

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

**To:** General Purposes Committee

**Date:** 28th July 2015

**From:** Chief Finance Officer

**Electoral  
division(s):** All

**Forward Plan ref:** 2015/037 **Key decision:** Yes

**Purpose:** This report:

- details the performance of the Council for the 2014/15 financial year.
- is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.

**Recommendations:** That General Purposes Committee is recommended to:

a) Note the Council's year end resources and performance position for 2014/15.

b) Approve the following year end adjustments:

- A reserve to the value of £893k to mitigate against potential contract disputes;
- A reserve to the value of £56k in respect of back-scanning work; and
- A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the Operating Model for Business Planning (section 3.2.10)

<b><i>Officer contact:</i></b>
Name: Chris Malyon
Post: Chief Finance Officer
Email: <a href="mailto:Chris.Malyon@cambridgeshire.gov.uk">Chris.Malyon@cambridgeshire.gov.uk</a>
Tel: 01223 699796

## 1. PURPOSE

- 1.1 To present financial and performance information for the financial year 2014/15.

## 2. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's performance for the financial year 2014/15 by value and RAG (Red, Amber, Green) status.

Area	Measure	Year End Position	Status
Revenue Budget	Variance (£m)	-£1.9m	Green
Basket Key Performance Indicators	Number at target (%)	43% (6 of 14)	Amber
Capital Programme	Variance (£m)	-£80.8m	Amber
Balance Sheet Health	Net borrowing activity (£m)	£346m	Green

- 2.2 This report summarises the overall position for the whole year whereas previous reports have focussed on the movements since the previous report. As is the case with every year end report there are a number of changes that result as balance sheet activities are reviewed. This has resulted in two provisions being made within the accounts of the authority for the year. These do not affect the operational position that was reported to the Committee as part of the provisional outturn (March). There has, however, been some minor movement in operational expenditure and these are set out below in paragraph 3.2.

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

- The overall revenue budget position was an underspend of -£1.9m (-0.5%) at year end.
- This is a reduction of £2.1m to forecast underspend reported last month (March provisional). This mainly relates to the incorporation of the year-end adjustments (see section 3.2.10).
- The year end reported position is an achievement following the significant savings target the Council was faced with this financial year (see section 13.1). See section 3.2 for details.
- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 6 are on target at year end. See section 10 for details.

- The Capital Programme is reporting an underspend of -£80.8m (-41%) at year end, which is an increase in the underspend of -£5.4m since last month. The majority of this is due to further slippage in the programme across Economy, Transport and Environment (ETE) and Children, Families and Adults (CFA). See section 11 for details.

Of the reported underspend in 2014/15, c.75% of it relates to scheme slippage. The remaining c.25% relates to either total scheme underspends and/or exceptional post Business Plan amendments e.g. Science Park Station (ETE) where the Government has since confirmed that they will provide the funding to Network Rail for this work.

- Balance Sheet Health; the original forecast net borrowing position for 31st March 2015, as set out in the Treasury Management Strategy Statement (TMSS), was £406m. This projection has fallen over the course of the year and ended the year at £346m. This is largely as a result of changes in the net expenditure profile of the capital programme and changes in expected cash flows, since the Business Plan was produced in February 2014. The improvement experienced in this month is as a result of stronger than anticipated cash inflows. See section 12 for details.

### 3. REVENUE BUDGET

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Original Budget as per BP <sup>1</sup>	Service	Revised Budget	Application of Carry Forwards	Total Funds (3)+(4)	Actual Spending	Variation <sup>2</sup>		Transfer to (+) / from (-):-	
								Service Carry Forward Reserves	General Reserve
£'000		£'000	£'000	£'000	£'000	£'000	%	£'000	£'000
63,225	Economy, Transport & Environment (ETE)	71,385	877	72,263	70,888	-1,375 <sup>3</sup>	-1.9%	1,423	-48
251,616	Children, Families & Adults (CFA)	270,323	879	271,202	272,545	1,343	0.5%	-1,343	
0	CFA Bad Debt Provision	0	0	0	-1,245	-1,245	0.0%	1,245	
0	Public Health (PH)	0	0	0	0	0	0.0%		
5,851	Corporate Services (CS)	3,087	490	3,577	3,249	-328	-9.2%	328	
9,670	LGSS Managed	-1,957	0	-1,957	-1,847	110	5.8%		-110
34,142	CS Financing	34,151	0	34,151	32,169	-1,982	-5.8%		1,982
0	Year End Adjustments	0	0	0	1,949	1,949	0.0%		-1,949
<b>364,504</b>	<b>Service Net Spending</b>	<b>376,989</b>	<b>2,246</b>	<b>379,235</b>	<b>377,709</b>	<b>-1,527</b>	<b>-0.4%</b>	<b>1,653</b>	<b>-126</b>
5,624	Financing Items	1,232	0	1,232	909	-323	-26.2%		323
<b>370,128</b>	<b>Net Spending</b>	<b>378,221</b> <sup>4</sup>	<b>2,246</b>	<b>380,467</b> <sup>5</sup>	<b>378,618</b>	<b>-1,850</b>	<b>-0.5%</b>	<b>1,653</b>	<b>197</b>
<i>Memorandum Items:</i>									
10,351	LGSS Operational	-88	100	12	-315	-327	-2,698%	327	
<b>380,479</b>	<b>Total Net Spending 2013/14</b>	<b>378,134</b>	<b>2,346</b>	<b>380,479</b>					

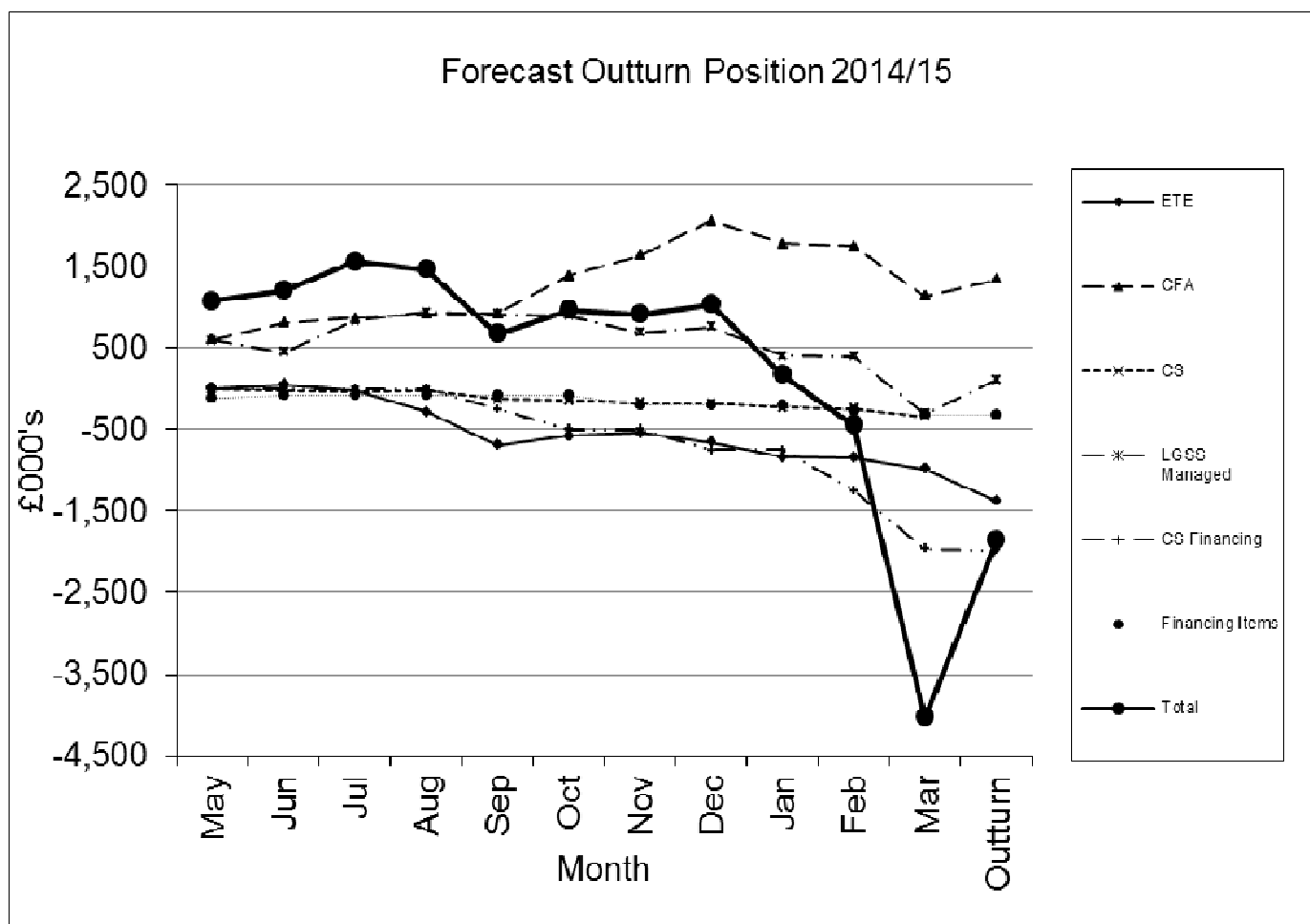
<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

<sup>2</sup> Key to column 7: + signifies overspend or reduced income, - signifies underspend or increased income.

<sup>3</sup> The Economy, Transport & Environment (ETE) variation in column 7 includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under / overspends exist. Excluding these the underlying outturn position for ETE is a £1,423k underspend.

<sup>4</sup> Revised budgets include Corporate Allocations, which move "overhead" costs from Corporate Services and LGSS to front-line services.

<sup>5</sup> For budget virements between Services throughout the year, please see [Appendix 1](#).



