

INTEGRATED RESOURCES AND PERFORMANCE REPORT – JANUARY 2010

To: Cabinet

Date: 16th March 2010

From: Corporate Director: Finance, Property & Performance

Electoral division(s): All

Forward Plan ref: 2010 / 007 **Key decision:** Yes

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

Recommendation: That Cabinet:

- i) Analyses resources and performance information and takes any remedial action as appropriate.
- ii) Consider and approve the issue of £1.3m non-recurrently from the Pressures and Development Reserve in respect of new and additional demand pressures on older people's services (see section 4.3.2).
- iii) Consider for approval the Section 106 deferral request in respect of Crown Street Mews, East Street, St Ives, permission for 13 residential units and 2 office units, £28,343 Education Contribution (The developer has requested that this contribution is paid over 6 months - £5,000 for the first 5 months and £3,343 for the 6th month. (see section 3.2 and appendix 6).

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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 3 main themes: Income and revenue; resources 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	G - Green
<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	A - Amber
<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	R - Red

3. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

3.1 The following **performance** issues are of note:-

- There are **no** new exceptions to report this month.
- 1.
- Previously reported exceptions are:
 - Local Indicator (LI) 206 % Young People Aged 13-19 Participating in Youth Service Activities (RED ↑) – although still red, this measure is gradually improving. Area and Locality Managers are aware of the need to raise the number of young people engaging with youth work over the coming months.
 - National Indicator (NI) 169 Non-principal roads where maintenance should be considered (RED ↓).
 - NI 154 Net Additional Homes Provided (GREEN for 2008/09 ↓, but predicted RED for 2009/10) – updated to reflect Cambridgeshire County Council (CCC) report of August 2009 ‘Housing Developments in Cambs’.
 - NI152 Working Age People on Out of Work Benefits (predicted RED for 2009/10). The target for 2009/10 and 2010/11 is to be renegotiated.
 - NI192 Household Waste Recycled and Composted (currently RED ↑) – whilst high performance continues, recycling being the only green flag present in the Comprehensive Area Assessment (CAA), this indicator is still lagging behind target. The target set this year is 10% higher than the national target and is a sign of the Council’s ambition.
 - NI148 Care Leavers in Employment, Education and Training (EET) (RED ↑) - the continuing difficult economic environment remains challenging, but the Council’s performance is still above both our statistical neighbours and the national average. Work on the Cambridgeshire Apprenticeship Scheme is continuing and will provide potential employment and training opportunities (up to 30) for young people including care leavers. The ‘National Employability Scheme’, now known as ‘Care 2 Work’, is a new national initiative targeted at young people in and from care. A new working group has been formed to take forward Cambridgeshire’s interest in this initiative. There was one addition to the cohort in December.
 - 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.
 - It should be noted that NI008, NI154 and NI152 all form part of the Local Area Agreement (LAA) and are all being closely tracked by the Cambridgeshire Together Board. These NI’s, along with the other LAA targets, are currently subject to a detailed review to be completed in late March 2010. Targets for NI152 and NI154 are currently being renegotiated with government. It is probable that performance against these two indicators will improve in following reports (following agreed changes to the targets).

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

- Overall the budget position is showing a forecast year-end overspend of £1.1m (0.3%) before the application of reserves in respect of increased demand for older peoples services. This is an increase of £160k from last month. The forecast year-end position will be £200,000 to the good if Cabinet approves the issue of reserves, primarily due the net under spend on debt and interest charges (CD Financing).
- In Environment Services (ES) an underspend of -£398k is being predicted, which is mainly due to savings in Environment & Regulation (see para 4.2).

- In Community and Adult Services (CAS) an overspend of £3.2m 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 with the Primary Care Trust (PCT) has taken place and as a result management actions have been taken and a call against the Pressures and Developments Reserve of £1.3m has been made (in this report).
- In Children and Young People's Services (CYPS) an overspend of £242k is being predicted, which is mainly due to pressures within Strategy and Commissioning (see para 4.4).
- In Corporate Directorates (CD) an underspend of -£164k 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 -£1.7m is being predicted due to savings on Debt Charges (see para 4.5).
- Spending on the council's overall 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 consider and then approve/reject the S106 deferral request (see appendix 6).
- Comparative financial information will be available in the coming months.

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

Although the economy has recently emerged from recession the accumulated public deficit is significant and significant cuts in public sector spending are probable from 2011/12 onwards.

There have been no significant direct impacts of the recession on the Authority's financial performance this year. There is some concern that interest rates, and as a consequence debt charges, will begin to rise from the third quarter of the next financial year and as a result small changes in the loans portfolio have been made to secure medium-term interest rates on loans.

3.4 **Revenue Income & Expenditure Summary**

Outturn Variance (Dec) £000	Service	Budget for 2009/10 £000	Current Variance £000	Forecast Outturn (Jan) £000	Forecast Outturn (Jan) %	Overall Status	D o T
-482	ES	51,700	-1,582	-398	-0.8%	G	↓
2,874	CAS	140,677	-21,000	3,163	2.2%	R	↓
377	CYPS	81,115	332	242	0.3%	A	↑
-87	CD Direct	32,779	-265	-164	-0.5%	G	↑
-1,721	CD Financing	26,749	-16,877	-1,722	-6.4%	G	↑
961	Total Service Spending	333,021	-39,392	1,121	0.3%	A	↓
0	Financing Items	-5,067	-4,617	0	0.0%	G	↔
961	Total Spending 2009-10	327,954	-44,009	1,121*	0.3%	A	↓

NB. Table above shows position before any issue of funds from Reserve.

