

**INTEGRATED RESOURCES AND PERFORMANCE REPORT – OCTOBER 2009**

**To:** Cabinet

**Date:** 15<sup>th</sup> December 2009

**From:** Corporate Director (Finance, Property & Performance)

**Electoral division(s):** All

**Forward Plan ref:** 2009/045                      **Key decision:** yes

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

**Recommendation:** That Cabinet:

1. Analyses resources and performance information and takes any remedial action as appropriate.
2. Approves the permanent virement of £547k from Corporate Reserves to the Services to fund the 1% Local Government inflationary pay uplift.
3. Consider and then approve / reject the S106 deferral requests (see section 3.2 and appendix 6).
  - 17-21 Victoria Avenue £17,518 East Corridor Area Travel Plan (ECATP) - recommendation to accept deferral
  - Leys Lodge £2, 910 Education pre-school and Life Long Learning – recommendation to accept deferral
  - Land at Parkway, Huntingdon – Transport Contribution recommendation to accept deferral
  - Wenny Road Chatteris Development – Education contribution of £27,000 recommendation to accept deferral
  - 16 Dwellings 55 The Chase Leverington, Wisbech - £45,000 Education contribution recommendation to refuse deferral

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## 1. PURPOSE

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

## 2 BACKGROUND

- 2.1 A joined-up reporting mechanism has been adopted as part of a drive to understand finance and performance together. In an attempt to combine the most important parts of the separate finance and performance reports the integrated report is broken down into three sections:
1. Executive summary (including Direction of Travel (DoT) information) (section 3)
  2. Detailed integrated scorecard and analysis of exceptions (section 4)
  3. Appendices showing financial tables (appendix 2 – appendix 5)
- 2.2 The executive summary provides a high level indicator of financial position across the 4 main themes: Income and revenue; resources; trading and the capital programme. It also contains a summary of exceptions indicating areas of business that are underperforming and areas where performance is good.
- 2.3 The performance scorecard reports progress against the aspirations set out in the Integrated Plan, with an enhanced financial management section.
- 2.4 Each measure, whether financial or performance, has been awarded a status based on a simplified three banding system.

<i>Good performance</i> performing above target, or spend in line with budget profile. No action required	<b>G - Green</b>
<i>Acceptable performance</i> but not yet at or above target, or spend is not fully in line with budget profile. Amber performance is cause for concern, especially near the end of the financial year. Director to investigate continued amber performance, especially if the Direction of Travel in performance or budgetary terms is downwards	<b>A - Amber</b>
<i>Investigate urgently</i> – action is required immediately if the target is going to be achieved. Executive Director/Corporate Director/Office Management Team (OMT) to investigate	<b>R - Red</b>

## 3. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

- 3.1 The following **performance** issues are of note:-
- To bring an extra dimension to the monthly reporting of performance, year-end predictions have been introduced this month. Rather than relying on the short-term, current performance view, this will assist in identifying longer-term performance issues, giving an opportunity to make corrections where necessary.
  - With this in mind the following indicators are either off target now or are predicted to miss their targets by the end of the financial or calendar year.

- New exceptions are:
  - Local Indicator (LI) 206 % Young People Aged 13-19 Participating in Youth Service Activities (RED ↑) – participation numbers remain low in a few localities, with others, however, meeting their target.
  - National Indicator (NI) 154 Net Additional Homes Provided (GREEN for 2008/09, but predicted RED for 2009/10) – reports from larger developments show fewer housing completions than average during the first six months of 2009/10, due to the decline in the housing market. It is predicted that the 2009/10 target will not be met.
  - LI106a Sickness Absence – YTD (Office of Environment and Community Services (OECS)) (RED ↓) – sickness in OECS has increased, which in the main is a result of a high number of absences in Adults Support Services (NOTE: for the purpose of this report this indicator is still reported on the 'old' office structure).
- Previously reported exceptions are:
  - LI068 Overall Satisfaction of Website Customers (RED ↓) – net satisfaction this month is down, but still in line with the national average of 33%. An action plan has been developed to address this as well as a wider Internet Improvement Project.
  - NI192 Household Waste Recycled and Composted (currently RED ↑, but predicted AMBER for 2009/10) – Cambridgeshire's provisional 12-month rolling average to the end of September was 51.2%. Although this is below the current milestone of 53.2%, the recent opening of the Mechanical and Biological Waste Treatment Plant is expected to bring this indicator back on target by the end of the financial year. Cambridgeshire was second best performing county council for NI192 in 2008/09. Ambitious targets have been set for 2009/10, which would exceed performance of the top performing authority in 2008/09 (Leicestershire with 52%).
  - NI148 Care Leavers in Employment, Education and Training (EET) (RED ↑) - the continuing difficult economic environment remains challenging. However, there is a slight improvement in performance, with an additional two young people in EET.
  - NI008 Adult Participation in Sport (RED for 2008/09, but predicted AMBER for 2009/10) – significant funding has been secured to focus on NI 8 through workplace sport and physical activity interventions.

### 3.2 The following **resource** issues are of note:-

- Overall the budget position is showing a forecast year-end overspend of £1m (0.3%). This is a decrease of £797k from last month. The position still needs to be rectified as there is little reserve flexibility to support such an overspend in year and no possibility of supporting such an overspend in future years (due to the overall financial position).
- In Environment Services (ES) an underspend of -£569k is being predicted, which is mainly due to savings in Environment & Regulation and on the Waste PFI Contract (see para 4.2).
- In Community and Adult Services (CAS) an overspend of £3.7m is being predicted, which is mainly due to pressures within Adult Social Services (see para 4.3). Further examination of the factors behind this overspend are being examined with the Primary Care Trust (PCT) and there are indications that the forecast overspend can be significantly reduced and/or attributed to unexpected changes in demand (numbers and acuity of care needs).
- In Children and Young People's Services (CYPS) a balanced budget is being predicted (see para 4.4).

- In Corporate Directorates (CD) an underspend of -£29k is being predicted, which is mainly due to savings identified within People, Policy and Law (see para 4.5).
- In Corporate Directorates – Financing, an underspend of £2m is being predicted due to savings on Debt Charges (see para 4.5).
- Spending on the council's capital programme is currently proceeding slower than estimated (see para 4.6).
- There are no significant debt problems to report at this point in time. And there are no noticeable effects arising from the economic downturn (see para 4.7).
- Cabinet are asked to approve the permanent virement of £547k from Corporate Reserves to the Services to fund the 1% Local Government inflationary pay uplift. The inflation applied to pay during 2009/10's Integrated Planning Process was taken back centrally earlier in the year, as the announcement had not been made at that stage.
- Cabinet are asked to consider and then approve/reject the S106 deferral requests (see appendix 6).
- Comparative financial information will be available in the coming months.

### 3.3 The following **general economic** issues are of note:-

The general economic forecast for the UK remains poor and it is probable that growth will not be evident until 2010. The most significant implication for the Authority is that in order to restore the nation's finances and services borrowing and benefit requirements there will be significant pressures on public funding, certainly for five years and probably for a decade. The implications of the funding constraints will be considered in the 2010/11 Integrated Plan.

Although most of the direct and indirect implications of the recession will be negative for the Authority, reduced levels of inflation (at least in this year and next year) and incomplete order books will increase our leverage with suppliers and contractors.