*Note: this graph does not plot separate lines for the 'CFA Bad Debt Provision' or the 'Year End Adjustments', however, these are included within the 'Total' line.*

3.2 Key exceptions this month are identified below (*updates to exceptions that have already been reported are captured within [appendix 2](#)*). Members should note that the significant variation between this report and the provisional outturn report that was considered by the Committee at the last meeting relates primarily to two year end provisions in the sum of £1.9m which are set out in paragraph 3.2.10.

3.2.1 **Economy, Transport and Environment:** -£1.375m (-1.9%) underspend is being reported 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](#).

3.2.2 **Children, Families and Adults:** £1.343m (0.5%) overspend is being reported at year end.

- |  | £m     | %      |
|--|--------|--------|
| <ul style="list-style-type: none"> <li>• <b>Learning Disability (LD)</b> – the following two policy lines for LD had previously been managed together as one overall budget. The expenditure was separated out for the two policy lines and the</li> </ul> | -1.424 | (-89%) |

explanations for the variances are below.

- 1) LD - Head of Services** – the year end underspend has increased by -£466k from last month. This is due to an increase in the risk share contribution from the Clinical Commissioning Group (CCG) to the LD pool and further underspends from the Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) Service Level Agreement (SLA).

As previously reported:

This is principally a result of reduced spending on contracts with Thera and a Health Partner (-£702k) and some smaller budgets not being fully utilised this financial year (-£203k). Further reductions were achieved from underspends on Admin and Young Adults Team budgets.

- 2) Learning Disability Localities** – the year end overspend has increased by £438k from last month. The majority of this (£379k) is within Hunts Locality, as a result of cost of care packages for service users being identified following the cleansing of records at year end.

+1.511 (3%)

Across LD, the number of service users supported is more than budgeted for, and although the actual unit cost is lower than that assumed in the budget, this does not offset the additional client numbers.

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

**3.2.3 Children, Families and Adults (CFA) Bad Debt Provision:** -£1.245m underspend is being reported 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 Public Health:** a balanced budget is being reported 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 Corporate Services:** -£0.328m (-9.2%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.6 **LGSS Managed:** £0.110m (5.6%) overspend is being reported at year end.

- |   | £m     | %    |
|---|--------|------|
| <ul style="list-style-type: none"> <li>• <b>Authority-wide Miscellaneous Budget</b> – the reported year end position has deteriorated by £0.6m since last month, due to the following year end adjustments:               <ul style="list-style-type: none"> <li>○ The Council's central provision for bad debt was increased by £506k; and</li> <li>○ Net balances of £116k were written-back from a number of redundant balance sheet accounts</li> </ul> </li> </ul> | +0.251 | (3%) |
| <ul style="list-style-type: none"> <li>• Previously reported exceptions that are still applicable can be found in <a href="#">appendix 2</a>.</li> </ul>  |        |      |

3.2.7 **CS Financing:** -£1.982m (-5.8%) underspend is being reported 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](#).

3.2.8 **Financing Items:** -£0.385m (-35.2%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.9 **LGSS Operational:** -£0.327m (-2,725%) underspend is being reported at year end.

- There are no new exceptions to report this month.

3.2.10 **Year End Adjustments:** £1.949m (0.0%) overspend is being reported at year end.

- |   | £m     | % |
|---|--------|---|
| <ul style="list-style-type: none"> <li>• <b>General Purposes Committee are asked to approve the following year end adjustments:</b> <ul style="list-style-type: none"> <li>○ <b>A reserve to the value of £893k to mitigate against potential contract disputes;</b></li> <li>○ <b>A reserve to the value of £56k in respect of back-scanning work; and</b></li> <li>○ <b>A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the Operating Model for Business Planning.</b></li> </ul> </li> </ul> | +1.949 | - |

*(These adjustments have been reflected within the reported figures).*

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

## 4. KEY ACTIVITY DATA

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

### 4.2 Looked After Children (LAC): March 2015

Service Type	BUDGET			ACTUAL (March)			VARIANCE
	Budgeted No. of Placements 2014/15	Budgeted Average Cost of Care (per week)	Annual Budget	Snapshot of No. of Placements at End of Mar 15	Current Average Cost of Care (per week)	Spend	Net Variance to Budget
Independent Fostering	229	£771	£9,177k	247	£781	£9,678k	£501k
Independent Residential	42	£2,601	£5,680k	43	£2,637	£6,325k	£646k
Supported Accommodation/Living	33	£448	£769k	31	£698	£1,135k	£365k
<b>External LAC Total</b>	<b>304</b>		<b>£15,564k</b>	<b>321</b>		<b>£16,964k</b>	<b>£1,512k</b>
In-House Fostering (including placements with relatives or friends)	127	£464	£3,061k	99	£596	£3,070k	£9k
In-House Residential	14	£2,196	£1,599k	12	£2,562	£1,599k	£0k
<b>Internal LAC Total</b>	<b>141</b>		<b>£4,660k</b>	<b>111</b>		<b>£4,669k</b>	<b>£9k</b>
<b>Total</b>	<b>445</b>		<b>£20,224k</b>	<b>432</b>		<b>£21,633k</b>	<b>£1,521k</b>

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

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

### 4.3 Adult Social Care (ASC): March 2015

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

Alongside improvements to commitment records in the Learning Disability Service, activity data has been refreshed this month on the basis of latest calculations. The

service is moving towards automated commitment records which will make this analysis more widely available and considered.

#### 4.4 Older People (OP): March 2015

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

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

#### 4.5 Older People Mental Health (OPMH): March 2015

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

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

## 5. SCHOOLS

5.1 Funding for schools is received from the Department for Education (DfE) via the Dedicated Schools Grant (DSG). As well as funding individual school budgets, the DSG also funds a range of central support services for schools.

5.2 Total schools balances as at 31<sup>st</sup> March 2015 are as follows:

	<b>31<sup>st</sup> March 2014 £m (original published balances)</b>	<b>31<sup>st</sup> March 2014 £m (amended for in-year academy conversions)</b>	<b>31<sup>st</sup> March 2015 £m</b>	<b>Change £m</b>
Nursery Schools	0.6	0.6	0.5	-0.1
Primary Schools	12.7	12.1	11.0	-1.1
Secondary Schools	-0.1	-0.1	0.0	+0.1
Special Schools	1.6	1.6	1.5	-0.1
Pupil Referral Units (PRUs)	0.2	0.2	0.1	-0.1
<b>Sub Total</b>	<b>15.0</b>	<b>14.4</b>	<b>13.1</b>	<b>-1.3</b>
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	7.4	7.4	6.5	-0.9
<b>TOTAL</b>	<b>22.4</b>	<b>21.8</b>	<b>19.6</b>	<b>-2.2</b>

It must be noted that further to the DSG, schools budgets include funding from the Education Funding Agency (EFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grant such as the Pupil Premium. Pupil Referral Units (PRUs) are also now included in the school balances as they now have delegated budgets and are subject to carry forward in the same way as schools. Schools that converted to Academy status prior to 31 March 2015 are no longer reported by the Local Authority and therefore are not included within the figures.

The change in individual school balances can be attributed to several reasons:

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2014/15 to maintain current staffing levels and class structures.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

- 5.3 Analysis will be undertaken to look at the individual changes in balances and appropriate challenge given to those schools in a deficit position and those with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.
- 5.4 Schools retain balances for a number of reasons and as part of the revised Balance Control Mechanism any uncommitted balances in excess of 10% (secondary) or 16% (primary/special/nursery) of the school's budget share is considered excessive and will be subject to claw-back.
- 5.5 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 5% (secondary) or 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels. Any amounts clawed back would be re-allocated to the same school to use on agreed expenditure to raise attainment.
- 5.6 The balances can be further analysed in the tables below:

<b>Sector</b>	<b>Schools with Reported Deficit Balances as at 31<sup>st</sup> March 2015</b>
Nursery	0
Primary	7
Secondary	0
Special	1
<b>Total Schools</b>	<b>8</b>

Value of revenue deficits at 31<sup>st</sup> March 2015:

<b>Deficit</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£100k+	0	0	0	0	<b>0</b>
£60k - £100k	0	0	0	0	<b>0</b>
£20k - £60k	0	2	0	1	<b>3</b>
£10k - £20k	0	0	0	0	<b>0</b>
£1k - £10k	0	5	0	0	<b>5</b>

Value of surplus revenue balances held by schools at 31st March 2015:

<b>Surplus</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£0k - £10k	0	7	0	0	<b>7</b>
£10k - £20k	1	6	0	0	<b>7</b>
£20k - £60k	2	75	1	1	<b>79</b>
£60k - £100k	2	42	0	0	<b>44</b>
£100k - £150k	1	23	0	2	<b>26</b>
£150k - £200k	1	5	0	0	<b>6</b>
£200k - £300k	0	4	0	2	<b>6</b>
£300k - £400k	0	1	0	1	<b>2</b>
£400k+	0	0	0	0	<b>0</b>

Please note: the figures in 5.2 and 5.6 are based on the year end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

## 6. GENERAL RESERVE BALANCES

6.1 Balances on the general reserve as at 31st March 2015 are £16.0m as set out below:

<b>General Reserve Balance</b>	<b>2014/15 Final Outturn £m</b>
<b>Balance as at 31<sup>st</sup> March 2014</b>	12.337
<b>Changes Arising:-</b>	
Planned Business Plan adjustments	3.115
Debt Charges	1.982
Repayment of Autism School Investment	0.470
Surplus Corporate Grants	0.323
Winter Maintenance	0.204
Transfer from Service Carry-Forward Reserves	0.183
Year end adjustments	-1.949
Waste PFI	-0.252
Realignment of Reserves RE: 13/14 Public Health activity	-0.160
Funding for Public Health RE: Changing Behaviours of staff within CCC	-0.135
LGSS Managed	-0.110
Funding for Chief Executive's budget	-0.005
Miscellaneous	-0.002
<b>Balance as at 31<sup>st</sup> March 2015</b>	<b>16.001</b>

6.2 As a minimum it is proposed that General Reserve should be no less than 3% of gross non-school expenditure of the Council. At present, the General Reserve is 3.0% of gross non-school expenditure.