3.5 Capital Programme Summary

Revised Budget (Jan) £m	Capital Summary	Outturn Estimate (Jan) £m	Outturn Variance (Jan) £m	Overall Status	DoT
162.1	Total Capital Spending	153.7	-8.4	A	↑
33.3	Total General Financing	32.3	-1.0	G	↓
128.8	Total Specific Financing	121.4	-7.4	G	↑
	Unsupported Expenditure (Funding Difference)	0.0	0.0	A	↔
162.1	Total Capital Financing	153.7	-8.4	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 to ensure that 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 (-£398k underspend)

4.2.1 Income streams continue to be closely monitored by officers in light of the ongoing economic situation. Section 106 income is currently behind profile whilst Section 38 income appears to be ahead of profile. Income has now slipped showing a net forecast underachievement of £70k.

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

- Waste – Residual (-£137k underspend).
- Priority Investments (-£250k underspend).
- Waste PFI Contract (-£34k underspend).

If the Priority Investments and Waste PFI Contract forecast underspends are excluded (as the Priority Investments are to be carried forward to 2010/11 by the use of the Service operational savings fund and the Waste PFI saving is transferred to the Corporate

Pressures and Developments Reserve), along with the exclusion of the forecast overspend on Winter Maintenance (£47k) as this offset by the use of the Council's General Reserve, the 'true' Office forecast underspend would be -£161k.

4.3 Community and Adult Services (£3.2m overspend)

4.3.1 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):-

- Executive Director – CAS (-£132k underspend).
- Director of Adult Support Services (-£300k underspend).
- Physical Disability & Sensory Services (£200k overspend).
- Older People and Occupational Therapy (OT) Pooled Budget (£3.1m overspend).
- Community Learning & Development – Libraries (£200k overspend).
- Community Learning & Development – Student Finance (£62k overspend).

4.3.2 The Executive Director has produced a brief report on the overspend on the Older People's pool and is claiming a non-recurrent £1.3m adjustment from the Pressures and Developments Reserve (in line with established policy) on the basis that in number and need terms additional activity over that predicted in the Joint Strategic Need Assessment needed to be responded to. Copies of the full explanation of this additional demand pressure are available to Cabinet if required.

4.4 Children and Young People Services (£242k overspend)

4.4.1 Groomfields (£80k overspend)

Groomfields is forecasting an overspend of £80k due to the current economic climate impacting on income streams and the costs of service provision have risen at above inflationary levels.

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

- Central Financing (-£1.2m underspend).
- Teachers' Pensions (£490k overspend).
- Redundancy (-£230k underspend).
- Grafham Water (£150k overspend).
- Catering and Cleaning Services (£180k overspend).
- Placements – Education (£209k overspend).
- Placements – Social Care (£1.3m overspend).
- Education Other Than At School (EOTAS) (£142k overspend).

4.5 Corporate Directorates (-£1.9m underspend)

People, Policy and Law (-£204k underspend):

4.5.1 Democratic and Members' Services are forecasting an underspend of -£55k. The 2009/10 budget included a provision for a review of Members' allowances, but this has not taken place.

- 4.5.2 Legal Services are forecasting an underspend of -£66k as the result of vacancies within the Service. This has been partially offset by a subsequent reduction in time-recorded income recovery.
- 4.5.3 The Corporate Development Service are forecasting an underspend of -£125k. This is the result of staffing vacancies within the Organisational Development (OD) and Learning team and general efficiencies across the Service. These are partially offset by additional staffing within the Corporate Policy team.
- 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 (£260k overspend).
- Corporate Communications (£50k overspend).
- Service Transformation (-£95k underspend).

People, Policy and Law:

- Elections (-£98k underspend).
- Human Resources (HR) – ES, CAS & CD (£93k overspend).
- HR – CYPS (£67k overspend).

Finance, Property and Performance:

- Service facing Finance and Performance Teams (-£65k underspend).

Financing:

- Debt Charges (-£1.7m underspend).

4.6 Capital Programme

Spending on the overall Council's capital programme is currently proceeding slower than Estimated with planned deferrals and delays in the Schools and Better Utilisation programmes more than offsetting increased spend in the Transport programme. 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 detail can be obtained by referring to appendix 5).

4.7 Debt Levels

Longer-term debt (> 6 months old) has decreased by £23k in January to £1.05m, which is £8k below the target level for the year of £1.06m. Of this balance, £1m (94%) is subject to secondary recovery action. Debt in the 4-6 month age range has increased by £55k at the end of January to £605k. Emerging debts are currently with the Recovery Team and Budget Holders to resolve. The overall figure is £175k above the target for the year of £430k, with £352k (58%) 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 arising 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 (January). CAS Budgetary Control Report (January). CYPS Budgetary Control Report (January). CD Budgetary Control Report (January). Capital Monitoring Report (January). Performance Management Report and Corporate Scorecard (January). Aged Debt per Directorate – as at 31 st January 10.	Room 301, Shire Hall, Cambridge
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Appendix 1: Corporate Scorecard

