

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST
AUGUST 2012**

To: **Cabinet**

Date: **2nd October 2012**

From: **Matt Bowmer, Section 151 Officer for Cambridgeshire County Council**

*Electoral
division(s):* **All**

Forward Plan ref: **Not applicable** *Key decision:* **n/a**

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

Recommendations: **That Cabinet:**

**a) Analyses resources and performance information and notes the
remedial action currently being taken and considers if any further
remedial action is required.**

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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. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's performance to date and forecast performance at year end by value, RAG (Red (R), Amber (A), Green (G)) status and direction of travel (DoT). Information on the Balance Sheet Health is updated quarterly (June, September, December and March).

Area	Measure	End of Month Status		Month DoT (up is improving)	Forecast Year End Status		Year DoT (up is improving)
Revenue Budget	Variance (£m)	+£5.2m	A	↓	+£3.1m	A	↑
Basket Key Performance Indicators	Number at target (%)	33% (3 of 9)	A	↔	-	-	
Capital Programme	Number of projects to budget and time (%)	71% (137 of 192)	A	↓	71% (137 of 192)	A	↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£45.6m (Jun)	G	↔	-£45.6m (Jun)	G	↔

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

- Revenue Budget; overall the budget position is showing a forecast year end overspend of £3.1m (0.8%). This is a decrease in the forecast overspend of £783k from last month. The forecast overspend mainly relates to the pressure forecast within Adult Social Care. See section 3.2 for details and suggested actions.
- Key Performance Indicators; there are 12 indicators within the Council's basket. Targets are available for 9 of these indicators currently, of which 3 are on target. See section 4.1 for details and suggested actions.
- Capital Programme; 137 out of 192 current projects are forecast to be on time and budget at year end. The majority of the projects not to time and budget are as a result

of expenditure rephasing and a number are as a result of changes to total budget, which include:

- the restructure of the ETE Waste Infrastructure Schemes
- the pressures on the CYPS Condition, Maintenance and Suitability and Temporary Accommodation budgets
- removal of the majority of the BUPA Shire Hall Campus 2 scheme

See section 5.2 for details and suggested actions.

- Balance Sheet Health; end of quarter (June) figure shows the variance of actual net borrowing (a positive figure represents additional borrowing to that which was planned (£370m)). This can vary considerably due to the profile of cashflows throughout the year and future interest rate forecasts. There were investments of £52.7m at the end of the quarter (June). Further long term borrowing is being considered because interest rates are at historic lows. More information can be found in the Treasury Management Quarter 1 Report. No variances are currently forecast. See section 6.2 for details and suggested actions.

3. REVENUE BUDGET, ISSUES AND ACTIONS

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

Key to abbreviations

ETE - Economy, Transport and Environment Services

ASC - Adult Social Care

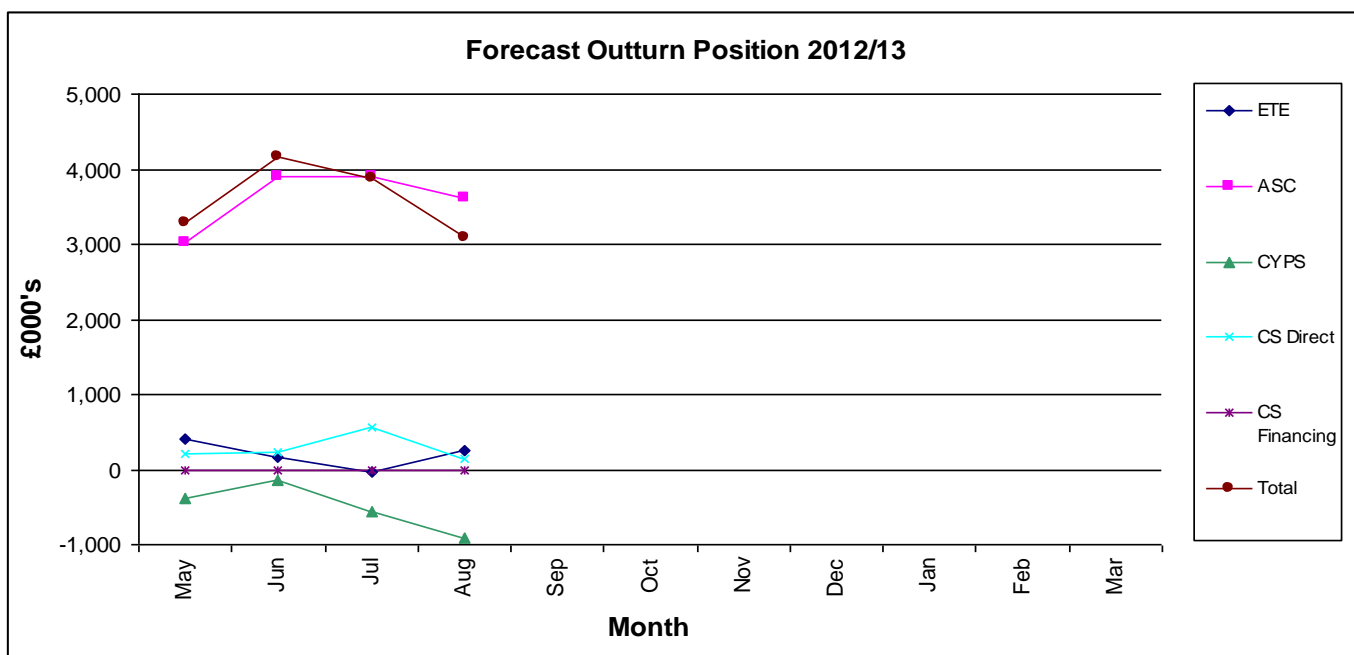
CYPS - Children and Young People's Services