## 7. REVIEW OF OTHER RESERVES

- 7.1 The Council reviews the level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the Business Planning (BP) process. Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in [Appendix 6](#).

## 8. TREASURY MANAGEMENT ACTIVITY

- 8.1 This section summarises the expenditure and income for debt financing, which is held as a central budget within Corporate Services, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variation £'000</b>
Interest payable	16,147	15,811	-336
Interest receivable	-349	-1,125	-776
Technical & other	211	275	64
MRP – loan repayments	18,133	17,199	-934
	<b>34,142</b>	<b>32,160</b>	<b>-1,982</b>

- 8.2 Net payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. This was largely due to slippage in the capital programme and the strategy adopted to utilise cash balances rather than undertake costly borrowing. Interest receivable includes a one off receipt of £635k in respect of interest that had accrued on S106 monies that was unexpectedly repaid to the Council in March 2015. An underspend on the Minimum Revenue Provision (MRP) also contributed significantly, which was a result of lower than expected levels of prudential borrowing.

- 8.3 The change in the authority's loan debt over the year was as follows:

	<b>1<sup>st</sup> April 2014 £'000</b>	<b>Loans Raised £'000</b>	<b>Loans Repaid £'000</b>	<b>31<sup>st</sup> March 2015 £'000</b>
Long-Term Debt	381,143	-	-	381,143
Temporary Debt	-	-	-	-
	381,143	-	-	381,143
Less Investments	47,533			35,605
<b>Net Debt</b>	<b>333,610</b>			<b>345,538</b>

- 8.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.15%. The Council had no temporary loans during the year.
- 8.5 Each year the authority must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2014/15 compares with approved limits as follows:

	Approved £'000	Actual £'000
<b>Financing Costs</b>		
% of Net Revenue Expenditure	9.7%	8.8%
Authorised Limit for Debt	627,500	381,143
Operational Boundary for Debt	597,500	381,143
<b>* Interest Rates Exposure (as % of total net debt)</b>		
Fixed Rate	150%	95%
Variable Rate	65%	5%
<b>** Debt Maturity (as % of total debt)</b>		
Under 1 year	0 – 80%	14%
1 – 2 years	0 – 50%	4%
2 – 5 years	0 – 50%	3%
5 – 10 years	0 – 50%	23%
Over 10 years	0 – 100%	56%

\* The Interest Rate Exposure is calculated as a percentage of net debt.

\*\* Note: the guidance for this indicator required that LOBO loans are shown as maturing at the next possible call date rather than at final maturity.

- 8.6 Financing costs are below the approved limit as a result of the underspend for debt charges, and all debt levels are within the approved limits.

## 9. DEBT MANAGEMENT

### 9.1 Summary:

Over 90 day balances increased by £86k during the last reporting period for the 2014/15 financial year. Over 6 months debt reduced by £73k overall. The overall +90 day debt cash target of £1.4m was not achieved, with a final balance of £2.1m as at 31 March 2015.

### 9.2 Children, Families and Adults (CFA):

Adult Social Care (ASC) – over 90 day balances reduced during the last reporting period. However, ASC did not meet their combined cash target level of £1.26m, with £1.38m outstanding as at 31 March 2015.

Children and Families – over 90 day balances increased in the last reporting period. Final balances were £279k against a cash target level of £60k.

### 9.3 Economy, Transport and Environment (ETE):

Over 90 day balances decreased overall in the last reporting period. However, final balances were £69k against a cash target level of £30k.

### 9.4 Corporate Services (CS):

Over 90 day balances increased in the last reporting period. Final balances were £346k against a cash target level of £50k.

## 10. PERFORMANCE TARGETS

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

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	31/12/14	%	79.5 *	77.5	Green	↓
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/03/15	%	94.1	96.0	Amber	↑
	The number of people starting as apprentices	ETE	High	To 31/01/15	Number	2,100 **	4,185 (end-of-academic year)	Green	↑
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	31/03/15	%	62.7	75	Red	↓
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/03/15	%	92.7	95	Amber	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/03/15	%	54.2	55	Amber	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/03/15	Number per 100,000 of population	626	646	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	31/03/15	Number	2,177 year to date ***	3,289 year to date (3,600 annual)	Red	↓

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	31/03/15	Rate per 10,000	41.1	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	31/03/15	%	19.0	25	Green	↓
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/03/15	%	82.8	80 (new target for 2014/15)	Green	↔
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	31/03/15	Number	543	417	Red	↑
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CCC	High	31/03/15	%	88	90	Amber	↑
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/03/15	Days	6.6	7.8	Green	↔

\* **Percentage of Cambridgeshire residents Aged 16 - 64 in employment**

Figures are published in arrears by the Office for National Statistics (ONS). The figure shown is the latest available. 2014/15 year end data is scheduled to be published by ONS in July 2015.

\*\* **The number of people starting as apprentices**

Latest available data is for the first half of the 2014/15 academic year. Academic year end data will be available in October 2015.

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

Year end figures have not been verified at the time of publishing this report. There may be some variation in the final figures once the data has been ratified. Data continues to be collected from GP practices until the final data submission to the Department of Health at the end of June 2015. It is expected that the final year end performance data will be available in readiness for the GPC version of this report.

**Notes:**

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

A breakdown of performance by Service is provided as follows:

Service	What is good?	Date	Actual %	Target %	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	31/03/15	96	90	Green	↑
ETE	High	31/03/15	83	90	Red	↑
CST	High	31/03/15	n/a	90	-	-
LGSS	High	31/03/15	n/a	90	-	-

- CFA received 23 complaints in the reporting period, of which 22 were dealt with within the target response time.
- ETE received 41 complaints in the reporting period, of which 34 were dealt with within the target response time.
- CST received 0 complaints in the reporting period.
- LGSS received 0 complaints in the reporting period.

## 10.2 Key exceptions are identified below.

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

The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'. There is a significant difference between performance in primary and secondary schools with 74% of primary school pupils attending a good or outstanding school and only 45% of secondary pupils.

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

- 76% of the stop smoking target for 2013/14 was achieved, a drop from 92% in 2012/13. This is reflected in the national trend that is attributed in part to the use of e-cigarettes. The lower level of performance is continuing in 2014/15 in Cambridgeshire (and nationally) with the performance figures generally remaining static, at circa 60%-68% of the monthly performance target. At the end of March 66% of the year to date target had been achieved. However, this is not the final year end data, as data continues to be collected from GP practices until the final data submission to the Department of Health at the end of June 2015.
- Performance in GP practices was especially poor and there is a consistent problem with recruiting smokers to make quit attempts. There is an ongoing programme to improve performance with CamQuit the core service providing increasingly higher levels of support to the other providers along with promotional activities. Practices are regularly visited with poor performers being targeted.
- A wide ranging intervention plan has been developed that is focusing upon Fenland. This includes a mobile workplace service, a migrant worker Health Trainer post that will target these communities where smoking rates are high, a wide ranging promotional campaign and recruitment of an additional Stop Smoking Advisor to focus upon Fenland. Social Marketing research has been commissioned to gather intelligence about attitudes and behaviour in relation to smoking (and Health Checks) as well as a Deep Dive exercise that looks specifically at smoking and the Stop Smoking Services.
- Smoking rates in Cambridgeshire are also high amongst routine and manual workers and the programme of intervention also targets these groups.
- A recent update to the Public Health Outcomes Framework has shown a positive movement in smoking prevalence, with a statistically significant fall in the percentage of adults smoking across the County between 2012 and 2013. However, inequalities in smoking rates remain, with the prevalence in Fenland and amongst manual workers being statistically significantly higher than the Cambridgeshire average.