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
A) Integrated Plan								
1) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 1)								
LI206 % Young people aged 13-19 participating in Youth Service Activities	High	%	31-Dec-2009	8.4	9.7	R	↑	
NI088 % of schools providing access to extended services	High	%	31-Dec-2009	90	100	A	↔	
NI110 Young people's participation in positive activities	High	%	31-Mar-2010	80.4	83.5	A	♦	
NI069 Bullying (new target)		%	31-Mar-2010	28.8			♦	
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
NI115 Substance misuse by young people	Low	%	31-Mar-2009	11.8			♦	
2) Supporting and protecting vulnerable people (Strategic Objective 2)								
NI130 Social Care clients receiving Self Directed Support	High	clients	31-Jan-2010	32.3	35	A	↑	
NI136 People supported to live independently (all ages)	High	rate per population	31-Jan-2010	3145	3272	A	↑	
NI148 Care leavers in EET	High	%	31-Dec-2009	66.6	73	R	↑	
NI054 Services for disabled children	High	Number	31-Mar-2010	63			♦	
NI137 Healthy life expectancy at age 65	High	Number	31-Mar-2009	14.8			↔	
3) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 3)								
NI047i People killed or seriously injured in road traffic accidents	Low	Number	31-Dec-2009	383	390	G	↑	G
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-2010	7	6	R	↓	R
NI175 Access to services and facilities by public transport, walking and cycling	High	%	31-Mar-2009	96.25	89.7	G	↑	G
NI177 Local bus passenger journeys originating in the authority area - CCC	High	Number	31-Mar-2009	24165236	21850000	G	↑	A
NI177 Local bus passenger journeys originating in the authority area - LAA	High	Number	31-Mar-2009	24165236	20850000	G	↑	G
NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2009	22.14	23.45	G	↑	G

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)								
NI182 Satisfaction of businesses with local authority regulation services	High	%	31-Dec-2009	79	78.5	G	↓	G
NI152 Working age people on out of work benefits - CCC	Low	%	31-Mar-2009	7.1			↓	R
NI163 Working age population qualified to at least Level 2	High	%	31-Mar-2009	73.4	74	A	↑	A
NI171 New business registration rate (per 10,000) (or % change from regional average)	High	%	31-Mar-2009	89	101	R	↑	A
NI172 % of small businesses in an area showing employment growth	High	%	31-Mar-2007	12.9			♦	
5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)								
NI192 Household waste recycled and composted - 12-month rolling average	High	%	31-Dec-2009	51.31	54.11	R	↑	
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 - % reduction	High	%	31-Mar-2008	4.7	3.7	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	155	G	↑	A
6) Delivering high-quality effective and efficient services (Service Delivery Principle 1)								
Finance - Capital	High	Number	31-Jan-2010			A	↔	
Finance - CAS	High	Number	31-Jan-2010			R	↔	
Finance - CD Direct	High	Number	31-Jan-2010			G	↔	
Finance - CD Financing	High	Number	31-Jan-2010			G	↔	
Finance - CYPs	High	Number	31-Jan-2010			A	↔	
Finance - ES	High	Number	31-Jan-2010			G	↔	
LI025 Sickness Absence (CCC)	Low	working days	31-Jan-2010	6.41	6.34	A	↓	
LI031 % of staff from ethnic minorities as a % of the workforce	High	%	31-Jan-2010	4.69	4.1	G	↑	
LI044 Value of outstanding invoices per age range >6 months	Low	£	31-Jan-2010	1051853	1060000	G	↑	
LI277 Prompt Payment	High	%	31-Jan-2010			G	↔	
NI179 VfM	High	£0,000	31-Jan-2010	11462	11467	A	↓	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)								
LI068 Overall satisfaction of website customers	High	%	31-Jan-2010	44	40	G	↑	
LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	30-Sep-2009	86.3	75	G	↓	
NI004 % of people who feel they can influence decisions locally	High	%	31-Mar-2009	31.2	34	A	♦	
8) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)								
NI007 Environment for a thriving third sector	High	%	31-Mar-2009	15.3	19.2	A	♦	
B) Operational Performance								
Customer Service								
LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	31-Jan-2010	82.5	80	G	↓	
Operational - Organisational Health								
LI039 Payment of undisputed invoices within 30 days	High	%	31-Jan-2010	92.21	95	A	↓	
Operational - People Management & Development								
LI032 Recruitment lead times	Low	days	31-Jan-2010	32.82	33	G	↑	
Percentage of appraisals completed on time	High	%	31-Mar-2009	92.8	96	A	↑	
Operational - Programmes								
14-19 years	High	Status	31-Jan-2010			A	↔	
Better Utilisation of Property Assets	High	Status	31-Aug-2009			A	↔	
Building Schools for the Future	High	Status	31-Jan-2010			G	↓	
Cambridgeshire Flood Risk Management Programme	High	Status	31-Jan-2010			G	↑	
Children's Trust	High	Status	31-Jan-2010			A	↔	
Climate Change Programme	High	Status	31-Jan-2010			A	↔	
Customer Services Excellence	High	Status	31-Jan-2010			A	↔	
Economic Prosperity	High	Status	31-Jan-2010			A	♦	
New Communities and Major Developments	High	Status	31-Jan-2009			G	♦	
People Strategy	High	Status	31-Jan-2010			R	↓	
Quality for Adults	High	Status	31-Oct-2008			G	↔	
Service Infrastructure	High	Status	31-Jan-2010			A	↔	
Service Transformation - Enhanced and Preventative Services	High	Status	31-Jan-2010			A	↔	
Service Transformation - Social Care	High	Status	31-Jan-2010			A	↔	
Shared Service	High	Status	31-Oct-2009			R	↓	
Transport	High	Status	30-Nov-2008			G	↔	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
Operational - Risk Management								
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 -£398k at year-end. This represents -0.8% of net expenditure.