### 3.4 **Revenue Income & Expenditure Summary**

<b>Outturn Variance (Sept)  £000</b>	<b>Service</b>	<b>Budget for 2009/10  £000</b>	<b>Current Variance  £000</b>	<b>Forecast Outturn (Oct)  £000</b>	<b>Forecast Outturn (Oct)  %</b>	<b>Overall Status</b>	<b>D o T</b>
-466	ES	50,078	-1,056	-569	-1.1%	G	↑
3,882	CAS	139,951	4,740	3,660	2.6%	R	↑
242	CYPS	80,632	668	0	0.0%	G	↑
180	CD Direct	35,683	-207	-29	-0.1%	G	↑
-2,000	CD Financing	26,749	-14,574	-2,021	-7.6%	G	↑
<b>1,838</b>	<b>Total Service Spending</b>	<b>333,093</b>	<b>-10,429</b>	<b>1,041</b>	<b>0.3%</b>	<b>A</b>	<b>↑</b>
0	Financing Items	-5,139	-4,725	0	0.0%	G	↔
<b>1,838</b>	<b>Total Spending 2009-10</b>	<b>327,954</b>	<b>-15,154</b>	<b>1,041</b>	<b>0.3%</b>	<b>A</b>	<b>↑</b>

### 3.5 Capital Programme Summary

Revised Budget (Oct) £m	Capital Summary	Outturn Estimate (Oct) £m	Outturn Variance (Oct) £m	Overall Status	DoT
160.6	<b>Total Capital Spending</b>	134.9	-25.7	A	↑
30.5	Total General Financing	29.0	-1.5	G	↑
130.1	Total Specific Financing	105.9	-24.2	G	↑
	Unsupported Expenditure (Funding Difference)	0.0	0.0	G	↑
160.6	<b>Total Capital Financing</b>	134.9	-25.7	A	↑

## 4. EXCEPTION REPORTING – PERFORMANCE & RESOURCES

4.1 Where performance/financial expectation falls into or remains in the bottom banding (red), or is in the amber banding with performance falling for the second consecutive month an explanation as to why this has happened and what actions are being taken to correct performance/overspend has been invited from the lead officer concerned. Directors are asked four specific questions are asked to ensure the exception reports are able to drive improvement and for Cabinet to offer robust challenge. These questions are:

- What are the reasons for performance/budget falling behind target/profile?
- What actions are planned?
- In what timescales will performance be back on track?
- Who is responsible for dealing with this?

### 4.2 Environment Services (-£569k underspend)

#### 4.2.1 NI154 Net Additional Homes Provided

NI154 measures all housing completions, although data for smaller sites is only collated at year-end, and despite finishing strongly in 2008/09 it is predicted to miss the 2009/10 target of 2,871. Information for larger developments shows fewer housing completions than average during the first six months of 2009/10. Whilst actions to assist housing delivery have been identified, it is highly unlikely that market conditions or the capacity of the house-building industry will recover strongly enough for the 2009/10 target to be met. However, all measures are in place to help bring performance back on track in the longer term.

4.2.2 There is still significant uncertainty on income this year as a result of the ongoing economic situation. Section 106 income is currently behind profile whilst Section 38 income appears to be ahead of profile. All income streams are being closely monitored by officers and will be reported if problems emerge in achieving the expected level of income.

4.2.3 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

- Waste – Residual (-£279k underspend).

- Priority Investments (-£201k underspend).
- Waste PFI Contract (-£74k underspend).

### **4.3 Community and Adult Services (£3.7m overspend)**

#### **4.3.1 LI106a Sickness Absence – Year to date (YTD) (OECS)**

Sickness is still being reported on the 'old' office structure. In this form, year to date sickness absence in the Office of Environment and Community Services (OECS) has fallen behind its target for this point in the year – an average of 3.5 days per Full Time Equivalent (FTE) to the end of September 2009 against a target of 3 days, giving a projected year-end outcome of 8.3 days against a target of 7.

However, it is important to note that when the Directorates of OECS are drilled into, it is Adult Support Services which is suffering the most, with an average of 5.85 days per FTE to the end of September. Absence in August was particularly high, with an average of 1.24 days per FTE.

Both Adults and Children's Social Care have historically had higher absence rates than other services, predominantly due to a greater potential for back injuries/muscle strain and other handling injuries; staff with mild ailments may be advised to stay at home, so as not to pass on illnesses to service users and occasional injuries from service users themselves. Although no data exists to support this, the higher rates towards the end of the summer can probably be attributed to incidents of Swine Flu.

One the whole, absences in Adults Support Services are reducing and have decreased significantly over the last 5 years, despite being higher than the council average.

#### **4.3.2 There are no new issues to report this month. However, the following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-**

- Physical Disability & Sensory Services (£250k overspend).
- Older People and Occupational Therapy (OT) Pooled Budget (£3.2m overspend).
- Community Learning & Development – Libraries (£193k overspend).
- Community Learning & Development – Student Finance (£62k overspend).

### **4.4 Children and Young People Services (Balanced Budget)**

#### **4.4.1 LI206 % Young People Aged 13-19 Participating in Youth Service Activities**

Participation numbers remain low in a few localities, with others meeting their target. Currently two localities have enhanced central support in place. Locality Managers are aware of the need to raise the number of young people engaging with youth work over the coming months.

#### **4.4.2 CYPS Strategy**

At the beginning of the financial year CYPS put in place a strategy to meet pressures arising across the Service. This strategy included the application of reserves and the finding of savings. This strategy has now been extended to address pressures which have

subsequently arisen. A savings target of £345k has been set centrally for CYPs to fund the current level of pressures.

#### 4.4.3 Grafham Water (£160k overspend)

During October the pressure within Grafham Water has reduced to £160k. This pressure has arisen mainly due to predicted income being significantly below expectations of extended centre capacity. The forecast has reduced from previous months because a new schedule of repayment for the prudential borrowing loans has been approved. Repayment will commence in April 2011.

#### 4.4.4 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

- Catering and Cleaning Services (£180k overspend).
- Placements – Social Care (£372k overspend).

### 4.5 Corporate Directorates (-£2.05m underspend)

Customer Services and Transformation (£122k overspend):

#### 4.5.1 The Service Transformation budget is showing a year-end underspend of -£80k. This is due to increased levels of traded activity by the Business Development Team and is based on income recovery for the period April 2009 to September 2009.

Finance, Property and Performance (-£22k underspend):

#### 4.5.2 The e-Business Suite and Shared Services budget is forecasting an overspend of £121k due to salary pressures within the Financial Systems team. It is expected that this will be offset by underspends within the other Shared Services operational teams.

#### 4.5.3 The Revenues Unit is reporting a year-end underspend of -£64k. This is due to a part year vacancy (-£25k) and recovery of unbudgeted income (-£39k).

#### 4.5.4 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

Customer Services and Transformation:

- Business Support and Facilities Management (£200k overspend).

People, Policy and Law:

- Elections (-£85k underspend).
- Human Resources (HR) – ES, CAS & CD (£110k overspend).
- HR – CYPs (£60k overspend).
- Redundancy, Pensions and Injury (-£156k underspend).

Financing:

- Debt Charges (-£2m underspend).

### 4.6 Capital Programme

Spending on the Council's capital programme is currently proceeding slower than estimated. It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value.