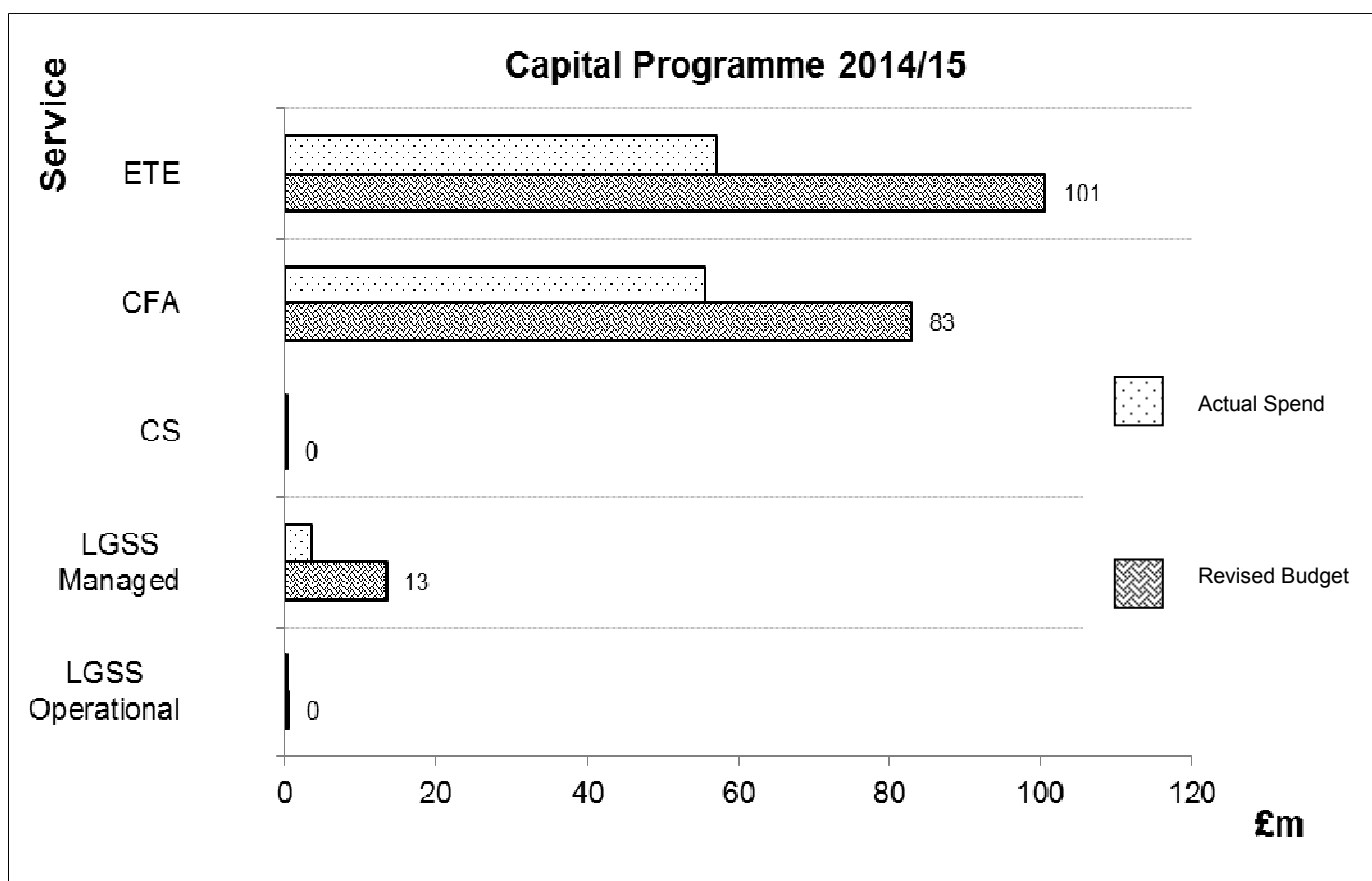
- **Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)**
  - The Cambridgeshire health and social care system is experiencing a monthly average of 2,765 bed-day delays, which is 24% above the current Better Care Fund (BCF) target ceiling of 2,232. In March there were 2,617 bed-day delays, up 139 from the previous month, but still 385 above the monthly target.
  - Between April 2014 and March 2015 there were 33,182 bed-day delays across the whole of the Cambridgeshire system - representing a 21% increase against the same period in 2013/14.
  - Across this period NHS bed-day delays have increased from 15,524 (April 2013 - March 2014) to 23,420 (April 2014 - March 2015) an increase of 51%, while bed-day delays attributed to Adult Social Care have decreased from 11,183 (April 2013 - March 2014) to 7,706 (April 2014 - March 2015) an improvement of 31%.
  - This remains a challenging, whole system measure and is reliant on both health and social care commissioners and providers to work together to meet target.
- **The proportion of customer complaints received in the month before last that were responded to within minimum response time**

ETE received 41 complaints of which 7 failed to meet the target of responding within timescales. 6 of these cases have since been closed. The remaining case is with the responsible team for investigation. This month's figure is 83%.

## 11. CAPITAL PROGRAMME

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

2014/15						TOTAL SCHEME	
Original Budget as per BP £000	Service	Revised Budget £000	Forecast Variance - Outturn (Mar) £000	Actual Variance - Outturn £000	Actual Variance - Outturn %	Total Scheme Revised Budget (Mar) £000	Total Scheme Forecast Variance (Mar) £000
90,999	ETE	100,534	-39,650	-43,487	-43.3%	470,213	-27,500
76,409	CFA	82,921	-26,189	-27,237	-32.8%	530,659	291
-	Corporate Services	185	-97	-86	-46.4%	340	0
12,206	LGSS Managed	13,350	-9,217	-9,740	-73.0%	90,124	-8,697
-	LGSS Operational	412	-209	-209	-50.6%	630	0
<b>179,614</b>	<b>Total Spending</b>	<b>197,402</b>	<b>-75,362</b>	<b>-80,758</b>	<b>-40.1%</b>	<b>1,089,966</b>	<b>-35,906</b>



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

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

11.2.1 **Economy, Transport and Environment:** -£43.5m (-43.3%) underspend is being reported at year end.

- |   | £m   | %      |
|---|------|--------|
| <ul style="list-style-type: none"> <li><b>Guided Busway</b> – the underspend has increased by -£1.1m this month.</li> </ul> <p>This budget has come in under budget in 2014/15 as land deals were resolved at the end of the previous financial year. Following the negotiation of the purchase price for a number of significant land parcels acquired for the Busway, the forecast for the remaining land and compensation transactions have been revised to reflect the settlement values that have been achieved. Further land deals should be resolved in 2015/16.</p> | -6.8 | (-93%) |
| <ul style="list-style-type: none"> <li><b>Promoting Economic Growth - Delivering Strategic Aims</b> – the underspend has increased by -£0.7m this month.</li> </ul> <p>The underspend relates to schemes funded by Section 106 developer contributions, which will be completed in 2015/16. These include the following schemes:</p> <ul style="list-style-type: none"> <li>○ Little Paxton to Railway Station, St. Neots cycling scheme;</li> </ul>  | -1.3 | (-45%) |

- Great North Road, St. Neots cycling scheme;
- Norwood Road, March; and
- 3 Cycling schemes in St. Ives area (St. Ives to South, St. Ives to Hemingford and St. Ives to Bluntisham).
- **Operating the Network** – this relates to schemes that have slipped, which will now be completed in 2015/16. These include the following schemes:
  - Lisle Lane, Ely; -1.1 (-10%)
  - High Street, Brampton;
  - Hollow Lane to High Street, Ramsey;
  - Tenison Road, Cambridge; and
  - Cambridge Radial signing.
- **Highways Maintenance Schemes** – the underspend has increased by -£59k this month, causing it to reach the exception threshold.

As part of developing the highways maintenance programme, a review took place of the phasing of the remaining funds from the original £90m allocated for this work, to ensure that the funds are used to maximise the long term condition of the road network. The Highways and Community Infrastructure Committee, as part of the review of the Transport Delivery Plan, approved that £3,966k of funding in 2014/15 be rolled forward, to be spent in future years. Even with this transfer of funding to future years, the £90m Highways Maintenance schemes project has underspent in 2014/15 due in part to a number of schemes that came in cheaper than budgeted. -0.5 (-3%)

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

**11.2.2 Children, Families and Adults:** -£27.2m (-32.8%) underspend is being reported at year end.

- |  | £m | % |
|--|----|---|
| <ul style="list-style-type: none"> <li>● <b>Devolved Formula Capital (DFC)</b> – DFC is a rolling three year fund. Annual grants are made available to schools for use towards smaller works and in-year capital pressures. The underspend of £1.1m is the accumulation of the three year rolling funds that remain unspent. These funds will roll forward to 2015/16 for spending. -1.1 (-41%)</li> </ul> |    |   |
| <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>  |    |   |

**11.2.3 Corporate Services:** -£0.1m (-46.5%) underspend is being reported at year end.

- There are no new exceptions to report this month.

11.2.4 **LGSS Managed:** -£9.8m (-73.0%) underspend is being reported 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](#)

11.2.5 **LGSS Operational:** -£0.2m (-50.7%) underspend is being reported at year end.

- There are no new exceptions to report this month.

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

**Economy, Transport and Environment (ETE):** -£27.5m (-5.9%) total scheme underspend is forecast.

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

**Children, Families and Adults (CFA):** £0.3m (0.0%) total scheme overspend is forecast.

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

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

- There are no new exceptions to report this month.

**LGSS Managed:** -£8.7m (-9.6%) total scheme underspend is forecast.

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

**LGSS Operational:** a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

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

<b>Funding Source</b>	<b>B'ness Plan 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 £m</b>	<b>Funding Variance<sup>2</sup> £m</b>
Department for Transport (DfT) Grant	26.2	1.6	0.0	2.6	<b>30.4</b>	26.2	-4.2
Basic Need Grant	15.2	0.0	0.0	1.3	<b>16.6</b>	14.2	-2.4
Capital Maintenance Grant	6.3	0.0	0.0	0.0	<b>6.3</b>	6.3	0.0
Devolved Formula Capital	1.1	1.6	0.0	0.1	<b>2.7</b>	1.6	-1.1
Specific Grants	11.9	1.6	0.0	0.7	<b>14.2</b>	5.7	-8.5
Section 106 Contributions	24.3	0.3	-1.3	0.5	<b>23.7</b>	16.0	-7.7
Capital Receipts	4.7	0.0	0.0	0.0	<b>4.7</b>	5.4	0.7
Other Contributions	8.0	0.6	0.0	3.6	<b>12.2</b>	11.2	-1.0
Revenue Contributions	0.0	0.0	0.0	0.6	<b>0.6</b>	0.6	0.0
Prudential Borrowing	81.9	14.7	-8.9	-1.7	<b>85.9</b>	29.4	-56.5
<b>Total</b>	<b>179.6</b>	<b>20.3</b>	<b>-10.2</b>	<b>7.7</b>	<b>197.4</b>	<b>116.6</b>	<b>-80.8</b>

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

<sup>2</sup> The Funding Variance reflects the in-year expenditure position and the level of spend on specific projects. It does not reflect an increase or decrease to the funding available, which is reflected within the 'Revised Budget' column (as detailed in section 11.5).

