	52,159	
GRAND TOTAL	**101,384**	**42,782**	**144,166**	**79,384**	

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 2015	2015-16		Forecast Balance at 31 March 2016	Notes
		Movements in 2015-16	Balance at 31Jul 15		
	£000s	£000s	£000s	£000s	
<u>Short Term Provisions</u>					
ETE	669	0	669	0	
CS	1,043	-43	1,000	955	
LGSS Managed	3,316	0	3,316	2,335	
subtotal	5,028	-43	4,985	3,290	
<u>Long Term Provisions</u>					
LGSS Managed	4,718	0	4,718	4,718	
subtotal	4,718	0	4,718	4,718	
GRAND TOTAL	**9,746**	**-43**	**9,703**	**8,008**	

APPENDIX 7 – Actions to address forecast overspends

Service	Action to address forecast overspend	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
CFA	*Please note that CFA have provided a narrative update (below) to the July figures contained within the main body of this report. These updated figures will be reflected in next month's report.* <u>Introduction</u> The Integrated Resources and Performance Report (May 15) presented to the July General Purposes Committee included a projected overspend of £3,979k in the Children, Families and Adults Directorate. The Committee requested a report setting out the actions that would be taken in response to the emerging spend. The overspend reported to the July Committee meeting was from the May budgetary control report. The latest forecast position at the end of August is an overspend of £4,041k. Discussions have been held with each of the Service Directors and their financial advisors to firstly review and update year end financial forecasts and to identify scope for further savings. <u>Current Position</u> The updating of financial forecasts has resulted in one significant new pressure being disclosed. The budget for expenditure on Looked After Children had been forecast as breaking even at the year end. A steady increase in the number of looked after children since the start of the year has stabilised over the last few weeks. However, it is highly unlikely that the number of children looked after will drop to the level required for the budget to balance. Therefore an additional pressure of £1,100k has been included in the August forecast position of £4,041k overspend. This assumes that actions being taken to ensure that there is no further increase in numbers are successful. No other significant adverse variations have been identified from discussions at this stage. There is a specific risk in that the commitment records for home to school transport do not yet reflect the contracts established for the new school year, this position will be clear in the October F&P Report. It also remains the case that a significant proportion of the CFA budget is made up of demand led services where national legislation requires that a service is provided if eligible needs are met. This combined	+3.056	(+1.3%)

with the significant savings requirement of the last few years means that there continues to be a high risk of overspending.

We have been notified of an in year reduction in the funding of the Youth Offending Service by the Youth Justice Board. This is likely to equal around £70k and will be met this year through use of the remand reserve based on currently lower than forecast levels of remand. Our current forecast includes an assumption that there will be an underspend of £1,575k on the Care Act, following announcement of a delay in the Care Act funding reforms. During September there has been informal consultation about the government clawing back some of the funding previously announced as a result. There is no indication yet whether this is likely, or to what extent, but should that happen there would be an adverse impact on the forecast position.

The forecast year end position as at the end of August without further savings is projected to be a £4,041k overspend based on current forecasts.

<u>Additional Savings Identified</u>

The following additional savings have been identified:

Learning	
One off Reduction in Ed ICT Replacement Reserve	£159k
Capitalisation of Infrastructure Service revenue Costs	£265k
Reduction in projects funding	£50k
Enhanced and Preventative Services	
Youth and Community Commissioning funding allocated last year to reduce impact of reductions in early help services and as yet unallocated	£50k
Education Welfare Officers additional income	£60k
Adult Social Care	
Reduction in MCA/DOLs spending due to lack of available assessors	£100k
Forecast underspend on carers support in first year of new responsibilities	£150k

Older People	
Capitalisation of Assistive Technology revenue spend	£125k
Reserve for potential accommodations costs unlikely to be required	£115k
Services to respond to new responsibilities for social care needs for prisoners are being established. Likely underspend this year.	£240k
Budget for DTOC fines not required post Care Act	£330k
Release of reserve for potential dispute on costs of nursing care	£300k
Strategy and Commissioning	
Reduction in earmarked Building Schools of the Future reserve to reflect anticipated demand levels	£227k
Underspend on IT systems development budget	£50k
Saving on SEND delivery grant funding	£25k
Total	**£2,246k**

The additional savings would result in a projected net position of a £1,795k overspend at the year end.