#### **4.7 Debt Levels**

Longer-term debt (> 6 months old) has decreased by £20k in October and remains at £1.3m, which is £211k above the target level for the year of £1.06m. Of this balance, £1.1m (84%) is subject to secondary recovery action. Debt in the 4-6 month age range has decreased by £128k at the end of October to £494k. Emerging debts are currently with the Recovery Team and Budget Holders to resolve. The overall figure is £64k above the target for the year of £430k, with £313k (63%) of the debt outstanding subject to secondary recovery action.

### **5. STATUTORY DUTIES & PARTNERSHIP WORKING**

- 5.1 There is no direct legislation or legal requirements that need to be adhered to for this report. There are also no significant issues that arise in relation to partnerships.

### **6. CLIMATE CHANGE**

- 6.1 There are no direct climate change implications stemming from this report.

### **7. ACCESS & INCLUSION**

- 7.1 There are no significant issues arising from this report in relation to access & inclusion.

### **8. ENGAGEMENT & CONSULTATION**

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

#### **SOURCE DOCUMENTS:**

ES Budgetary Control Report (October). CAS Budgetary Control Report (October). CYPs Budgetary Control Report (October). CD Budgetary Control Report (October). Capital Monitoring Report (October). Performance Management Report and Corporate Scorecard (October). Aged Debt per Directorate – as at 31 <sup>st</sup> October 09.	Room 301, Shire Hall, Cambridge
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Frequency	Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
<b>A) Integrated Plan</b>									
<b>1) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 1)</b>									
MONTHLY	LI206 % Young people aged 13-19 participating in Youth Service Activities	High	%	30-Sep-2009	5.4	6.5	R	↑	
	NI088 % of schools providing access to extended services	High	%	30-Sep-2009	89	89	G	↑	
YEARLY	NI005 Overall/general satisfaction with local area	High	%	31-Mar-2009	86.2	88.6	A	♦	A
	NI008 Adult participation in sport and active recreation	High	%	31-Mar-2009	21.8	23.2	R	↓	A
	NI017 Perceptions of anti-social behaviour	Low	%	31-Mar-2009	12.2	9.8	A	♦	A
	NI069 Bullying	Low	%	31-Mar-2009	48.9			♦	
	NI110 Young people's participation in positive activities	High	%	31-Mar-2009	76.2			♦	
	NI115 Substance misuse by young people	Low	%	31-Mar-2009	11.8	9.1	A	♦	
<b>2) Supporting and protecting vulnerable people (Strategic Objective 2)</b>									
MONTHLY	NI130 Social Care clients receiving Self Directed Support	High	clients	31-Oct-2009	19.8	35	A	↑	G
	NI136 People supported to live independently (all ages)	High	rate per population	31-Oct-2009	3117	3272	A	↑	G
	NI148 Care leavers in EET	High	%	30-Sep-2009	65	73	R	↑	
QUARTERLY	NI054 Services for disabled children	High	Number	31-Mar-2009	59			♦	
YEARLY	NI137 Healthy life expectancy at age 65	High	Number	31-Mar-2009	14.8			↔	
<b>3) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 3)</b>									
MONTHLY	NI047i People killed or seriously injured in road traffic accidents	Low	Number	30-Sep-2009	382	390	G	↓	A
QUARTERLY	NI177 Local bus passenger journeys originating in the authority area	High	Number	30-Jun-2009	24165236	21850000	G	↔	A
YEARLY	NI154 Net additional homes provided	High	Number	31-Mar-2009	2813	2344	G	↓	R
	NI155 Number of affordable homes delivered (gross)	High	Number	31-Mar-2009	924	820	G	↑	
	NI169 Non-principal roads where maintenance should be considered	Low	%	31-Mar-2009	5	6	G	↓	G
	NI175 Access to services and facilities by public transport, walking and cycling	High	%	31-Mar-2009	96.25	89.7	G	↑	G
	NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2009	22.14	23.45	G	↑	G
<b>4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)</b>									
MONTHLY	NI182 Satisfaction of businesses with local authority regulation services	High	%	30-Sep-2009	79	78.5	G	♦	G
QUARTERLY	NI152 Working age people on out of work benefits	Low	%	31-Mar-2009	7.1	11.8	G	↓	R
	NI163 Working age population qualified to at least Level 2	High	%	31-Dec-2008	73.4			♦	A
YEARLY	NI171 New business registration rate (per 10,000)	High	Number	31-Mar-2009	64.5	101	A	↔	A
	NI172 % of small businesses in an area showing employment growth	High	%	31-Mar-2007	12.9			↔	

Frequency	Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
<b>5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)</b>									
MONTHLY	NI192 Household waste recycled and composted - 12-month rolling average	High	%	30-Sep-2009	51.24	53.22	R	↓	A
YEARLY	NI185a CO2 reduction from Local Authority operations	High	%					♦	
	NI185b CO2 reduction from Local Authority operations	Low	tonnes	31-Mar-2009	85141.677			♦	
	NI186a Per capita CO2 emissions in the LA area - %	Low	%	31-Mar-2009	0	8.1	G	↓	G
	NI188 Adapting to climate change (CCC)	High	Number	31-Mar-2009	1	1	G	♦	G
	NI197 Improved local biodiversity – active management of local sites	High	Number	31-Mar-2009	166	165	G	↑	A
<b>6) Delivering high-quality effective and efficient services (Service Delivery Principle 1)</b>									
MONTHLY	Finance - Capital	High	Number	31-Oct-2009			A	↔	
	Finance - CAS	High	Number	31-Oct-2009			R	↔	
	Finance - CD Direct	High	Number	31-Oct-2009			G	↑	
	Finance - CD Financing	High	Number	31-Oct-2009			G	↔	
	Finance - CYPs	High	Number	31-Oct-2009			G	↑	
	Finance - ES	High	Number	31-Oct-2009			G	↔	
	LI025 Sickness Absence (CCC)	Low	working days	31-Oct-2009	4.23	4.16	A	↓	
	LI031 % of staff from ethnic minorities as a % of the workforce	High	%	31-Jul-2009	4.64	4.1	G	↔	
	LI044 Value of outstanding invoices per age range >6 months	Low	£	31-Oct-2009	1271328	1060000	A	↑	
	LI277 Prompt Payment	High	%	31-Oct-2009			G	↔	
	NI179 VFM	High	£0,000	31-Oct-2009	14777	11467	G	↑	
<b>7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)</b>									
MONTHLY	LI068 Overall satisfaction of website customers	High	%	31-Oct-2009	35	40	R	↑	
QUARTERLY	LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	30-Sep-2009	86.3	75	G	↓	
YEARLY	NI004 % of people who feel they can influence decisions locally	High	%	31-Mar-2009	31.2	34	A	♦	
<b>8) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)</b>									
YEARLY	NI007 Environment for a thriving third sector	High	%	31-Mar-2009	15.3	19.2	A	♦	
<b>B) Operational Performance</b>									
<b>Customer Service</b>									
MONTHLY	LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	31-Oct-2009	89.1	80	G	↑	
<b>Operational - Organisational Health</b>									
MONTHLY	LI039 Payment of undisputed invoices within 30 days	High	%	31-Oct-2009	98.3	95	G	↓	
<b>Operational - People Management &amp; Development</b>									
MONTHLY	LI026 Sickness Absence (OCS)	Low	days	30-Sep-2009	2.24	2.68	G	↓	
	LI032 Recruitment lead times	Low	days	31-Oct-2009	33.27	33	A	↑	
	LI106a Sickness Absence - YTD (OECS)	Low	Number	30-Sep-2009	3.95	3.5	R	↓	