CS - Corporate Services (including Local Government Shared Services (LGSS) Cambridge Office and LGSS Managed)

DoT - Direction of Travel (up arrow means position has improved from last month)

Outturn Variance (Jul) £000	Service	Budget for 2012/13 £000	Current Variance £000	Forecast Outturn (Aug) £000	Forecast Outturn (Aug) %	Overall Status	D o T
-32	ETE *	67,010	-790	255	0.4%	A	↓
3,898	ASC	167,379	9,608	3,611	2.2%	R	↑
-556	CYPS	108,788	-1,318	-915	-0.8%	G	↑
569	CS Direct	37,345	-1,960	145	0.4%	A	↑
0	CS Financing	33,538	-233	0	0.0%	G	↔
3,879	Total Service Spending	414,060	5,307	3,096	0.7%	A	↑
-16	Financing Items	-11,706	-58	-16	0.1%	G	↔
3,863	Total Spending 2012/13	402,354	5,249	3,080	0.8%	A	↑

* ETE includes the Waste PFI Contract, where specific arrangements for under/over spends exist. Excluding this the underlying forecast outturn position for ETE is £237k overspend.



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ETE	<p>A total Service overspend of £255k (0.4%) is forecast at year end. This is a decline from last month where an underspend of -£32k was forecast.</p> <p>Waste PFI: £18k overspend (0%) forecast at year end.</p> <p>Strategic Planning: -£280k underspend (-22%) forecast at year end – as reported in June.</p> <p>Concessionary Fares: £575k overspend (12%) forecast at year end – as reported in June.</p>	<p>The previously reported underspend of -£327k, as first reported in May, due to the later than expected commissioning of the Waste plant, still remains. However, the high amount of rainfall between May and July resulted in over a thousand tonnes of green waste being rejected from the composting facility, as it was too wet to be processed. This has therefore led to higher than expected levels of landfill tax, thereby reducing the previously reported underspend.</p>

Service	Key Exceptions	Impacts and Actions
	<p>There are no new exceptions to report this month.</p> <p>See the ETE Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
ASC	<p>A total Service overspend of £3.6m (2.2%) is forecast at year end. This is a decrease in the forecast overspend of -£287k from last month.</p> <p>ASC - Director of Strategy & Commissioning: -£435k underspend (-103%) is forecast at year end – as reported in May.</p> <p>Older People: £3.8m overspend (6%) is forecast at year end – as reported in May.</p>	<p>Adult Social Care holds a £3m investment budget to assist with the development of a strategy for the transformation of the Service. While projects are being developed to use this funding its deployment and consequential impact on the bottom line are excluded from the reported figures.</p> <p>The forecast overspend has decreased by £300k from last month. Updates to the suggested actions reported in May are:</p> <ul style="list-style-type: none"> • System wide planning with health partners to manage pressures across the system and find long term solutions. 5 new care pathways are now being implemented, and discussions are on going around investment from the NHS in reablement. • Work to expand reablement capacity, so it becomes the default pathway and benefits more people. Active recruitment is underway. 16 new staff have been appointed and there are plans to recruit a further 64 by the end of November. This work is being taken forward with CCS and the independent sector. • Discussions with CCS are underway concerning their remedial action.