Previous Month's Outturn (Dec) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Jan) £'000	Forecast Outturn (Jan) %	Overall Status	D o T
-1	Executive Director		2,398	-52	0	0.0%	G	↓
34	Highways & Access		27,315	-888	165	0.6%	A	↓
-75	Growth & Infrastructure	i	1,364	-13	-115	-8.4%	G	↑
-401	Environment & Regulation	i, ii	8,529	-601	-415	-4.9%	G	↑
0	External Grants		-3,484	0	0	0.0%	G	↔
-443	Total Office Funded Items		36,122	-1,554	-364	-1.0%	G	↓
-39	Waste PFI	iii	15,579	-28	-34	-0.2%	G	↓
-482	Total	iv	51,700	-1,582	-398	-0.8%	G	↓

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 all 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 (Floods and Water Bill work) within Environment and Regulation. The unspent monies at year-end are estimated to be -£105k and -£145k 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 -£137k. 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 will underspend. Similarly, a significant drop in compost tonnages (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 – for example, the service has received a business rate rebate on St. Neots Recycling Centre. The scale of the underspend is reduced from previous forecasts, as business rate liabilities for new infrastructure are now confirmed.

Waste PFI

- iii. The Waste PFI contract is expected to underspend by -£34k 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). Agreement has been reached with the contractor in relation to new Treasury legislation; of charging landfill tax on 'oversize' compost used as day cover for landfill. The costs of this will be absorbed in this financial year, but the change may result in additional pressure on this budget next year of up to £250k. The latest position on this current and future pressure is that the contractor has made significant progress on reducing the quantity of 'oversize' material produced and there remains scope for still further improvement (with an associated further reduction in the landfill tax bill).

The previously reported forecast underspend was based on modelled landfill diversion from the MBT plant during commissioning. Whilst commissioning continues to proceed to programme, the exact landfill reduction factor is still difficult to pin down as demonstrated by the lower than budgeted diversion in the first months of operation (a temporary situation as the plant is optimised). The forecast outturn position has, however, been revised this month to reflect the latest predictions. The situation continues to be closely monitored and the year-end position will be better understood with January's performance confirmed this month.

Total

- iv. If the Priority Investments and Waste PFI Contract forecast underspends are excluded (as the Priority Investments are to be carried forward to 2010/11 and the Waste PFI saving is transferred to the Corporate Pressures and Developments Reserve), along with the exclusion of the forecast overspend on Winter Maintenance (£47k) as this is offset by the use of the Council's General Reserve, the 'true' Office forecast underspend would be -£161k.

Community and Adult Services (CAS)

CAS is forecasting to overspend by £3.2m at year-end. This represents 2.2% of net expenditure.

Previous Month's Outturn (Dec) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Jan) £'000	Forecast Outturn (Jan) %	Overall Status	D o T
-132	Executive Director	i	241	18	-132	-54.8%	G	↔
2,698	Adult Social Services	ii, iii, iv, v	151,218	-21,604	2,987	2.0%	R	↓
308	Community Learning & Development	vi, vii	10,596	936	308	2.9%	A	↔
0	Community Engagement		4,880	-142	0	0.0%	G	↔
2,874	Total Expenditure		166,935	-20,792	3,163	1.9%	R	↓
0	External Grants		-26,258	-207	0	0.0%	G	↔
2,874	Total		140,677	-21,000	3,163	2.2%	R	↓

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

Executive Director

- i. £132k from the Service's reserves have been identified to help absorb some of the overspend elsewhere in the Service.

Adult Social Services

- ii. The Director of Adult Support Services is forecasting an underspend of -£300k. This saving, which was budgeted to cover potential redundancy costs, has been identified as the restructuring of CAS has been delayed.
- iii. Within Physical Disability and Sensory Services (PD/SS), PD currently shows an anticipated year-end overspend of £200k. 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), plus higher demand and lower attrition than expected for the first part of the year. Managers are closely scrutinising expenditure for all new clients and existing clients as they are reviewed. All other budgets are being examined to identify where savings can be made to address the overspend.
- iv. Older People Services is forecasting an overspend of £3.1m. Commissioners are forecasting an overspend of £4.96m (5%) for the whole pool (with the council's share being £3.1m). 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 have been working together to undertake a detailed analysis of the activity underlying the current projected overspend. This includes 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 finalised between the partners, the forecast overspend should be treated with some

caution. An action plan to manage the projected overspend has been developed and officers from all partners are working on the implementation of this action plan.

- v. Integrated Community Equipment Store (ICES) is forecasting an underspend of -£52k. The budget available to ICES for 2009/10 was increased by £1.1m, pending a review of the service. Actions from the review presented at Cambridgeshire Care Partnership in September 2009 are continuing to be implemented and it is projected that the pooled budget will show savings of -£100k at year-end (with the council's share being -£52k).