Further Actions to Reduce Overspending

Further measures will be taken in addition to these specific actions. Additional authorisation arrangements for non-staffing spending will be implemented, with the expectation that non-essential spend will be reduced. Existing arrangements require that all recruitment requests are approved by the Executive Director. Recruitment activity is being curtailed given future years' budget prospects. There will be a general slow down in recruitment to all approved non-front line posts. These actions will generate savings, but it is difficult to put figures to them and in terms of recruitment activity, savings are likely to support the delivery of all ready challenging vacancy targets. Therefore to be prudent savings figures have not been included in the year end forecast at this stage. Any further service underspends that emerge will be taken and applied to the overspend.

Additionally, savings in the current business plan for 16/17 and the new savings that will be required are being considered as to whether they can be pulled forward into 2015/16, which would have an in year impact. At this stage it is not possible to quantify the financial impact of these measures but this will be reflected in the financial reports as savings are pulled forward.

The scope to take actions that would provide certain reductions in the £1,795k overspend is very limited. Efforts to seek to reduce overspending in those areas that are forecast to overspend at the year end will continue, for example by accelerating plans to review Learning Disability Care packages but it would not be prudent to assume further reductions in service overspends at this stage. Therefore, savings would generally need to be found elsewhere in order to produce equivalent underspends.

Reducing expenditure on care budgets in the short term is extremely difficult. In summary, reductions in expenditure can only be delivered following review and evidence that the service user's needs have reduced or can be met in lower cost ways. More sweeping reductions in care expenditure can only be delivered through policy change in the context of national legislation and following extensive consultation.

Reducing staffing budgets also requires consultation and a reduction in front line staffing is not recommended as increasing case-loads tends to result in more risk averse decisions and less capacity to undertake the reviews etc that would reduce spend. Other staffing budgets have been reviewed extensively over the last five years and will be reviewed again as a part of the business planning process. This work will be pulled forward into 2015/16 where possible.

There are few areas that can be cut in the short term which creates a risk of cuts being made because they can be made, rather than they should be made. The scale of cuts faced in future years is fully recognised and where possible we are seeking to make decisions strategically so that individual cuts do not disproportionately impact on our ability to reduce spend elsewhere. For example, it would be possible to make some in year reductions in early help services but strategically these services may be required to deliver greater reductions in the future. And again, the need for full consultation limits the savings that can be delivered this financial year.

The need to reduce the overspend is understood across CFA. The current £1,795k overspend is the current year end forecast. However, it does not represent an acceptance of this figure and efforts to reduce the overspend further will continue in the course of the financial year. However, there is also a risk that there may be increases in the forecast position if activity levels increase across the range of demand led budgets that the Directorate has responsibility for.

ETE	The forecast overspend will be monitored closely. A significant proportion of this is derived from the Park and Ride site income which is less than anticipated. Officers will continue to seek to increase performance in this area and to increase income, thus reducing the over spend. Should that not occur, ETE has a number of budgets that can easily be varied towards year end to ensure balance and this will be done should it be needed. Examples of such budgets are those for highways maintenance and community transport.	+0.427	(+0.7%)
LGSS Managed	**County Offices** – is reporting a forecast overspend of £967k. Under the agreement to lease Castle Court, the 50% rental period is due to commence on 31st October 2015, subject to planning permission being granted. Should this be forthcoming, additional income of £281k would be generated in 2015/16. This is not currently reflected in the outturn position and so receipt of this rental income would reduce the reported overspend accordingly. **County Farms** – is reporting a forecast underspend of £140k. The currently declared underspend is due to an increase in rent income following completion of 60 rent reviews during 2014/15. Levels of income generation resulting from the ongoing programme of solar PV installations across the estate are being assessed to consider whether any further underspend can be declared. **IT Managed** – is not currently reporting a significant outturn position. To contribute towards recovery of the overall LGSS Managed overspend it is proposed that the balance on the IT Asset replacement fund (£475k) should be written back to revenue. This is facilitated by the move towards provision of mobile devices, which are funded from the IT for Smarter Business Working capital scheme. **Transformation Fund** – is not currently reporting a significant outturn position. The Transformation Fund covers the costs of Section 188 redundancies. Assuming a straight-line spend profile based on costs to date, an underspend of £225k could be achievable.	+1.011	(+9.8%)