11.5 Key funding changes (of greater than £0.5m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Other Contributions)	CFA	+2.5	School Funded Capital - schemes funded by contributions sourced directly by schools from external sources. Expenditure and funding information for these schemes is received at year end as part of the schools final balances.

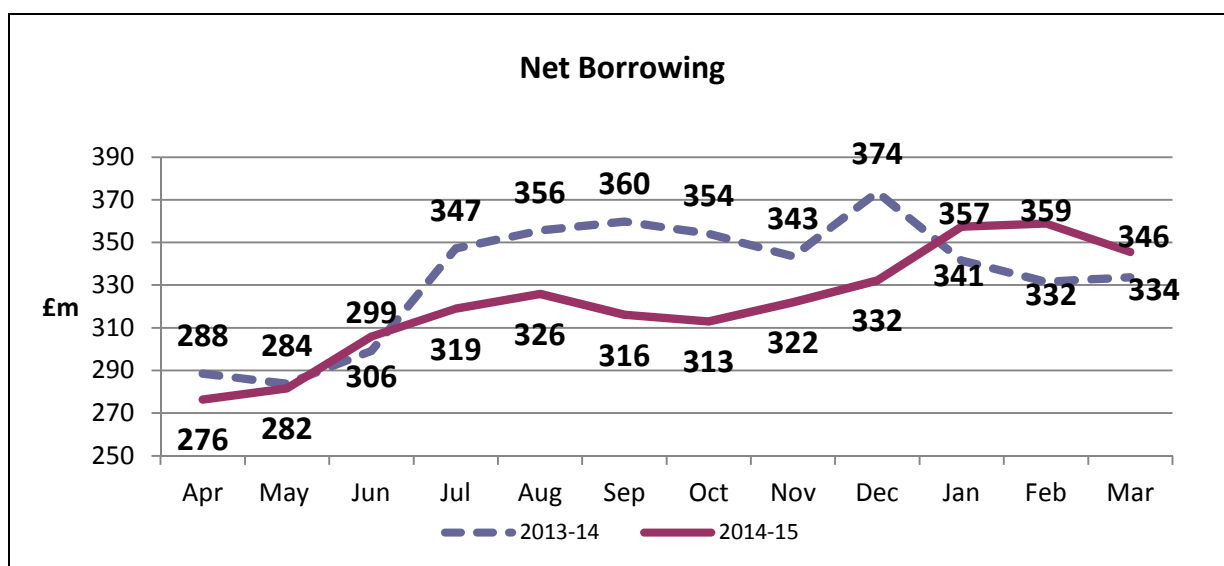
11.6 Previously reported key funding changes that are still applicable can be found in [appendix 5](#)

## 12. BALANCE SHEET

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

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

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



12.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014/15 TMSS was set in February

2014, it was anticipated that net borrowing would be £406m at the end of this financial year. Net borrowing at the beginning of this year was lower than expected and the position at 31st March 2015 is £346m.

- 12.4 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.
- 12.5 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 12.6 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.6m. The actual net borrowing position at 31st March is £346m.	<p>A -£1.982m underspend is reported at year end and is due to:</p> <ul style="list-style-type: none"> <li>-£1.347m is largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is forecast to be greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing.</li> <li>In March the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in an additional underspend being reported.</li> </ul> <p>The Debt Charges budget was reduced by £1m when the Business Plan was approved in February 2014 in expectation of slippage in the capital programme; the underspend reported is in addition to that amount. The capital programme continued to be monitored closely alongside forecast cash balances and interest rates and a pragmatic approach to borrowing was adopted.</p>

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

### 13. EXTERNAL AND CONTEXTUAL ISSUES

- 13.1 2014/15 has been another difficult year for the Council financially, as it faced a substantial increase in demand for its services, both as a result of the substantial growth seen in

Cambridgeshire and the changing demographics – particularly relating to the ageing population. These, coupled with a 5.3% reduction in Government funding, resulted in a savings requirement of £38.2m in 2014/15 and £149.1m to be achieved over the next five years. The Council not only achieved its savings target of £38.2m, but surpassed expectation by producing a further £1.9m of savings. These additional savings will be made available in the next round of the Business Planning (BP) process and will assist in offsetting future year pressures.

- 13.2 Going forward, the outlook for 2015/16 is not any brighter, as the Council continues to face a substantial increase in demand for its services. This, coupled with a 3.0% reduction in Government revenue funding (excluding grants to schools) in 2015/16, have resulted in a savings requirement of £29.8m in 2015/16 and £118.9m to be achieved over the next five years.

#### **14. FURTHER INFORMATION**

- 14.1 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)

#### **15. ALIGNMENT WITH CORPORATE PRIORITIES**

##### **15.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

##### **15.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

##### **15.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

#### **16. SIGNIFICANT IMPLICATIONS**

##### **16.1 Resource Implications**

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

##### **16.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

### 16.3 Equality and Diversity Implications

There are no significant implications within this category.

### 16.4 Engagement and Consultation Implications

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

### 16.5 Localism and Local Member Involvement

There are no significant implications within this category.

### 16.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
ETE Finance & Performance Report (Outturn 14/15) CFA Finance & Performance Report (Outturn 14/15) PH Finance & Performance Report (Outturn 14/15) CS and LGSS Cambridge Office Finance & Performance Report (Outturn 14/15) Performance Management Report & Corporate Scorecard (Outturn 14/15) Capital Monitoring Report (Outturn 14/15) Report on Debt Outstanding (March 15) Payment Performance Report (March 15)	1 <sup>st</sup> Floor, Octagon, 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>
Opening Cash Limits as per Business Plan	251,616	0	63,225	34,142	5,851	9,670	10,351	5,624
Healthwatch from Corporate Services	429				-429			
We car annual cost						-10	10	
County Farms investment to team budget						-50	50	
Legionella testing			-13			13		
ETE Operational Savings – LEP funding			50					-50
ETE Operational Savings – Local Infrastructure and Street Management (LISM) tablets			26					-26
Leader's Personal Assistant (PA) salary budget					-30		30	
Replace annual recharge requirement for Registrars & Coroners Employer's and Public Liability Insurance			-14			14		
Budget realignment regarding County Farms staff						-85	85	
CS Operational Savings – various					772			-772
Transfer of funding for Chief Executive's budget					5			-5
CFA Operational Savings – Practice & Safeguarding	400							-400
CFA Operational Savings – Ordinary Residence	398							-398
Allocation of the Care Bill Implementation Grant	125							-125
Allocation of the Special Educational Needs (SEN) Grant and Adoption Reform Grant (Quarters 1 & 2)	695							-695
Health Watch to Corporate Services	-429				429			
ETE Operational Savings – A14 work			5					-5
ETE Operational Savings – Cambridgeshire Future Transport			60					-60
Cambridgeshire Community Services HR Support	-50						50	
Allocation of the Staying Put Implementation Grant (Quarter 1)	14							-14
Allocation of the Special Educational Needs and Disability (SEND) Implementation Grant (Quarters 1 & 2)	238							-238
Right-sizing Rural Estates staffing establishment						-119	119	
ETE Operational Savings – Cycling Legacy			19					-19

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

		Public		CS	Corporate	LGSS	LGSS	Financing
	CFA	Health	ETE	Financing	Services	Managed	Operational	Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ETE Operational Savings – Highways Asset data & Sub regional planning			146					-146
LGSS Operational Savings – Business Re-engineering Work							17	-17
ETE Operational Savings – SmartLife retrofit shortfall			17					-17
ETE Operational Savings – Asset Management			63					-63
Return CS Operational Savings – CRM System					-150			150
Return CS Operational Savings – Digital by Default					-165			165
LGSS Operational Savings – Asset Management Database							8	-8
LGSS Legal costs draw down							8	-8
LGSS Redundancy & Pensions capital cost draw down							67	-67
Corporate Allocations	16,185		6,662	9	-2,734	-9,465	-10,657	
<b>Current budget</b>	<b>271,202</b>	<b>0</b>	<b>72,263</b>	<b>34,151</b>	<b>3,577</b>	<b>-1,957</b>	<b>12</b>	<b>1,232</b>
<i>Rounding</i>	-	-	1	-	-	-	-	-1

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

Service	Description	Actual Variance - Outturn £m	Actual Variance - Outturn %
ETE	<p><b>Waste Disposal including PFI</b> – the Waste Private Finance Initiative (PFI) budget has overspent due to more waste being landfilled than was originally anticipated. Options continue to be explored with AmeyCespa for diverting the output from the Mechanical Biological Treatment (MBT) plant away from landfill to a cheaper alternative.</p> <p>This pressure was balanced out, to some degree, by a saving as a result of an extension to Cambridge City's university waste contract, where the revenue stream continued until March 2015.</p>	+0.252	(1%)
	<p><b>Local Infrastructure and Street Management (LISM) Other</b> – the underspend was originally due to a Section 278 (of the Highways Act 1980) agreement fee, received for the North West Cambridge development, which was greater than the predicted budget for the year. Since this time, there have also been further Section 106 agreement fees received, which have contributed to the final underspend now being reported.</p>	-0.477	(-21%)
	<p><b>Park &amp; Ride Sites</b> – in the Business Plan, it was anticipated that parking fees would be introduced at Park &amp; Ride sites by April 2014 and thus the budget reflects a full year's income. As the introduction of the fee only happened in July 2104, there was a shortfall in income for this period. This has been covered in-year via the use of £270k from the on-street parking account.</p> <p>Since the fee was introduced, the usage of the Park &amp; Ride sites has been less than expected. The situation continues to be closely monitored, but the passenger numbers still remain lower than predicted. Initiatives to promote the use of Park and Ride have been and continue to be developed, including a campaign that took place over the Easter period to try to bring the numbers back up to pre-fee levels.</p>	+0.245	(41%)
	<p><b>Passenger Transport Other</b> – a decision has been made by the Economy &amp; Environment Committee to roll forward funding for Community Transport into future years, this to enable the preservation of existing schemes for longer.</p>	-0.464	(-17%)