Community Learning and Development

- vi. Libraries are forecasting a pressure of £200k, which is mainly due to the continued decline in the traditional sources of library income (overdues, hire of CD's and DVD's) and the use of the School Library Service by county schools. Actions are in place (including staff restructuring) to contain the impact on the main library budget. Following the dispute with Verry Construction Ltd (Central Library), a claim of c.£500k (current estimate) will be put forward to the adjudicator related to loss of income and extra storage costs. If this claim proves to be unsuccessful, the total pressure on the budget will increase by c.£500k to £808k overall for Community Learning and Development.
- vii. An overspend of £62k is expected within the Student Finance Service. This service is being transferred out of the Local Authority on a gradually reducing basis ending in 2011 and activity is being reduced accordingly. The pressure relates to redundancy costs that were not anticipated to materialise, and there is a risk that these could increase 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 to overspend by £242k at year-end. This represents 0.3% of net expenditure.

Previous Month's Outturn (Dec) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Jan) £'000	Forecast Outturn (Jan) %	Overall Status	D o T
-686	Executive Director	i, ii, iii	6,574	-748	-983	-15.0%	G	↑
0	Learning	iv, v	18,760	-173	-4	0.0%	G	↑
1,175	Strategy & Commissioning	vi, vii, viii, ix, x	62,722	1,518	1,471	2.3%	A	↓
-45	Children's Social Care	xi	35,524	-143	-216	-0.6%	G	↑
80	Children's Enhanced & Preventative Services	xii, xiii	28,379	-122	-26	-0.1%	G	↑
-147	<i>Anticipated Transfer from Reserves</i>				0			
377	Total Expenditure Including Grant Funded Spend		151,959	332	242	0.2%	A	↑
0	Grant Funded Spend		-70,844	0	0	0.0%	G	↔
377	Total		81,115	332	242	0.3%	A	↑

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 a strategy in place to meet pressures arising across the Service. This strategy included the application of reserves and the identification of compensating savings. A key part of the strategy was to take all savings arising from unplanned vacancies. This strategy was extended in October to address pressures which had subsequently arisen within CYPS.

To the end of December the following savings arose across CYPS as a result of unplanned vacancies: Director of Learning - £209k; Director of Strategy and Commissioning - £121k; Director of Children's Social Care - £242k; and Director of Enhanced and Preventative Services - £466k. These savings funded £638k of agreed pressures across CYPS at the start of the year. The remaining balance shows as an underspend of -£400k on Central Financing, offsetting pressures in other areas of CYPS.

In addition, the removal of all amounts reserved at the end of 2008/09 (which have not subsequently been needed) has released £195k and the £259k funding provided for inflation for salaries has been retained centrally to offset pressures. A further £189k of savings are expected to be achieved mainly through the over recovery of contributions from grants and savings on central legal and consultancy costs.

Further vacancy savings of -£200k have been assumed for the rest of the year.

- ii. Teachers' Pensions is forecasting an overspend of £490k. Early retirement pension costs have increased significantly in 2009/10 due to a number of factors. The number of

pension payments made to individuals has increased slightly, however, the main cause for the large overspend is that the size of these payments has more than doubled. In 2008/09 the average payout was £16,473 and in 2009/10 the average has increased to £34,323. This increase can be attributed to the type of job role being made redundant and the amount of years service those employees have had. In 2009/10 there have been an unusually high number of teachers, Deputy Head teachers and Head teachers being made redundant, which cost considerably more. A further £30k is attributed to an increase in the number of Health Checks being carried out, which is a result of more referrals being made to help reduce the number of staff on sick leave.

- iii. The Redundancy budget is forecasting an underspend of -£230k. This budget is demand led with spend dependant on the level of redundancies in schools. In 2009/10 less funding is expected to be required than is available in the budget.

Learning

- iv. Professional Development Services is expecting to be -£70k underspent at year-end. With further delays (beyond the Local Authority's control) in recruiting to vacant Advanced Skills Teacher posts, an increased underspend is offsetting an overspend in the Advisory Service (£30k). Actions are being taken to address the latter for the new financial year.
- v. Grafham Water is estimating an outturn deficit of £150k 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). Bookings during the autumn and spring terms are below previous years and have been affected by the disruption in booking patterns due to the closure in 2008/09. This will require more marketing than anticipated to correct.

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 until 2011/12.

Strategy & Commissioning

- vi. 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 have improved 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.

- vii. Groomfields is projecting an outturn deficit of £80k for 2009/10. The current economic climate has impacted on projected income streams and costs of service provision have risen above inflationary levels. The service is limited as to the extent that these costs can be passed on to customers. A fundamental review of the service has taken place and a consultation on the future of the Service has been undertaken. The Service will be absorbed within the management structure of Catering and Cleaning Services (CCS) with the deletion of a number of management posts. A prerequisite of the review was that the ongoing elements of the service would at least break even.
- viii. Home to School Transport - Mainstream is forecasting a -£250k underspend. A significant part of this forecast underspend relates to inflation assumptions for 2009/10 being higher than the 0.9% awarded to existing contractors.

£60k of the forecast underspend is due to a combination of two main factors. The first is the taking back of the post-16 transport administration from Peterborough Regional College this September. This resulted in the saving of the administration fee previously payable. The second factor is savings that have been made on some of the tendering operations.