Frequency	Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period )	Predicted Year End Status
	LI211 Sickness Absence (OCYPS)	Low	Days	30-Sep-2009	3.69	4	G	↓	
YEARLY	Percentage of appraisals completed on time	High	%	31-Mar-2009	92.8	96	A	↑	
Operational - Programmes									
MONTHLY	14-19 years	High	Status	30-Sep-2009			A	♦	
	Better Utilisation of Property Assets	High	Status	31-Aug-2009			A	↔	
	Building Schools for the Future	High	Status	30-Sep-2009			G	↑	
	Children's Trust	High	Status	30-Sep-2009			G	♦	
	Climate Change Programme	High	Status	30-Sep-2009			A	♦	
	Customer Services Excellence	High	Status	30-Sep-2009			G	↔	
	New Communities and Major Developments	High	Status	31-Jan-2009			G	♦	
	People Strategy	High	Status	30-Sep-2009			G	↔	
	Quality for Adults	High	Status	31-Oct-2008			G	↔	
	Service Infrastructure	High	Status	30-Sep-2009			A	↓	
	Service Transformation - Enhanced and Preventative Services	High	Status	30-Sep-2009			A	♦	
	Service Transformation - Social Care	High	Status	30-Sep-2009			A	♦	
	Shared Service	High	Status	30-Sep-2009			A	↔	
	Strategic Information Management	High	Status	30-Sep-2009			A	↔	
	Transport	High	Status	30-Nov-2008			G	↔	
Operational - Risk Management									
QUARTERLY	01) Safeguarding Children	High	Status	30-Jun-2009			A	♦	
	02) Safeguarding Vulnerable Adults	High	Status	30-Jun-2009			G	♦	
	03) Management of inspection process	High	Status	30-Jun-2009			G	↑	
	04) Economy	High	Status	30-Jun-2009			G	♦	
	05) Financial management	High	Status	30-Jun-2009			G	↔	
	06) Financial Strategy	High	Status	30-Jun-2009			G	♦	
	07) Estate Utilisation	High	Status	30-Jun-2009			G	♦	
	08) Recruitment, Retention & Development	High	Status	30-Jun-2009			G	↔	
	09) Delivery of the Growth Agenda	High	Status	31-Mar-2009			G	♦	
	11) Streetlighting PFI	High	Status	30-Jun-2009			G	↔	
	12) Shared Services	High	Status	30-Sep-2009			A	↓	
	13) Partnership working with PCT	High	Status	30-Jun-2009			G	↔	
	15) Business Continuity & Community Resilience	High	Status	30-Jun-2009			G	♦	
	16) Climate Change	High	Status	30-Jun-2009			G	↔	
	17) Community Cohesion	High	Status	30-Jun-2009			A	↔	
	19) Capacity	High	Status	30-Jun-2009			G	♦	
	20) Organisational Change	High	Status	30-Jun-2009			G	♦	
	Non-Key Risks	High	Status	30-Jun-2009			G	↔	

## Appendix 2: Income & Expenditure Position By Service

### Environment Services (ES)

ES is forecasting to underspend by -£569k at year-end. This represents -1.1% of net expenditure.

Previous Month's Outturn (Sept) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Oct) £'000	Forecast Outturn (Oct) %	Overall Status	D o T
0	Executive Director		888	-55	-28	-3.1%	G	↑
64	Highways & Access		27,240	-616	-7	0.0%	G	↑
-38	Growth & Infrastructure	i	1,361	-75	-75	-5.5%	G	↑
-411	Environment & Regulation	i, ii	8,494	-280	-386	-4.5%	G	↓
0	External Grants		-3,484	0	0	0.0%	G	↔
<b>-385</b>	<b>Total Office Funded Items</b>		<b>34,499</b>	<b>-1,026</b>	<b>-495</b>	<b>-1.4%</b>	<b>G</b>	<b>↑</b>
-81	Waste PFI	iii	15,579	-29	-74	-0.5%	G	↓
<b>-466</b>	<b>Total</b>		<b>50,078</b>	<b>-1,056</b>	<b>-569</b>	<b>-1.1%</b>	<b>G</b>	<b>↑</b>

The key issues at this stage of the financial year are:

#### Priority Investments

- i. Two of the priority investments that were agreed as part of the Integrated Planning Process (IPP) will not be able to spend the funding allocated in this financial year due to slippage of the schemes. However, the funding will still be required for both these schemes, the A14 Inquiry within Growth and Infrastructure and the Pitt Review within Environment and Regulation. The unspent monies at year-end are estimated to be - £75k and -£126k respectively. The intention is that any unused funding for these schemes will be carried forward to 2010/11 by the use of the Service operational savings fund.

#### Environment and Regulation

- ii. The Waste - Residual budget is forecasting to underspend by -£279k. Budgets were set for District Council Recycling Credit payments based on forecasts of a continuing increase in tonnage or dry recyclates collected. Tonnage is significantly lower than predicted - Recycling Credit payments are reduced and the budget is expected to underspend. Similarly, a significant drop in compost tonnage (likely linked to the dry growing season in late spring), has resulted in reduced payments under the Marshalls (Huntingdonshire green waste) contract. Other factors have further contributed to the variance - the service received business rate rebate on St. Neots Recycling Centre, for example.

#### Waste PFI

- iii. The Waste PFI contract is expected to underspend by -£74k due to the actual indexation on the contract being less than was projected when the budget was set (with the recession having a substantial impact on the basket of indices used). A significant

risk remains that additional costs will be incurred in this contract, due to new Treasury legislation; 'oversize' compost used as day cover for landfill will now incur active landfill tax. Costs can be absorbed in this financial year, but the change may result in additional pressure on this budget next year of up to £500k. Work continues with the contractor to reduce the financial impact.

## Community and Adult Services (CAS)

CAS is forecasting to overspend by £3.7m at year-end. This represents 2.6% of net expenditure.

Previous Month's Outturn (Sept) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Oct) £'000	Forecast Outturn (Oct) %	Overall Status	D o T
0	Executive Director		200	11	0	0.0%	G	↔
3,582	Adult Social Services	i, ii	150,609	4,956	3,405	2.3%	R	↑
300	Community Learning & Development	iii, iv	10,468	648	255	2.4%	A	↑
0	Community Engagement		4,865	120	0	0.0%	G	↔
<b>3,882</b>	<b>Total Expenditure</b>		<b>166,142</b>	<b>5,735</b>	<b>3,660</b>	<b>2.2%</b>	<b>R</b>	<b>↑</b>
0	External Grants		-26,192	-995	0	0.0%	G	↔
<b>3,882</b>	<b>Total</b>		<b>139,951</b>	<b>4,740</b>	<b>3,660</b>	<b>2.6%</b>	<b>R</b>	<b>↑</b>

The key issues at this stage of the financial year are:

### Adult Social Services

- i. Within Physical Disability and Sensory Services (PD/SS), PD currently shows an anticipated year-end overspend of £250k. This is mainly due to the number of new packages that began in the last quarter of 2008/09 that have a full year effect in 2009/10 and continued higher demand, and lower attrition, than expected for the first part of this financial year. A thorough review is being undertaken and management actions are being put in place to try to address this pressure.
- ii. Older People Services is forecasting an overspend of £3.2m. Commissioners are forecasting an overspend of £4.9m (4.9%) for the whole pool (with the council's share being £3.3m). This is due to overspending on Domiciliary Packages, Direct Payments and Residential Payments. The forecast cost of these services has increased by 6% from 2008/09.