CFA	<p><b>Children's Social Care Directorate</b> – the overspend was due to the continuing need to use agency staff, which was placing pressure on staffing budgets and making vacancy and agency savings targets difficult to deliver; and the number and cost of legal proceedings exceeding budget.</p>	+1.926	(6%)
	<p><b>Home to School Transport - Special</b> – Looked After Children (LAC) Transport costs increased due to a higher number of children being transported and an increase in the distance travelled, following Ofsted and a movement to get children into their local schools. The single occupancy review was carried out in conjunction with schools to find sustainable solutions to shared routes.</p> <p>The other major contributor factors to the outturn are:</p> <ul style="list-style-type: none"> <li>○ Fewer companies have the specialist vehicles or the number of specialist vehicles we require, which reduced the size of the tender pool and increased prices. We require an additional 11 tail lift vehicles compared to 2013/14;</li> <li>○ Fewer companies have the required number of passenger assistants, even if they can supply the specialist vehicles, again reducing the tender pool and increasing prices. We require an additional 31 passenger assistants compared to 2013/14;</li> <li>○ Companies winning the tenders are not based in Cambridge City (one used regularly is based in Haverhill), which increased the tender price as we had to fund journey into the City and back as well as the school route. The average daily price is £91.99, an increase of 3.09% on the April 2014 average;</li> <li>○ Reduced number of providers interested in applying for contracts for primary school children due to legislation around child seats. Taxis would need to carry child seats for the day reducing public use of boot space e.g. for luggage. This again resulted in a smaller tender pool and increased prices;</li> <li>○ More children with more complex needs increased the use of single occupancy taxis; and</li> <li>○ Closure of respite centres resulted in children, often with the most acute needs, requiring high cost transport for increased distances.</li> </ul>	+1.621	(21%)

	<p><b>Looked After Children (LAC) Placements (external)</b> – the LAC Placements budget overspent by £1,174k, including secured additional income from Health and a provision for part payment of outstanding invoices, following development of a tool to assess the percentage level of contributions to placement costs.</p> <p>The 16+ Placements budget overspent by £366k. There was an increase in the number of young people who are presenting as homeless, who were willing to be looked after and had nowhere else to go. A number of young people had to move to supported accommodation that offered additional support due to their complex needs and this is impacting on the average cost although this is cheaper than residential care.</p> <p>The Supporting Lodgings budget underspent by -£28k. The full budget is planned for development of broader provision in 2015/16.</p>	+1.512	(9%)
	<p><b>Home to School Transport - Mainstream</b> – the outturn figure resulted in the main from:</p> <ul style="list-style-type: none"> <li>○ The much lower than anticipated savings achieved from the re-tendering of contracts. The re-tendering process only delivered £41k in savings. The assumed level of saving had been in the order of £350k based on experience of re-tendering contracts in 2012/13 and 2013/14;</li> <li>○ The decision to defer proceeding with a proposals to withdraw free transport on the route between Horningsea and Fen Ditton Primary School, as a result of the delayed implementation of road safety improvements and on the route between Gt and Little Shelford / Stapleford and Sawston Village College, following a concern raised by the Road Safety Team about one aspect of the route. As a result, a reassessment of one section of the route was necessary to remove the risk of this preventing the withdrawal of free transport, should one or more of the families affected lodge an appeal. As a term's notice is required for such proposed changes to be implemented, both route reviews are planned for implementation at the start of the 2015/16 academic year;</li> <li>○ An increase in the number of post-16 students living in East Cambridgeshire being deemed to be entitled to subsidised and free transport into Cambridge as a result of changes made by City of Ely and Newmarket College to their curriculum offer to focus on vocational courses in place of an A Level programme of study;</li> <li>○ Reflects the fact that the underspend achieved in 2013/14 was £345k less than the forecast outturn saving, which informed the setting of the 2014/15 budget during the Business Planning process;</li> <li>○ Takes account of the underspend on the 2013/14 budget of -£355k; and</li> </ul>	+1.140	(13%)

	<ul style="list-style-type: none"> <li>○ Takes account of an inflationary uplift of 2.9% on all contracts.</li> </ul>		
	<b>Special Educational Needs Placements</b> – the budget continues to be under significant pressure due to numbers: whilst maintained Statement numbers are decreasing the level of need is escalating in early years with this age group requiring additional capacity in all of our Special Schools on going. This additional need in early years has meant that the schools were at physical capacity in 2014/15.	+0.763	(10%)
	<b>Commissioning Services</b> – this was due to longer timescales for children with statements moving from one school to another, adhering to the placement consultation process outlined by the Department for Education (DfE) Special Educational Needs (SEN) Code of Practice. In addition to this there was a move to 25 hours per week provision, from 15 hours per week, which created a pressure (additional NHB funding has been secured for 2105/16 to fund the pressure relating to this change in statutory responsibility).  It is important to note that a large number of our special schools started the academic year full. This created an additional pressure on this budget as there were an increased number of children requiring interim education provision whilst the search for a new school placement was underway.	+0.429	(12%)
	<b>Older People &amp; Adult Mental Health Directorate</b> – the overall underspend reported at year end is in line with the target set at the start of the financial year. Changes in the expected financial position during the final quarter of 2013/14 meant that the Older People & Mental Health directorate began 2014/15 with a one-off over allocation of budget.	-3.203	(-4%)
	<b>Physical Disabilities</b> – the underspend is due to the management of demand on services, and careful consideration of how much support people needed to reduce social isolation informed by the activities they are involved in and their family / social situations. In addition to demand management some packages of support did not materialise, several higher cost packages ended, and a number of claw backs on direct payments were made.	-1.157	(-9%)

	<p><b>Central Financing and Financing Dedicated Schools Grant (DSG)</b> – within CFA, spend of £20.3m is funded by the ring fenced DSG. The budgets for Education Placements (£763k), Commissioning Services (£410k), Early Years Specialist Support (£90k), Strategic Management - Strategy &amp; Commissioning (£59k), Teachers Pension &amp; Redundancy (£6k), Special Educational Needs and Disability (SEND) Specialist Services (-£147k), East Cambs &amp; Fenland Localities (-£29k), Early Years Policy - Funding &amp; Operations (-£17k), South Cambs &amp; City Localities (-£9k) and Early Years Service (-£9k) are overspent this year by a total of £1,116k.</p> <p>Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. This financial year vacancy savings of £462k (of the total -£549k savings achieved) were taken in relation to DSG funded posts and DSG carry forward within Schools Financing of £654k was applied, both of these have been combined and used to offset the pressures on DSG funded budgets.</p>	-1.116	(-5%)
	<p><b>Strategic Management - Strategy &amp; Commissioning</b> – the underspend is a result of:</p> <ul style="list-style-type: none"> <li>○ An overachievement of vacancy savings (-£328k) due to holding posts vacant in anticipation of the restructure due to be implemented in June 2015, and lower cost solutions to covering maternity leave;</li> <li>○ A deferred HNB savings target of £60k, which will be achieved in 2015/16;</li> <li>○ An overspend of £18k on Grants to Voluntary Organisations, resulting from duplication of commitment following reorganisation of funding in accommodating the Public Health Grant for the counselling contract; and</li> <li>○ An underspend of -£8k on the directorate legal budget, as expected charges were not received.</li> </ul>	-0.259	(-24%)
CFA Bad Debt Provision	<p><b>Bad Debt Provision Adjustment</b> – in 2013/14 a central reserve provision of £1.245m was created from CFA resources when closing the accounts at year-end due to uncertainties over the outstanding client contribution debt which transferred back to the direct management of CCC with the CCS transfer of responsibilities back to CCC. Since then a thorough review of all client contribution debt has been undertaken and the social care teams have checked all outstanding debt. The central reserve provision was set up for exceptional and one-off write-off of debt, but the review has identified that it is not required for this purpose and can therefore be written back into CFA revenue. This will then be treated the same as any CFA over/under spend at year end and transfer to CFA reserves.</p>	-1.245	-

Public Health	<b>Cambridge Public Health Integration Strategy</b> – it is proposed that £779k non-recurrent savings from 2014/15 will be transferred to an earmarked reserve for implementation of the Cambridgeshire Public Health Integration Strategy. Development of a Public Health Integration Strategy was requested by the Health Committee at its meeting in January 2015. It will maximise the benefits of the transfer of Public Health to Local Authorities by embedding public health outcomes and delivery across a range of upper tier and lower tier local authority functions. The funding is non-recurrent, and will be used to pump prime evidence based transformation and integration of public health delivery, across County Council Directorates and District/City Councils. To meet Public Health Grant conditions, non-recurrent savings must be earmarked for public health functions, rather than entering the general reserve.	-0.779	-
	<b>Health Improvement</b> – the £500k earmarked from known underspends to pump prime a Healthy Fenland Fund has been transferred to an earmarked reserve.	-0.500	-
	<b>Falls Prevention</b> – an earmarked reserve has been set aside from non-recurrent underspends on 2013/14 and 2014/15 Public Health (PH) Grant, in order to ensure £400k non-recurrent PH funding is available to support falls prevention in 2015/16 and 2016/17.	-0.400	-
CS	N/A	-	-
LGSS Managed	<b>County Offices</b> – a savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of the 2014/15. Savings of £120k were achieved during the year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there was a one-off windfall from Libraries' rates rebates (£150k) and savings of £43k on utilities across the portfolio. These in-year savings were partly offset by an accrual of £200k in respect of Dryden House dilapidations.	+0.484	(7%)
	<b>IT Managed</b> – the overspend had reduced by -£85k this month. The 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £398k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire.  The recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target in future years. Centralisation of the budgets will only be implemented in 2015/16 and, as such, the part year savings applicable to 2014/15 accrued to service budgets rather than this budget.	+0.202	(11%)