- ix. An overspend of £209k is forecast for Placements – Education. This is principally as a result of 4 children not leaving placements at the end of the summer term as expected (adding £120k to estimated costs). In addition, a number of placements have needed to be made in relatively expensive provision compared to average assumptions of cost. Along with unplanned changes in provision to budgeted pupils, these have added further costs of £89k.
- x. Placements – Social Care is forecasting a pressure of £1.3m at year-end. January continued to reflect the significant rise in numbers of new placements being made with a net increase of 8 placements. The current Looked After Children (LAC) population is the highest in 5 years and this rapid rate of growth has also been accompanied by growth in the complexity and associated costs of the placements needing to be made. In January 3 new residential home placements were made, which are significantly more expensive than fostering placements. At the end of January total placements were 279 compared to 243 budgeted places at this stage of the year (an increase of 15%).

At the end of 2008/09 the Placements budget, which funds placements in the voluntary and independent sector, was funding 223 LAC places. Demography funding for 2009/10 was based on anticipated growth in costs of 14% across the year. Growth in numbers to the end of January is now at 25% over 2008/09 year-end numbers.

Based on updated future growth predictions the forecast outturn for the Placements – Social Care budget is an overspend of £1.3m. This assumes £362k of savings from demography and investment priority funding (given for Children's Social Care in 2009/10 Integrated Planning) will offset the Placements pressure. These pressures have occurred where delays in setting up new expenditure programmes or staff vacancies have resulted in 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.

Children's Social Care

- xi. Strategic Management - Children's Social Care is forecasting an underspend of -£186k. In 2009/10 Integrated Planning £253k was given for demography for disability based on increasing complexity of need and increasing expectations of delivery with the introduction of Aim Higher. In this first year of the Aim Higher programme it is anticipated that the demography money will not be fully utilised and £148k has been held as an underspend to offset the overspend on the Placements - Social Care budget. This includes costs for the placements of disabled children.

Children's Enhanced and Preventative Services

- xii. Strategic Management - Enhanced and Preventative Services is forecast to be -£133k underspent at year-end as a result of a number of savings been made from areas such as youth services.
- xiii. The Education Other Than At School (EOTAS) service is forecasting a £142k overspend. About half of this stems from: one-off property costs from having merged two units, the ConnectEd online schooling (which has now closed), and an increased use of home tuition and Cambridge Regional College (CRC) costs following the restructure. The remaining pressure stems from the Fenland Learner Centre being partly empty, which has reduced its income.

Corporate Directorates (CD)

CD is forecasting to underspend by -£1.9m at year-end. This represents -3.2% of net expenditure.

Previous Month's Outturn (Dec) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Jan) £'000	Forecast Outturn (Jan) %	Overall Status	D o T
100	Customer Services & Transformation	i, ii, iii	18,945	109	129	0.7%	A	↓
-48	Finance, Property & Performance	iv	6,581	-234	-89	-1.4%	G	↑
-128	People, Policy & Law	x, vi, vii, viii, ix, x	9,460	-133	-204	-2.2%	G	↑
-75	Gross Expenditure		34,986	-258	-164	-0.5%	G	↑
-12	External Grant Income		-2,206	-7	0	0.0%	G	↓
-87	Sub Total		32,780	-265	-164	-0.5%	G	↑
	Financing Costs:							
-1,700	Debt Charges and Interest	xi	26,577	-16,855	-1,700	-6.4%	G	↔
-21	Restructure Support Costs		172	-22	-22	-12.8%	G	↑
-1,808	Total		59,529	-17,142	-1,886	-3.2%	G	↑

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

Customer Services & Transformation

- i. Business Support and Facilities Management is forecasting a £260k 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. Corporate Communications is currently forecasting a £50k overspend at year-end. This overspend is due to increased distribution costs of the residents magazine and a delay in modernisation in the service that will enable greater income generation.
- iii. Service Transformation is forecasting an underspend of -£95k. This is due to increased traded activity in Business Development and is based on income received for the period April 2009 to December 2009.

Finance, Property and Performance

- iv. The Service facing Finance and Performance Teams (ES, CAS & CD and CYPS) are forecasting a joint underspend of -£65k, which is mainly due to staffing vacancies within the Services.

People, Policy and Law

- v. Democratic and Members' Services is forecasting an underspend of -£55k. The budget for 2009/10 included a provision for a review of Members' allowances, which has not taken place.
- vi. The Elections budget is currently forecasting a year-end underspend of -£98k. This is due to efficiencies arising from holding combined County Council and European elections, although the year-end position will be subject to a review of fees being undertaken with Deputy County Returning Officers.
- vii. The HR – ES, CAS and CD budget is reporting a projected overspend of £93k. This is due to salary pressures as a 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.
- viii. A £67k overspend is predicted on the HR – CYPS budget. This is due to salary pressures as a 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.
- ix. Legal Services are forecasting an underspend of -£66k as the result of vacancies within the Service. This has been partially offset by a subsequent reduction in time-recorded income recovery.
- x. The Corporate Development Service are forecasting an underspend of -£125k. This is the result of staffing vacancies within the Organisational Development (OD) and Learning team and general efficiencies across the Service. These have been partially offset by additional staffing within the Corporate Policy team.

Financing

- xi. Debt Charges and Interest is currently forecasting a -£1.7m underspend at year-end, due to lower than expected levels of borrowing and interest rates. The reduction in the forecast underspend reported in previous months reflects the deliberate decision to convert some loans from short term rates to medium term rates to protect the long term interests of the authority when interest rates rise in future years.