All partners are working together to undertake an urgent, detailed analysis of the activity underlying the current projected overspend, which will include checks on any possible double-counting, the assumptions that have been made around attrition through the year and comparisons of the new demand in 2008/09 and 2009/10. Until this work is completed, the projected overspend should be treated with some caution. Partners acknowledge the need for an action plan to manage the projected overspend and this will be developed from the understanding reached through the detailed analysis.

Initial findings have highlighted the impact of carried forward pressures (ISPs, staffing structure), increase of activity not reflected in the current budget and the removal of some grants (Assistive Technology, for example). A joint committee made up of partner organisations (CCC, PCT and CCS) has been set up and is meeting regularly to put in place an action plan and then review progress against it.

## Community Learning and Development

- iii. Libraries are forecasting a pressure of £193k, which is mainly due to the late opening of the Central Library, the general decline in income and the continued decline of the use of the School Library Service by County schools. Actions are in place (including staff restructuring) to minimise the impact on the budget. Following the dispute with Verry company (Central Library), a claim of c.£456k (current estimate) will be put forward to the adjudicator related to loss of income and extra storage costs. Should the claim not be honoured, this may put an extra pressure on the budget for the said amount.
- iv. An overspend of £62k is expected within the Student Finance Service. This service is gradually being transferred out of the Local Authority on an annual basis ending in 2011, with activity being reduced accordingly. The pressure relates to redundancy costs, which it was anticipated would not materialise, and there may be further redundancy costs in future years, although every effort will be made to redeploy staff. There are no reserves available to fund this expenditure.

## Children and Young People Services (CYPS)

CYPS is forecasting a balanced budget at year-end.

Previous Month's Outturn (Sept) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Oct) £'000	Forecast Outturn (Oct) %	Overall Status	D o T
-103	Executive Director	i	5,816	39	-353	-6.1%	G	↑
183	Learning	ii, iii	17,842	81	43	0.2%	A	↑
325	Strategy & Commissioning	iv	34,391	486	35	0.1%	A	↑
372	Children's Social Care	v	64,079	116	372	0.6%	A	↔
45	Children's Enhanced & Preventative		28,245	-55	50	0.2%	A	↓
-580	<i>Anticipated Transfer from Reserves</i>				-147			
<b>242</b>	<b>Total Expenditure Including Grant Funded Spend</b>		<b>150,373</b>	<b>668</b>	<b>0</b>	<b>0.0%</b>	<b>G</b>	<b>↑</b>
0	Grant Funded Spend		-69,741	0	0	0.0%	G	↔
<b>242</b>	<b>Total</b>		<b>80,632</b>	<b>668</b>	<b>0</b>	<b>0.0%</b>	<b>G</b>	<b>↑</b>

The key issues at this stage of the financial year are as follows:

### Executive Director

- i. At the beginning of the financial year CYPS put in place a strategy to meet pressures arising across the Service. This strategy included the application of reserves and finding of savings. A key part of the strategy was to take all savings arising from unplanned vacancies. This strategy has now been extended to address pressures which have subsequently arisen within CYPS. The target for savings from unplanned vacancies has been increased by £200k and it is anticipated that the removal of all amounts reserved at the end of 2008/09, which have not subsequently been needed, will produce savings of £145k.

### Learning

- ii. Within Professional Development Services, Advanced Skills Teachers is expected to underspend by -£77k, which is the result of vacant Teacher posts within schools.
- iii. Grafham Water is estimating an outturn deficit of £160k mainly due to predicted income being significantly below expectations of extended centre capacity.

Bookings during the summer term of 2009 increased against previous bookings because of extra capacity, although not as much as had been projected and bookings for the remainder of the financial year are below expectations. The projection assumes further bookings in line with the last full year of trading i.e. that bookings will increase to levels in line with the last fully operational year of 2007/08.

In order to achieve this closedown position, the Centre's Senior Management Team has also identified some savings. The team will be attempting to identify further reductions in expenditure.



It has now been agreed that repayments of the Development Loan and Prudential borrowing will be delayed into 2011/12.

### Strategy & Commissioning

iv. Catering and Cleaning Services (CCS) forecast an overspend of £180k at year-end.

This is mainly due to:

- Primary catering income falling short of budgeted sales targets for paid meals.
- Supplying more free meals than planned, with no additional funding.
- Secondary School Service Level Agreement (SLA) staffing and provision costs exceeding budgets. Management have re-negotiated the basis of a number of SLAs, which should improve the contribution from September.

A number of areas have been targeted to reduce costs and assumed savings are included within the forecast overspend of £180k.

Cleaning Services are currently progressing to budget.

### Children's Social Care

v. Placements – Social Care is forecasting a pressure of £372k at year-end. The number of Looked After Children (LAC) in Cambridgeshire has increased by around 50 over the past 2 years (including Unaccompanied Asylum Seeker Children). Whilst in house LAC numbers have remained relatively static the increase has nearly all fallen on the Placements – Social Care budget. At the end of 2008/09 the Placements budget, which funds placements in the voluntary and independent sector, was funding 223 LAC places. At the end of October that figure is 248 LAC places, an increase of 10%.

The Placements – Social Care budget received demography for 2009/10 based on anticipated growth in costs of 14% across the year. Growth in numbers to the end of October is 10%. Based on updated future growth predictions the forecast outturn for the Placements – Social Care budget is an overspend of £372k. This assumes:

- Growth will continue at a rate of 7.5 new foster placements and 1 new residential placement per month;
- Savings, which can be made elsewhere within the Social Care Directorate without reducing levels of service provision, will be used to offset the pressures on Placements. Specifically, savings will be taken where posts have been vacant whilst recruitment has been taking place.
- Savings will also be taken from demography and investment priorities funding given in 2009/10 Integrated Planning Process where delays in setting up new expenditure programmes have resulted in some funding not yet being fully committed.

Continued effort is being made to renegotiate contracts to provide savings to minimise the financial impact of growing numbers on placement costs.

## Corporate Directorates (CD)

CD is forecasting to underspend by -£2.05m at year-end. This represents -3.3% of net expenditure.

Previous Month's Outturn (Sept) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Oct) £'000	Forecast Outturn (Oct) %	Overall Status	D o T
251	Customer Services & Transformation	i, ii	18,930	155	122	0.6%	A	↑
-22	Finance, Property & Performance	iii, iv	9,522	-200	-22	-0.2%	G	↔
-49	People, Policy & Law	v, vi, vii, viii	9,501	-152	-128	-1.3%	G	↑
<b>180</b>	<b>Gross Expenditure</b>		<b>37,953</b>	<b>-196</b>	<b>-29</b>	<b>-0.1%</b>	<b>G</b>	<b>↑</b>
0	External Grant Income		-2,270	-11	0	0.0%	G	↔
<b>180</b>	<b>Sub Total</b>		<b>35,683</b>	<b>-207</b>	<b>-29</b>	<b>-0.1%</b>	<b>G</b>	<b>↑</b>
	Financing Costs:							
-2,000	Debt Charges and Interest	ix	26,577	-14,574	-2,000	-7.5%	G	↔
0	Restructure Support Costs		172	0	-21	-12.2%	G	↑
<b>-1,820</b>	<b>Total</b>		<b>62,432</b>	<b>-14,782</b>	<b>-2,050</b>	<b>-3.3%</b>	<b>G</b>	<b>↑</b>

The key issues at this stage of the financial year are:

### Customer Services & Transformation

- i. Business Support and Facilities Management is forecasting a £200k overspend at year-end. This is due to business rate charges being higher than anticipated when the budget was set and pressures on utilities across all County Offices, due to the inflation rate applied to 2008/09 budgets reflecting an anticipated deal in utility costs, which did not materialise.
- ii. Service Transformation is forecasting an underspend of -£80k. This is due to increased traded activity in Business Development and is based on income received for the period April 2009 to September 2009.