	<b>Building Maintenance</b> – the overspend has reduced by -£52k this month. Reactive building maintenance spend across the property portfolio exceeded budget in 2014/15 by £240k. Property Operations identified an under-accrual in relation to 2013/14 works that contributed towards the overspend.	+0.240	(118%)
	<b>Transformation Fund</b> – the Transformation Fund incurred £1.094m of costs as a result of Section 188 redundancies in 2014/15, resulting in an underspend of -£732k.	-0.732	(-73%)
CS Financing	<p><b>Debt Charges</b> – £1.33m was largely due to the decision to delay long term borrowing until 2015/16 and instead utilise cash balances, which resulted in a favourable variance for interest payable. In addition we experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable was also greater than originally budgeted. An underspend on the Minimum Revenue Provision (MRP) has also contributed significantly, as a result of lower than expected levels of prudential borrowing in previous years.</p> <p>In March, the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5m). Accumulated accrued interest of £635k was also paid earlier than expected, increasing the 2014/15 underspend.</p> <p>This saving is in addition to the £1m reduction in the Debt Charges budget approved in the Business Plan in the expectation of slippage in the capital programme. The capital programme continued to be monitored closely alongside forecast cash balances and interest rates and a pragmatic approach to borrowing continued to be adopted.</p>	-1.982	(-6%)
Financing Items	N/A	-	-
LGSS Operational	N/A	-	-

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

Service	Description	Actual Variance - Outturn £m	Actual Variance - Outturn %
ETE	<b>Science Park Station</b> – the Government confirmed in the Autumn Statement that it would provide the funding for this scheme.	-11.2	(-97%)
	<b>Connecting Cambridgeshire</b> – the Superfast broadband rollout contractor for Connecting Cambridgeshire has delivered the infrastructure within agreed milestones, however, the payment profile is lagging behind the delivery, increasing the delayed spend figure to £5,263k in year. This does not represent a total scheme underspend as the funding will be required in 2015/16.  The underspend on Super Connected Cities was £4,300k. The original grant was to support 2,220 vouchers, but the take up for 2014/15 was revised down to 160 vouchers. Due to a slower take-up rate nationally than the Government first anticipated, the scheme has now been extended until March 2016 with an increased geography to include the whole of Cambridgeshire, including Peterborough (rather than just Cambridge City and South Cambridgeshire).	-9.8	(-45%)
	<b>Huntingdon - West of Town Centre Link Road</b> – the resolution of land costs were not completed in 2014/15 and the funding for this has been carried forward into 2015/16.	-3.4	(-86%)
	<b>Chesterton Busway</b> – this was due to project delivery issues on the busway site, including statutory undertaking diversions and associated design considerations, which have required a re-programme of the site works, resulting in delays in spend. In addition, work with local stakeholders has identified a potential improvement to the location of additional cycle facilities, however, this requires some further negotiation with a third party land owner. This has resulted in some delay in the finalisation of the cycling facilities, but if successful will ultimately provide a more effective cycling route to the new station.	-2.3	(-38%)

<p><b>Cycling Schemes</b> – spend on the Cycling City Ambition grant funded schemes will now roll into 2015/16 as the Department for Transport has extended the use of this funding until September 2015. This will include the following schemes:</p> <ul style="list-style-type: none"> <li>○ Huntingdon Road (start date 5<sup>th</sup> January)</li> <li>○ Hills Road (start date 26<sup>th</sup> January)</li> <li>○ Trumpington Road (start date 11<sup>th</sup> May)</li> </ul>	-2.2	(-45%)
<p><b>Community &amp; Cultural Services</b> – expenditure was delayed while the Library Service Review takes place.</p>	-1.6	(-96%)
<p><b>Infrastructure Management &amp; Operations Scheme - Other Schemes</b> – funding for ‘Street Lighting – Central Management system’, shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, was no longer required. More detailed analysis of the scheme found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.</p>	-1.0	(-100%)
<p><b>Strategy &amp; Development - Other Schemes</b> – this relates to:</p> <ul style="list-style-type: none"> <li>○ <b>Soham Station (-£489k)</b> Network Rail (NR) is currently considering an upgrade of the track between Soham and Ely as part of their regional route strategy. Should this upgrade be agreed it will change the overall business case for a station at Soham. The Council is budgeting to spend around £400k with consultants on developing the business case and, as such, it is prudent to wait until the NR strategy is finalised before letting any contracts to third parties to ensure that the scope of the analysis is well defined.</li> <li>○ <b>Kings Dyke (-£385k)</b> The budget was set based on an early land acquisition. However, whilst the land owner is still in agreement, the heads of terms have not yet been reached. This has therefore slipped into the first quarter of 2015/16.</li> </ul>	-0.9	(-60%)
<p><b>Waste Infrastructure</b> – this is a consequence of no new sites being developed until the results of the recycling centre strategy are known.</p>	-0.6	(-75%)

CFA	<p><b>Secondary Schools - New Communities</b> – construction works on site slipped considerably in 2014/15 at the Trumpington (Southern Fringe) Secondary School, which accounts for nearly all of the overall underspend (-£8.3m). The project is now scheduled to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning condition delays.</p> <p>An underspend of -£175k on the Northstowe Secondary scheme is due to delays in the design phase.</p>	-8.4	(-67%)
	<p><b>Primary School - Demographic Pressures</b> – this comprised of the following:</p> <p><u>Slippage and accelerated progress</u> (-£3,964k underspend)</p> <p>This is mainly due to: significant slippage on Isle of Ely Primary (-£2,075k), which occurred from delays in starting on site due to land transfer and cost recovery agreements being concluded, pushing back start on site date to late January 2015; Orchards Primary (-£452k); Swavesey Primary (-£219k); Hardwick Second Campus (-£905k – further delays on site, due to weather conditions, resulted in the project progressing more slowly than anticipated); Huntingdon Primary School (-£458k); and Fawcett Primary (-£1,363k – further delays were experienced, resulting in the scheme progressing more slowly than expected). This is balanced against accelerated schemes of Kings Hedges Primary (£368k); Brampton Primary (£361k); Fulbourn Primary School (£235k); and Milfield Primary (£112k) where expenditure previously anticipated as falling in 2015/16 was incurred in 2014/15.</p> <p><u>Revision in costs</u> (-£705k underspend)</p> <p>The overall costs of the expansion at Fawcett Primary were reduced by -£600k following receipt of a lower than anticipated Milestone (MS) 4 tender price. A saving of -£225k was also achieved on the Hemingford Grey Primary School due to employer's contingencies and risk register costs not being expended. These savings were offset by increased costs at Cavalry Primary School of £120k for re-roofing works.</p>	-4.7	(-16%)

	<p><b>Secondary Schools - Demographic Pressures</b> – the Littleport Secondary scheme has underspent by -£4.2m in 2014/15, which is primarily due to a delay in acquiring the land on which the school will be built. The start on site date consequently slipped from Summer to Autumn 2015.</p> <p>The Swavesey Village College scheme progressed more quickly than originally anticipated resulting in a -£257k overspend in 2014/15. The cost of this scheme has increased by £350k over the lifetime of the project due to higher than anticipated tender costs. This project is funded significantly by Targeted Basic Need funding. The funding was advanced to offset the acceleration in the programme.</p> <p>The £598k anticipated increase in Coleridge Secondary extension scheme did not materialise as works slowed on phase 3 of the project.</p>	-4.1	(-44%)
	<p><b>Primary Schools – New Communities</b> – -£3.4m of the underspend relates entirely to Northstowe. The start on site date was put back to June 2015 from November 2014; the school will now open in September 2016 to ensure places are available to align with when the first house occupation is anticipated. The overall cost of the project remains on budget.</p> <p>There was a -£205k total scheme reduction to Trumpington Meadows Primary School, due to savings made on compensation events, risk register and contingencies.</p> <p>At North West Cambridge (Darwin Green) Primary there was slippage of -£149k in 2014/15 due to delays in the commencement of the design phase. The overall cost of the project remains on budget.</p> <p>Bearscroft Primary underspent by -£389k in 2014/15, which was due to problems with levels on the allocated site leading to associated delays in the design processes. The overall cost of the project remains on budget.</p>	-3.9	(-73%)
	<p><b>Adult Social Care (ASC)</b> – this relates to previously accumulated grant funding, which will be required in 2015/16. Plans have been developed to ensure the sustainability of future ASC capital investments, which were incorporated in the 2015/16 Business Plan.</p>	-2.6	(-55%)
	<p><b>Children Support Services</b> – increased certainty over the timings of projects related to Early Years basic need placements has resulted in a -£490k underspend in 2014/15. The overall cost of the project remains on budget and the phasing has been reflected in the 2015/16 Business Plan.</p>	-2.2	(-58%)