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 Jan 10 £'000	Change £'000
Non ABG Grants					
14-19 Provision	Learning Skills Council (LSC) / Department for Children, Schools and Families (DCSF) / East of England Development Agency (EEDA)	Learning	868	257	-611
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
EEDA Developing Vocational Centres in Schools	EEDA	Learning	0	250	250
Fair Play Pathfinder Revenue Grant	DCSF	Learning	0	214	214
Instrument Fund	Federation of Music Services (FMS)	Learning	0	144	144
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
Standards Fund					
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	Schools	0	237	237
KS4 Engagement	DCSF	Learning	0	200	200
Targeted Improvement Grant	DCSF	Schools	300	436	136
National Challenge	DCSF	Learning	0	382	382
Primary Strategy – Targeted	DCSF	Learning	1,917	2,119	202
Secondary Strategy - Targeted	DCSF	Learning	551	1,147	596
Sure Start Grant					
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
Youth Offending Grants	Youth Justice Board	E&P	916	975	59

APPENDIX 3.2: Virements

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

	£000	Notes	Month
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 Loan Advances	874	Transfer of 2009/10's Invest to Transform Loan Advances 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
Recruitment and Retention Work with Social Workers	485	Transfer of funding from Corporate Reserves to CYPS for Recruitment and Retention Work with Social Workers.	Nov 09
Restructure Costs	50	Transfer of funding from Corporate Reserves to CYPS for Restructure Costs.	Nov 09
Invest to Transform Loan Repayments	1,133	Transfer of 2009/10's Invest to Transform Loan Repayments from the Services.	Nov 09
Allocation of budget for Insurance Charges	2,333	Allocation of budget for Insurance Charges from the central budget in CD to the Services.	Dec 09
Pay Inflation Adjustment	546	Transfer of 2009/10's 1% LGE pay inflation rise from the Corporate Centre to the Services.	Jan 10

Operational Savings - movements from Operational Savings into revenue

Notes	£000	Month
P&AM Project Support (CD)	12	Jul 09
Corporate Project Office (CD)	42	Jul 09
Members IT (CD)	24.5	Jul 09
Building Maintenance (CD)	325	Jul 09
Head of IT (CD)	70	Jul 09
Research Group (CD)	24	Jul 09
St Benedict's Court, Huntingdon (CD)	30	Jul 09
Speke House (CD)	45	Jul 09
Shire Hall Area (CD)	25	Jul 09
Direct Channel Strategy (CD)	41	Jul 09
Head of Performance Management (CD)	43	Jul 09
Internal Audit and Risk Management Service (CD)	42	Jul 09
HR – Policy & Business Services (CD)	150	Jul 09
Corporate Development (CD)	264	Jul 09
Corporate Director – People, Policy & Law (CD)	150	Jul 09
Community Learning (CAS)	50	Jul 09
Corporate Directors – Customer Services & Transformation and Finance, Property & Performance (CD)	74	Sep 09
Internal Audit & Risk Management - slippage on the initial recruitment to the Value For Money (VFM) post will require funding to be rolled into 2010/11 (CD)	-20	Jan 10
TOTAL	1,391.5	

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 Jan 2010		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	9,453	-2,260	7,193	8,846	
- Services					
1CYPS	766	-442	324	82	Includes Office Forecast Outturn (FO)
2ES	427	0	427	628	Includes Office Forecast Outturn (FO)
3CAS	132	0	132	0	Includes Office Forecast Outturn (FO)
4CD	449	-429	20	285	Includes Office Forecast Outturn (FO)
subtotal	11,227	-3,131	8,096	9,841	
Earmarked					
- Specific Reserves					
5Insurance	5,938	0	5,938	5,938	
6Invest to Transform - Corporate	2,470	496	2,966	-567	FO after 2009-10 adjustments
7Invest to Transform - Offices	506	8	514	475	
8Traded services provision	428	-428	0	0	
9Pressures & Developments Reserve	3,898	359	4,257	4,291	
subtotal	13,239	435	13,675	10,136	
Trading Units					
10CYPS	-726	239	-487	-487	Plans are in place to eradicate this deficit over 3 years
11ES	0	0	0	0	
12CD	112	-42	70	70	
subtotal	-614	197	-417	-417	
Equipment Reserves					
13CYPS	59	9	68	98	
14ES	423	-1	422	370	
15CAS	59	0	59	50	
16CD	548	-28	520	598	
Subtotal	1,089	-20	1,069	1,116	
Other Earmarked Funds					
17CYPS	804	-391	413	411	
18ES	2,276	2,655	4,931	4,217	
19CAS	503	367	870	918	
20CD	1,029	-364	665	706	
Subtotal	4,612	2,266	6,879	6,252	
SMIs (LMS etc)					
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	
Grand Total	48,778	-123	48,655	46,306	

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
74.4	Children & Young People	57.5	(16.9)
62.8	Environment Services	84.5	21.7
8.4	Community & Adult Services	4.8	(3.6)
16.5	Corporate Directorates	6.9	(9.6)
162.1	Total Capital Spending	153.7	(8.4)

- The CYPS outturn position is £16.9m below the revised budget. Costs have decreased by £1.1m this month predominately due to revised outturns on Primary Schools (Shirley Primary School and Ditton Lodge) and further delays to Children's Centres (Extended Schools, Caldecote and Sawtry Infants).