### Finance, Property and Performance

- iii. e-Business Suite and Shared Services is forecasting to overspend by £121k, which is due to salary pressures within the Financial Systems team. It is expected that this will be offset by underspends within the other Shared Services operational teams.
- iv. The Revenues Unit is reporting a year-end underspend of -£64k. This is due to a part year vacancy (-£25k) and recovery of unbudgeted income (-£39k).

### People, Policy and Law

- v. The Elections budget is currently forecasting a year-end underspend of -£85k. This is due to efficiencies arising from holding combined County Council and European elections.
- vi. The HR – ES, CAS and CD budget is reporting an overspend of £110k. This is due to salary pressures as the result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs. The overspend will be offset by underspends elsewhere within the Directorate.
- vii. A £60k overspend is predicted on the HR – CYPS budget. This is due to salary pressures as the result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs. The overspend will be offset by underspends elsewhere within the Directorate.
- viii. The Redundancy, Pensions and Injury budget is reporting an expected year-end underspend of -£156k.

### Financing

- ix. Debt Charges and Interest is currently forecasting a -£2m underspend at year-end. This is due to lower levels of interest rates and borrowing than was budgeted for.

## APPENDIX 3.1: Additional Income

Only the grants where there have been changes in the year of over £50k are listed below.

Grant	Awarding Body	Directorate	Budget Book 2009/10 £'000	Expectation at October 2009 £'000	Change £'000
<b>Non ABG Grants</b>					
14-19 Provision	Learning Skills Council (LSC) / Department for Children, Schools and Families (DCSF) / East of England Development Agency (EEDA)	Learning	868	382	-486
CEBLO		Learning	0	177	177
Consortia Support Grant	DCSF	Learning	0	569	569
Dedicated Schools Grant (DSG)	DCSF	Schools	306,591	306,375	-216
Diploma Formula Grant	DCSF	Learning	0	711	711
Fair Play Pathfinder Revenue Grant	DCSF	Learning	0	214	214
Instrument Fund	Federation of Music Services (FMS)	Learning	0	146	146
Multi Dimensional Treatment Foster Care	DCSF	Social Care	0	300	300
Post 16 Partnership	DCSF	S&C	0	129	129
Practical Learning and Collaboration	LSC	Learning	0	80	80
Rural Access	DCSF	S&C	0	50	50
<b>Standards Fund</b>					
Aim Higher	DCSF	Learning	0	94	94
Early Years: extension of free entitlement	DCSF	S&C	1,068	1,149	81
Extended Schools - subsidy	DCSF		0	237	237
KS4 Engagement	DCSF		0	200	200
National Challenge	DCSF	Learning	0	382	382
Primary Strategy – Targeted	DCSF	Learning	1,917	1,994	77
Secondary Strategy - Targeted	DCSF	Learning	551	1,161	610
<b>Sure Start Grant</b>					
Main Revenue (incl. Graduate Leader Fund, Children's Centres, Outcomes, Quality & Inclusion and Sufficiency & Access	DCSF	Learning / S&C / E&P	10,448	10,709	261
2 Year Old Offer Early Learning & Childcare	DCSF	S&C	0	231	231
Think Family	DCSF	E&P	0	403	403
Unaccompanied Asylum Seekers	UK Border Agency (UKBA)	Social Care	1,300	1,600	300
Workforce in Schools Modernisation & Development	Teacher Development Agency (TDA)	Learning	0	176	176
Young Apprenticeship Fund	LSC	Learning	0	83	83

## **APPENDIX 3.2: Virements**

Only in-year virements over £50k are listed below.

	<b>£000</b>	<b>Notes</b>	<b>Month</b>
Corporate Leadership Team (CLT) Restructure	3,421	Transfers between ES, CAS, CYPS and CD following the CLT Restructure.	May 09
Transfer of Environmental Education funding to CYPS	60	Delivering environmental education at a local community level - transferred from ES to CYPS.	May 09
Funding for the Teens & Toddlers Scheme (CYPS)	59	Use of Corporate Reserve to fund the Teens & Toddlers Scheme within CYPS.	Jun 09
Director of Strategy and Commissioning	226	Transfer of funding balance for the Building Schools for the Future (BSF) Project.	Jul 09
Pay Inflation Adjustment	2,075	Removal of pay inflation budgets from the Services back into the Corporate Centre.	Aug 09
Invest To Transform Loans	874	Transfer of 2009/10's Invest to Transform Loans to the Services.	Sep 09
Pay Inflation Adjustment	-224	Reversal of Mental Health and Learning Disability Partnership pay inflation budgets.	Sep 09
Transfer of SLA's	132	Transfer of SLA's to CYPS Finance	Sep 09
Transfer of Postal Franking Budget	68	Transfer of Postal Franking Budget from CD to CYPS	Oct 09

### **Operational Savings - movements from Operational Savings into revenue**

<b>Notes</b>	<b>£000</b>	<b>Month</b>
<b>P&amp;AM Project Support (CD)</b>	<b>12</b>	<b>Jul 09</b>
<b>Corporate Project Office (CD)</b>	<b>42</b>	<b>Jul 09</b>
<b>Members IT (CD)</b>	<b>24.5</b>	<b>Jul 09</b>
<b>Building Maintenance (CD)</b>	<b>325</b>	<b>Jul 09</b>
<b>Head of IT (CD)</b>	<b>70</b>	<b>Jul 09</b>
<b>Research Group (CD)</b>	<b>24</b>	<b>Jul 09</b>
<b>St Benedict's Court, Huntingdon (CD)</b>	<b>30</b>	<b>Jul 09</b>
<b>Speke House (CD)</b>	<b>45</b>	<b>Jul 09</b>
<b>Shire Hall Area (CD)</b>	<b>25</b>	<b>Jul 09</b>
<b>Direct Channel Strategy (CD)</b>	<b>41</b>	<b>Jul 09</b>
<b>Head of Performance Management (CD)</b>	<b>43</b>	<b>Jul 09</b>
<b>Internal Audit and Risk Management Service (CD)</b>	<b>42</b>	<b>Jul 09</b>
<b>HR – Policy &amp; Business Services (CD)</b>	<b>150</b>	<b>Jul 09</b>
<b>Corporate Development (CD)</b>	<b>264</b>	<b>Jul 09</b>
<b>Corporate Director – People, Policy &amp; Law (CD)</b>	<b>150</b>	<b>Jul 09</b>
<b>Community Learning (CAS)</b>	<b>50</b>	<b>Jul 09</b>
<b>Corporate Directors – Customer Services &amp; Transformation and Finance, Property &amp; Performance (CD)</b>	<b>74</b>	<b>Sep 09</b>
<b>TOTAL</b>	<b>1,411.5</b>	

## APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2009	2008-09		Forecast Balance 31 March 2010	Notes
		Movements in 2009-10	Balance at 31 Oct 2009		
	£000s	£000s	£000s	£000s	
<b>General Reserves</b>					
- County Fund Balance	9,453	-2,260	7,193	9,193	
- Services					
1CYPS	766	-152	614	237	Includes Office Forecast Outturn (FO)
2ES	427	0	427	201	Includes Office Forecast Outturn (FO)
3CAS	132	0	132	0	Includes Office Forecast Outturn (FO)
4CD	449	-449	0	29	Includes Office Forecast Outturn (FO)
subtotal	11,227	-2,862	8,366	9,660	
<b>Earmarked</b>					
- Specific Reserves					
5Insurance	5,938	0	5,938	5,938	
6Invest to Transform - Corporate	2,470	-557	1,913	-577	FO after 2009-10 adjustments
7Invest to Transform - Offices	506	-64	442	230	
8Traded services provision	428	-428	0	0	
9Pressures & Developments Reserve	3,898	1,440	5,338	4,330	
subtotal	13,239	392	13,631	9,920	
<b>Trading Units</b>					
10CYPS	-726	213	-513	-487	Plans are in place to eradicate this deficit over 3 years
11ES	0	0	0	0	
12CD	112	-42	70	70	
subtotal	-614	171	-443	-417	
<b>Equipment Reserves</b>					
13CYPS	59	9	68	68	
14ES	423	-1	422	370	
15CAS	59	387	446	437	
16CD	548	-28	520	319	
Subtotal	1,089	367	1,456	1,194	
<b>Other Earmarked Funds</b>					
17CYPS	804	-447	357	104	
18ES	2,276	-87	2,189	4,124	
19CAS	503	67	570	531	
20CD	1,029	-364	665	630	
Subtotal	4,612	-831	3,781	5,389	
<b>SMIs (LMS etc)</b>					
21LMS Schools	19,347	37	19,384	19,384	
22SIPF	-122	92	-30	-7	3 to 5 year loans made to schools using their balances
Subtotal	19,225	129	19,354	19,377	
<b>Grand Total</b>	<b>48,778</b>	<b>-2,634</b>	<b>46,144</b>	<b>45,123</b>	

## APPENDIX 5: Capital

### Capital Expenditure 2009/10

The following table shows the budgeted expenditure against the forecast outturn:

Revised Budget £m	Capital Expenditure	Outturn Estimate £m	Outturn Variance £m
70.7	Children & Young People	59.9	(10.8)
65.0	Environment Services	61.5	(3.5)
8.4	Community & Adult Services	4.7	(3.7)
16.5	Corporate Directorates	8.8	(7.7)
<b>160.6</b>	<b>Total Capital Spending</b>	<b>134.9</b>	<b>(25.7)</b>

- The CYPS outturn position is £10.8m below the revised budget. The main movement this month is the removal of a £3m outturn for the Building Schools for the Future (BSF) 14-19 provision in Wisbech due to a delay in the close of dialogue for the BSF procurement, meaning that the budget is not required until next financial year when financial close is achieved.

All other movements are due to delayed starts to schemes reflecting the current economic climate. In detail, the main schemes contributing to the outturn underspend are:

- Primary (£3.2m)  
Shirley, Cambridge, new 420 place school is subject to delays due to the structural integrity of the building resulting in an underspend of £2.3m. There are also delays to the Manea extension resulting in a year to date underspend of £0.42m and to Burrough Green resulting in a £0.56m underspend.
- Primary New Communities (£1.9m)  
The Fawcett Primary extension is now expected to start on site in April 2010 rather than January 2009, resulting in a current year underspend of £0.47m.

All other budgeted schemes (North West Cambridge, Northstowe and Trumpington Meadows), excluding the Cambourne 3<sup>rd</sup> Primary School, are delayed due to the current economic climate impacting on S106 negotiations, which account for the remaining underspend.

- Secondary (£2.3m)  
Linton VC has been delayed due to archaeology work prior to starting on site and currently shows an underspend of £1.5m. The Swavesey VC new hall is currently showing a £0.6m underspend due to timing issues.
- Secondary New Communities (£0.8m)  
These schemes (Cambourne, NW fringe Cambridge and Northstowe) have been deferred due to the current economic climate impacting on S106 negotiations.
- Mixed (£1.2m)  
The School condition capital funding overspend has been offset by delays of £3m to the BSF 14-19 provision in Wisbech as noted above.

- Children's Centres (£0.7m)  
Current year underspend is due to delayed spend for the phase 3 schemes and extended schools.
- Youth Service (£0.9m)  
Current year underspend is due to delayed spend for the St Neots youth centre and the Bargroves YS capital project.
- ES is forecasting an outturn variance of £3.5m below the revised budget. This is largely due to the Waste Management Infrastructure projects in Environment and Regulation, where a delay in the planning application submission for Witchford Recycling Centre is likely to delay the completion of this project until 2010/11. A greater proportion of the budget than was originally anticipated will therefore need to be carried forward into 2010/11 to meet the costs of the project.
- The CAS outturn position is £3.7m below the revised budget. Almost 60% of the capital budget allocated for 2009/10 is to be spent on Libraries and the amalgamation of the Croylands and Larkfield Centres used by Mental Health Service users. It is envisaged that the libraries programme will be delivered as scheduled. There are some delays on the Larkfield and Croylands projects due to delays of the sale of the Croylands site. The following projects account for the outturn variance:
  - £1.2m Croylands/Larkfield amalgamation; &
  - £2.5m of schemes with variances below £0.5m.
- The CD outturn variance position is currently showing an underspend of £7.7m from the revised budget. This is largely due to rephasing of the Better Utilisation of Property Assets programme, against the original Integrated Plan in response to current economic conditions.

Spend has also been delayed on both the General Protection and Response to Economic Uncertainty programme and the Investment in Carbon Reduction and Improvement Efficiency programme. This is expected to result in year-end underspends of £1m and £1.5m respectively.

The underspends above are partly offset by overspends on Huntingdon Office Rationalisation (£0.563m) and Workwise (£0.671m).



## Capital Financing 2009/10

The following table shows the budgeted use of capital resources, split by general and project specific funding:

<b>General Funding resources (GFR) (Non Project Specific)</b>			
<b>£m</b>		<b>£m</b>	<b>£m</b>
26.2	Supported Capital Expenditure (Revenue)	26.2	0.0
4.3	Capital Receipts (General)	2.8	(1.5)
<b>30.5</b>	<b>Total General Financing</b>	<b>29.0</b>	<b>(1.5)</b>
<b>Project Specific Finances (PSF) (Ring-Fenced)</b>			
3.5	Supported Capital Expenditure (Capital)	0.2	(3.3)
48.6	Specific Grants	45.0	(3.6)
9.4	Ring-Fenced Capital Receipts	3.7	(5.7)
17.8	Developer and Other Contributions	12.0	(5.8)
50.8	Prudential Borrowing	45.0	(5.8)
<b>130.1</b>	<b>Total Specific Financing</b>	<b>105.9</b>	<b>(24.2)</b>
	Funding Difference	0.0	0.0
<b>160.6</b>	<b>Total</b>	<b>134.9</b>	<b>(25.7)</b>

- Spending on the council's capital programme is currently proceeding slower than estimated.
- It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value.
- The cost of the Prudential Borrowing has been factored into the 2009/10 Debt Charges forecast outturn, as well as being accounted for within the 2009/10 Integrated Planning Process.