	<p>There was a -£1.5m underspend due to slippage on the Trinity School where delays in the acquisition of land led to the appointment of contractors being put on hold. Further delays were the result of a fire on site in late 2014. Confirmation of the site purchase was received in March 2015.</p>		
	<p><b>Schools - Scheme Final Payments</b> – final accounts for around 20 completed schemes were settled. However, Cambourne Village College accounts have not be settled in 2014/15 resulting in an -£163k increase to the underspend.</p>	-1.3	(-63%)
	<p><b>Primary Schools - Adaptations</b> – this was principally due to a delay in the return of the tenders for the planned expansion of Hauxton Primary School (-£571k). The completion date for the scheme is now June 2015. Additional costs of c.£60k are anticipated in the overall project due to piling and associated on-costs. This has been taken into account in the 2015/16 Business Plan.</p> <p>There was small slippage on Morley Memorial Primary School scheme of -£169k in 2014/15 due to delays in planning and design. The overall cost of the project remains on budget.</p> <p>This slippage was offset by £238k as a result of the accelerated progress on the Dry Drayton Primary scheme.</p>	-0.5	(-31%)
	<p><b>Condition, Maintenance and Suitability</b> – tenders came in higher than anticipated, which is a reflection of the impact the upturn in the housing market has had on building costs.</p>	+1.6	(33%)
	<p><b>Temporary Accommodation</b> – more mobiles were needed during 2014/15 due to rising class numbers at primary schools around the County, coupled with increased site works and rising building and transportation costs.</p>	+0.6	(58%)
CS	N/A	-	-
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) - Shire Hall Campus</b> – this was due to delays in progressing the Shire Hall lift works due to archaeology findings (-£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to Castle Court closure, but this has not yet been confirmed</p>	-0.7	(-64%)

	<b>EPAM - County Farms Viability</b> – delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement works, resulted in fewer business cases coming forward against the available funding for 2014/15.	-0.6	(-58%)
	<b>EPAM - Sawston Community Hub</b> – the slippage was due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-0.6	(-94%)
	<b>EPAM - East Barnwell Community Hub</b> – the in-year underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-1.2	(-97%)
	<b>EPAM - Trumpington Option Land</b> – this scheme did not proceed in 2014/15, resulting in an underspend of -£1.0m. Going forward, the project will be incorporated within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme.	-1.0	(-100%)
	<b>EPAM - Making Assets Count (MAC) Market Towns Project</b> – the MAC Public Property Partnership & Market Towns project was reassessed and it was concluded that the Property Partnership would not be developed over the next few years, as MAC wished to focus on more practical projects. The deliverability of the various Market Town projects were re-evaluated in light of this decision and it was decided to focus on taking the March Market Town project forward. This resulted in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget was adjusted as part of the 2015/16 Business Planning process.	-1.0	(-100%)
	<b>Carbon Reduction</b> – the works planned under the Carbon Reduction scheme were reviewed and a new schedule was agreed. The majority of costs will be incurred in 2015/16 and so there was in-year underspend of -£1.1m. The agreed work is expected to deliver a total scheme underspend of -£0.7m.	-1.1	(-98%)
	<b>Optimising IT for Smarter Business Working</b> – this reflected an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.	-0.8	(-73%)

	<b>IT Infrastructure Investment</b> – timing of spend on this scheme was significantly impacted by the commencement of the Enterprise Agreement with Microsoft; many of the licences due to be paid were deferred until August 2015 when they will be paid in conjunction with other commitments under the Enterprise Agreement. It is therefore not expected that this in-year underspend will result in a reduction in total scheme costs.	-0.8	(-77%)
LGSS Operational	N/A	-	-

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

Service	Description	Actual Variance - Outturn £m	Actual Variance - Outturn %
ETE	<b>Science Park Station</b> – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme, which will now be undertaken by Network Rail.	-26.0	(-87%)
	<b>Infrastructure Management &amp; Operations Scheme - Other Schemes</b> – funding for ‘Street Lighting – Central Management system’, shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.5	(-19%)
CFA	<p><b>Primary Schools - Demographic Pressures</b> – this consists of the following:</p> <ul style="list-style-type: none"> <li>○ £0.6m saving has resulted from a better than expected tender cost at Fawcett Primary School;</li> <li>○ A review of the build at Cavalry Primary School has resulted in a reduction in the anticipated costs by £0.6m, as the contractor has identified a means to be able to deliver to the specification, but more efficiently;</li> <li>○ A saving of £225k has been achieved on the Hemingford Grey Primary School due to employer’s contingencies and risk register not being expended;</li> <li>○ A saving of £476k to the overall project costs for Huntingdon Primary due to a favourable tender price at Milestone (MS) 4 stage;</li> <li>○ A saving of £43k has been achieved on the Fulbourn Primary scheme due to risks and contingencies not being expended;</li> <li>○ The scope of the work at Swavesey Primary School has been increased by £535k to take account of the pre-school needs identified to meet the funded 2’s agenda; and</li> <li>○ The scope of the works at Millfield Primary has been increased by £180k due to the inclusion of work on the pre-school in the scheme.</li> </ul>	-1.2	(-1%)

	<p><b>Schools - Scheme Final Payments</b> – final accounts for around 20 completed schemes were settled, which resulted in a net total scheme underspend of £616k.</p> <p>The main savings relate to the following schemes that have closed:</p> <ul style="list-style-type: none"> <li>○ Gunhild Way Primary (-£292k)</li> <li>○ Green End Road Primary (-£130k)</li> <li>○ Thongsley Fields Primary (-£127k)</li> <li>○ Burrough Green Primary (-£112k)</li> <li>○ St John's Primary (-£106k)</li> </ul> <p>These savings were offset by a £100k project cost increase on Jeavons Wood Primary due to anticipated final accounts settlement for risks and contingencies.</p>	-0.6	(-1%)
	<p><b>Secondary Schools - New Communities</b> – the Trumpington (Southern Fringe) Secondary School scheme is due to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning conditions. Delays have increased the scheme's total costs by £1.5m, which have been reflected within the 2015/16 Business Plan.</p>	+1.5	(1%)
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) - Fenland</b> – residual work on the Awdry House site was still to be completed at year end. A reduction in the estimated cost of final retention payments has increased the total scheme underspend from -£0.9m to -£1.1m.</p>	-1.1	(-17%)
	<p><b>EPAM - Trumpington Option Land</b> – this scheme did not proceed 2014/15, resulting in an underspend of -£1.0m. Going forward, the project will be incorporated within the wider City Deal schemes, as part of the Economy, Transport and Environment (ETE) capital programme.</p>	-1.0	(-100%)
	<p><b>EPAM - Making Assets Count (MAC) Market Towns Project</b> – the MAC Public Property Partnership &amp; Market Towns projects was reassessed and it was concluded that the Property Partnership would not be developed over the next few years as MAC wished to focus on more practical projects. The deliverability of the various Market Town projects were re-evaluated in light of this decision and it was decided to focus on taking the March Market Town project forward. This resulted in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget was adjusted as part of the 2015/16 Business Planning process.</p>	-5.2	(-75%)

	<b>Carbon Reduction</b> – the works planned under the Carbon Reduction scheme were reviewed and a new schedule was agreed. It is expected that the agreed work plan will deliver a total scheme underspend of -£0.7m.	-0.7	(-39%)
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## APPENDIX 5 – previously reported key capital funding changes that are still applicable

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

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

## APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15		Notes
		Movements in 2014-15	Balance at 31 Mar 15	
	£000s	£000s	£000s	
<b>General Reserves</b>				
- County Fund Balance	12,337	3,663	16,001	
- Services				
1 CFA	6,760	-6,760	0	Includes Service Forecast Outturn (FO) position. See note 1.
2 PH	749	203	952	
3 ETE	2,796	573	3,369	Includes Service FO position.
4 CS	1,314	-294	1,020	Includes Service FO position.
5 LGSS Operational	1,116	-113	1,003	Includes Service FO position.
Subtotal	25,073	-2,728	22,345	
<b>Earmarked</b>				
- Specific Reserves				
6 Insurance	4,105	-1,527	2,578	
7 Connecting Cambridgeshire	3,485	-3,485	0	
Subtotal	7,590	-5,012	2,578	
<b>Equipment Reserves</b>				
8 CFA	453	291	744	
9 ETE	567	326	893	
10 CS	50	0	50	
11 LGSS Managed	559	83	642	
12 LGSS Operational	85	-85	0	
Subtotal	1,715	614	2,329	
<b>Other Earmarked Funds</b>				
13 CFA	3,443	4,018	7,533	See note 1.
14 PH	0	2,081	2,081	
15 ETE	8,975	-1,571	7,404	Includes liquidated damages in respect of the Guided Busway.
16 CS	336	191	527	
17 LGSS Managed	0	198	198	
18 LGSS Operational	0	130	130	
19 Corporate	0	63	63	
Subtotal	12,754	5,110	17,936	
<b>SUB TOTAL</b>	<b>47,132</b>	<b>-2,017</b>	<b>45,187</b>	
<b>Capital Reserves</b>				
- Services				
20 CFA	4,180	2,260	6,272	
21 ETE	7,041	8,856	15,897	
22 LGSS Managed	481	0	481	
23 LGSS Operational	30	-30	0	
24 Corporate	22,594	10,953	33,547	Section 106 balances.
subtotal	34,326	22,039	56,197	
<b>GRAND TOTAL</b>	<b>81,458</b>	<b>20,022</b>	<b>101,384</b>	

**Note 1** – CFA have undertaken an exercise to review their Service reserve balance to identify funds for future specific use, reporting these funds within their 'Other Earmarked Funds' forecast balance at 31 March 2015. ETE and CS & LGSS are undertaking a similar exercise, which will be finalised in early 15/16.

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

Description	Balance at 31 March 2014	2014-15		Notes
		Movements in 2014-15	Balance at 31 Mar 15	
	£000s	£000s	£000s	
<b><u>Short Term Provisions</u></b>				
1 ETE	669	0	669	
2 CS	1,000	43	1,043	
3 LGSS Managed	2,866	450	3,316	
subtotal	4,535	493	5,028	
<b><u>Long Term Provisions</u></b>				
4 LGSS Managed	4,718	0	4,718	
subtotal	4,718	0	4,718	
<b>GRAND TOTAL</b>	<b>9,253</b>	<b>493</b>	<b>9,746</b>	