Service	Key Exceptions	Impacts and Actions
	<p>Quality & Transformation: -£800k underspend (-23%) is forecast at year end – as reported in May.</p> <p>Providers – in house services: £1.2m overspend (25%) is forecast at year end – as reported in May.</p> <p>Supporting People: £500k overspend (5%) is forecast at year end – as reported last month.</p> <p>There are no new exceptions to report this month.</p> <p>See the ASC Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>The forecast underspend has increased by £200k from last month.</p> <p>The forecast overspend has increased by £213k from last month. In addition to the issues reported in May, there is also the following factor that is creating a £500k pressure on the budget:</p> <ul style="list-style-type: none"> • Respite and Supporting Living Units; delays in implementing the restructure of the service. <p><i>Suggested actions (to address the full service pressure):</i></p> <ul style="list-style-type: none"> • Accommodation – further options have been implemented. Further savings have been identified and approval given for further action. • Day Services – revised business case has been approved and is being implemented. Further options to find the shortfall have been developed and are being discussed.
CYPS	<p>A total Service underspend of -£915k (-0.8%) is forecast at year end. This is an increase in the forecast underspend of -£359k from last month.</p>	

Service	Key Exceptions	Impacts and Actions
	<p>LAC / SEN Placements: -£754k underspend (-2.9%) is forecast at year end.</p> <p>Home to School Transport - Mainstream: -£500k underspend (-4.8%) is forecast at year end – as reported in May.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>This is a result of the positive impact of the Placements Strategy in reducing growth in costs and numbers of Looked After Children.</p> <p>The forecast underspend has increased by £40k from last month.</p>
CS	<p>A total overspend of £145k (0.2%) is forecast at year end. This is a decrease in the forecast overspend of -£424k from last month.</p> <p><u>Corporate Services</u></p> <p>Corporate Director: £423k overspend (375%) is forecast at year end – as reported last month.</p> <p>There are no new exceptions to report this month.</p> <p><u>LGSS Cambridge Office</u></p> <p>There are no new exceptions to report this month.</p> <p><u>LGSS Managed</u></p> <p>There are no new exceptions to report this month</p>	<p>The forecast overspend has increased by £23k from last month.</p>

Service	Key Exceptions	Impacts and Actions
	<p><u>Financing</u></p> <p>There are no new exceptions to report this month.</p> <p>See the CS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	

Service	Emerging Issues	Impacts and Actions
ETE	None	
ASC	None	
CYPS	None	
CS	None	

Note: material variances are considered to be in excess of either +/- 0.5% of the Services' overall net budget plus grants or +/- 0.1% of the Council's net budget plus grants (£402k), whichever is the greater.

4. PERFORMANCE TARGETS, ISSUES AND ACTIONS

4.1 Performance Indicators are shown below:

Corporate priority	Indicator	Portfolio Lead	Service	Frequency	Polarity	Date	Unit	Actual	Target	Status	Direction of travel (up is improving)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	Cllr Shuter	ETE	Quarterly	High	31/03/2012	%	74.2			↓
	The proportion of 16 - 19 year olds in education, employment or training	Cllr Brown	CYPS	Monthly	High	31/07/2012	%	92.5	92.8	Amber	n/a
	The number of people starting as apprentices	Cllr Harty	ETE	Quarterly	High	31/04/12	Number	3,159	2,100	Green	n/a
	The number of people completing courses to directly improve their chances of employment	Cllr Harty	ETE	Quarterly	High	31/07/2012	Number	20,416	20,710	Amber	↑
Helping people live independent and healthy lives	The proportion of people using social care services who have chosen how their support is provided	Cllr Curtis	ASC	Monthly	High	31/08/2012	%	76.3	80	Amber	↓
	The proportion of people living in Cambridgeshire who actively use a library service	Cllr Harty	CST	Monthly	High	31/08/2012	%	23.7	25	Amber	↓

Supporting vulnerable people	The number of looked after children per 10,000 children	Cllr Brown	CYPS	Monthly	Low	30/06/2012	Rate per 10,000 children	37	37.9	Green	n/a
	The proportion of plans for children and young people who need additional support that are successful	Cllr Brown	CYPS	Monthly	High	30/06/2012	%	79.3	80	Amber	n/a
	The proportion of repeat incidents of domestic violence in supported cases ¹	Cllr McGuire	CYPS	Quarterly	Low	30/06/2012	%	44			
How we run the business	The ratio of staff to desks in corporate offices ²	Cllr Count	LGSS Finance / CST	Quarterly	High	30/06/2012	Ratio	1			↑
	The average number of days lost to sickness per full-time equivalent staff member	Cllr Count	LGSS HR	Quarterly	Low	30/06/2012	Days	7.62	7.8	Green	n/a
	The proportion of customer complaints received in the month before last that were responded to within minimum response times	Cllr McGuire	CST	Monthly	High	31/07/2012	%	66.1	90	Red	↓

¹ Update on measure awaited from CYPS Performance Board.