In detail, the main schemes contributing to the outturn variance are as follows:

- Primary (£4m)
Shirley (Cambridge) - the 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 £0.424m and to Burrough Green resulting in a £0.957m underspend.
- Primary New Communities (£1.8m)
The Fawcett Primary extension is now expected to start on site in April 2010. The original anticipated start date was January 2009.

All other budgeted schemes (North West Cambridge, Northstowe and Trumpington Meadows) are delayed due to the current economic climate.

- Secondary (£4.3m)
Linton VC has been delayed due to archaeology work prior to starting on site and currently shows an underspend of £1.3m. The Cambridge Centre for Applied Learning 14-19 strategy is budgeted at £3m, but only £0.250m is expected to be spent in 2009/10. This budget is funded by the Department for Children, Schools and Families (DCSF) Exemplar Specific Financing (SF) Grant.
- Secondary New Communities (£0.8m)
The North West fringe Cambridge and Northstowe schemes have been deferred due to the current economic climate. Cambourne has been deferred due to the continued uncertainty over the outcome of a bid to the DCSF for Targeted Capital funding.
- Mixed (£1.3m)
The school condition capital funding is currently forecast to overspend by £3.6m. Work is ongoing to identify savings in other schemes to offset this overspend. Also within this category there are underspends of £3m on the BSF

14-19 provision in Wisbech; £1.4m on the Early Years capital grant due to scheme delays; and £0.5m on replacement of mobiles and school access initiative 2009/10.

- Children's Centres (£3m)
There is delayed spend on phase 3 schemes and extended school projects, with the majority of this spend forecast to be in 2010/11. All spend must be completed by March 2011.
- Youth Service (£0.9m)
This is due to delayed spend for the St Neots youth centre and the Bargroves Youth Service (YS) capital project.
- ES is forecasting an outturn variance of £21.7m above the revised budget. This is largely due to the Guided Busway project where total spend, including reimbursement of contractor costs, is ahead of planned expenditure. In the short term this will be funded from prudential borrowing until delayed Section 106 income, and a refund of costs from the contractor as part of the pain/gain mechanism, is received. It is expected that the overall cost of the scheme will broadly be within the cash envelope currently available for it.

The only major underspend is the Waste Management Infrastructure projects in Environment and Regulation, where a delay in the planning application submission for Witchford Recycling Centre is likely to set back 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 £3.6m 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;
 - £0.6m Adult Social Services schemes; &
 - £1.8m of schemes with variances below £0.5m.
- The CD outturn variance position is currently showing an underspend of £9.6m from the revised budget. This is largely due to deliberate rephasing of the Better Utilisation of Property Assets programme activity, against that originally detailed in the 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 £2m 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:

General Funding resources (GFR) (Non Project Specific)			
£m		£m	£m
25.8	Supported Capital Expenditure (Revenue)	29.4	3.6
7.5	Capital Receipts (General)	2.9	(4.6)
33.3	Total General Financing	32.3	(1.0)

Project Specific Finances (PSF) (Ring-Fenced)			
3.3	Supported Capital Expenditure (Capital)	0.2	(3.1)
41.1	Specific Grants	42.4	1.3
9.4	Ring-Fenced Capital Receipts	3.9	(5.5)
12.5	Developer and Other Contributions	12.4	(0.1)
62.5	Prudential Borrowing	62.5	0.0
128.8	Total Specific Financing	121.4	(7.4)

	Funding Difference	0.0	0.0
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162.1	Total	153.7	(8.4)
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- 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 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 Request

Developer	Campbell Buchanan
Development	Crown Street Mews, East Street, St Ives – Permission for 13 residential units and 2 office units
S106 Contribution	£28,343 Education Contribution
Contribution Due	Total due prior to first occupation of residential unit (due now)
Deferral Request	The developer has requested that this contribution is paid over 6 months - £5,000 for the first 5 months and £3,343 for the 6 th month.
Consideration has been given to:	
Which scheme the money is allocated to?	There are no current schemes in the Capital Programme, however there is some pressure on Early Years Facilities in the area. Therefore schemes to increase capacity at these facilities will come forward in 2011/12.
When the scheme is programmed to take place?	N/A
What percentage is the S106 requirement to the overall scheme cost?	N/A
What relationships are there between funding streams from separate S106 agreements?	There are other significant developments in the St Ives area which are expected to make education S106 contributions.
Are there any financial costs to County Council if the deferral request is accepted?	No. As schemes are not expected to come forward until 2011/12, the developer's 6 month instalment plan will not have any financial implications on the County Council.
If a deferment is agreed, should interest be sought?	No. As there will not be any cost to the County Council, it is recommended that interest should not be sought.
Have instalments been considered?	Yes. It is recommended that the developer's 6 month instalment plan be accepted.
What security is there to the County Council in agreeing to a deferment?	The County Council has not secured bonds for this development. Should the developer default, the County Council has the legal right to pursue individual house owners for the S106 contributions should it chose to.
What social cost is there to the community?	There should not be any social cost to the community in accepting this deferral.
Likely consequences of rejecting the request	Rejecting the deferral may have implications on the developer's cash flow which could slow down build rates.
Officer Recommendation	It is recommended that this deferral can be accepted as per the developer's request