## Appendix 6: S106 Deferral Requests

<b>Developer</b>	Cloughmore Homes
<b>Development</b>	17-21 Victoria Avenue
<b>S106 Contribution</b>	17,518 for ECATP
<b>Contribution Due</b>	Due now
<b>Deferral Request</b>	Defer until 10 <sup>th</sup> December 2009
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	Monies would be used to enhance local provision for pre-school and LLL
<b>When the scheme is programmed to take place?</b>	On receipt of monies
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	Monies would be used to enhance local provision
<b>What relationships are there between funding streams from separate S106 agreements?</b>	
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	No due to short timescales involved
<b>If a deferment is agreed, should interest be sought?</b>	
<b>Have instalments been considered?</b>	
<b>What security is there to the County Council in agreeing to a deferment?</b>	Procedures exist to chase late payments.
<b>What social cost is there to the community?</b>	
<b>Likely consequences of rejecting the request</b>	Time extension period has almost lapsed.
<b>Officer Recommendation</b>	<b>It is recommended that this request is accepted due to the short timescale involved.</b>

<b>Developer</b>	Cloughmore Homes
<b>Development</b>	Leys Lodge –
<b>S106 Contribution</b>	£2, 910 Education (pre-school and Life Long Learning)
<b>Contribution Due</b>	Over-due
<b>Deferral Request</b>	Defer payment until 10 <sup>th</sup> December 2009
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	Monies would be used to enhance local provision for pre-school and LLL
<b>When the scheme is programmed to take place?</b>	On receipt of monies
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	Monies would be used to enhance local provision
<b>What relationships are there between funding streams from separate S106 agreements?</b>	
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	No due to short timescales involved
<b>If a deferment is agreed, should interest be sought?</b>	No
<b>Have instalments been considered?</b>	Not appropriate for such a short time period
<b>What security is there to the County Council in agreeing to a deferment?</b>	Procedures exist to chase late payments.
<b>What social cost is there to the community?</b>	Increased pressure on Pre-school and LLL resources
<b>Likely consequences of rejecting the request</b>	Time extension period has almost lapsed.
<b>Officer Recommendation</b>	<b>It is recommended that this request is accepted</b>

<b>Developer</b>	Barratt Homes
<b>Development</b>	Land at Parkway, Huntingdon
<b>S106 Contribution</b>	The Transport Contribution: £194,000 (The contribution payable is £2000 per Residential Unit (indexed))
<b>Contribution Due</b>	Prior to occupation of not more than 30 Open Market Dwellings
<b>Deferral Request</b>	Defer the payment until July 2010
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	The money is allocated for further contributions towards cycleway works in the Huntingdon and Godmanchester Market Town Transport Strategy (MTTS).
<b>When the scheme is programmed to take place?</b>	Programmed work for 2010/11
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	Towards shortfall in funding
<b>What relationships are there between funding streams from separate S106 agreements?</b>	Other s106 contributions will contribute to MTTS
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	No – funds not needed until on or after deferral date
<b>If a deferment is agreed, should interest be sought?</b>	No. As the deferment will have no financial implications on the County Council, it is recommended that interest should not be sought.
<b>Have instalments been considered?</b>	No
<b>What security is there to the County Council in agreeing to a deferment?</b>	Any amendment to triggers is agreed through appropriate means to protect the Council's position
<b>What social cost is there to the community?</b>	None
<b>Likely consequences of rejecting the request</b>	Developer cash flow will be restricted which could potentially slow down housing growth at this development.
<b>Officer Recommendation</b>	<b>It is recommended that this deferral can be accepted.</b>

<b>Developer</b>	Argyl Developments
<b>Development</b>	Wenny Road, Chatteris. Development of 15 houses
<b>S106 Contribution</b>	Education contribution for the amount of £27,000 (indexed).
<b>Contribution Due</b>	Prior to 50% occupation
<b>Deferral Request</b>	To pay 50% of the invoice on completion of plot 8 and the remaining 50% on completion of plots 9 & 10.
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	Improvements to local primary and secondary school
<b>When the scheme is programmed to take place?</b>	The deferral of this payment would not impact on the programme for these works
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	Not specified – Contribution towards costs
<b>What relationships are there between funding streams from separate S106 agreements?</b>	Other s106 agreement will contribute to education improvements
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	No
<b>If a deferment is agreed, should interest be sought?</b>	No
<b>Have instalments been considered?</b>	As per the deferral
<b>What security is there to the County Council in agreeing to a deferment?</b>	
<b>What social cost is there to the community?</b>	
<b>Likely consequences of rejecting the request</b>	The developer has indicated that house sale prices have been very much reduced and their cash flow has been affected by this.
<b>Officer Recommendation</b>	<b>It is recommended that this deferral is accepted</b>

<b>Developer</b>	East Anglian Developments
<b>Development</b>	16 dwellings at 55 The Chase Leverington, Wisbech
<b>S106 Contribution</b>	£45,000 Education Contribution
<b>Contribution Due</b>	Prior to occupation of 50% of dwellings (i.e. 8 dwellings)
<b>Deferral Request</b>	<p><b>Removal of Education contribution.</b></p> <p>The developer has submitted a Viability Report to Fenland Council which sets out that the scheme is not viable with the full s106 package (which has been requested by but not seen by County Officers at date of this report). Fenland Council has verified the calculations in the report as being reasonable. Fenland Council s106 Officer verbally indicated that the developer has offered £20,000 towards s106 contributions which could be offered against the Education requirement however this has not been confirmed.</p>
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	The local primary school for this development is Peckover Primary, which is expected to be at and over capacity in the new few years. There is a project in the CYPS Capital Programme for 2011/12 Programme (at a cost of £1.5m) to expand Peckover Primary School from 1FE to 2FE. This money would be used to contribute towards that expansion. (Additionally, Thomas Clarkson Secondary School is also expected to be at or over capacity in the new few years).
<b>When the scheme is programmed to take place?</b>	2011/12 (see above)
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	This development would contribute 3.2% of the above funding to the above primary school scheme.
<b>What relationships are there between funding streams from separate S106 agreements?</b>	Other new developments in the local area would also be expected to contribute towards meeting their education needs through a s106 contribution if appropriate.
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	If the elimination of the contribution was agreed, the development would not fund the education places required from this development and therefore this would have to be funded from other sources.
<b>If a deferment is agreed, should interest be sought?</b>	Not applicable
<b>Have instalments been considered?</b>	The developer has not offered any instalment plan.
<b>What security is there to the County Council in agreeing to a deferment?</b>	If any deferment was to be recommended this would need to be agreed by a Deed of Variation to the s106 agreement.

<b>What social cost is there to the community?</b>	If the contribution was not made as set out in the signed s106 agreement dated 3 <sup>rd</sup> August 2009, then there would be pressure on local school places for local education provision
<b>Likely consequences of rejecting the request</b>	The developer has indicated that the scheme is not viable with the full s106 package, however, this does not negate the need for education funding to contribute towards the school places generated from this development (as the local primary school is full) should development go ahead.
<b>Officer Recommendation</b>	<b>It is recommended that this request is refused on the basis that the need for an education contribution has not changed.</b>