² Quarterly measure, therefore an update will be provided in the next report, when the target will also be updated and a status allocated.

4.2 Key exceptions and emerging issues are identified below.

Exceptions:

- **The proportion of customer complaints received in the month before last that were responded to within minimum response times (RED)**

Out of 59 complaints recorded on the corporate feedback system in July 2012, 20 failed to meet the deadline of responding within 10 working days. Of those, 9 have since been completed and the 11 cases outstanding are all being dealt with by the relevant department.

- **The number of people completing courses to directly improve their chances of employment (AMBER)**

Provisional figure. Still awaiting remaining data from some services (expected imminently). It is anticipated that the actual will be close to the year end target.

5. CAPITAL PROGRAMME, ISSUES AND ACTIONS

5.1 A summary of capital performance by service is tabled below:

Service	No. of Programmes	No. on Budget	No. on Time	Target end of August	Actual end of August
ETE	71	45	57	43 schemes to budget and time	43 schemes to budget and time
ASC	12	10	10	10 schemes to budget and time	10 schemes to budget and time
CYPS	71	57	70	55 schemes to budget and time	55 schemes to budget and time
CS	38	35	29	29 schemes to budget and time	29 schemes to budget and time

5.2 A more detailed analysis of key exceptions and emerging issues by programme for individual schemes of £0.5m or greater are identified below:

Service	Key Exceptions	Impacts and Actions
ETE	<p>ETE's capital programme is currently reporting a year end underspend of -£3.4m (-6.3%).</p> <p>The following schemes has been identified as a material exception:</p>	

	<p>Infrastructure Management & Operations (Local Infrastructure and Street Management): -£1.9m underspend (-13%) forecast at year end.</p> <p>Infrastructure Management & Operations (Waste): -£2.0m underspend (-9.9%) forecast at year end – as reported in May.</p> <p>See the ETE Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>There has been a delay with some of the work due to the contract with Eastern Highways Alliance not being completed. This has now been resolved and much of the work will commence in September and October.</p>
ASC	<p>ASC's capital programme is currently reporting a year end underspend of -£0.4m (-8.2%).</p> <p>No schemes have been identified as having material exceptions.</p> <p>See the ASC Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CYPS	<p>CYPS' capital programme is currently reporting a year end underspend of -£3.2m (-3.4%).</p> <p>The following schemes have been identified as material exceptions:</p> <p>Primary Schools – New Communities: -£6.1m underspend (-47.8%) forecast at year end – as reported in June.</p>	

	<p>Primary Schools – Demographic Pressures: £1.4m overspend (7.6%) forecast at year end – as reported in June.</p> <p>Secondary Schools – New Communities: £0.7m overspend (160.7%) is forecast at year end – as reported in June.</p> <p>Secondary Schools – Demographic Pressures: £1.0m overspend (5.6%) forecast at year end – as reported in June.</p> <p>Condition, Maintenance and Suitability: £1.0m overspend (18.5%) forecast at year end – as reported in June.</p> <p>Temporary Accommodation: £0.8m overspend (160%) forecast at year end – as reported in June.</p> <p>See the CYPs Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>The forecast overspend has reduced by £0.7m from last month, partly due to a delay in the Soham third primary scheme, which is creating a -£1.4m in-year underspend. This does not represent a reduction in overall scheme costs.</p> <p>The forecast overspend has increased by £0.2m from last month.</p> <p>The forecast overspend has reduced by £0.4m from last month due to the late announcement of S106 receipts of £0.6m (rather than a reduction in spend).</p>
CS	<p>CS' capital programme is currently reporting a year end underspend of -£8.1m (-26.7%).</p> <p>The following schemes have been identified as material exceptions:</p>	

	<p><u>LGSS Cambridge Office</u> <u>Managed Capital Expenditure</u></p> <p>BUPA Shire Hall Campus 2: -£8.6m underspend (-98.3%) forecast at year end – as reported in June.</p> <p>BUPA Community Hubs: -£0.9m underspend (-94.7%) forecast at year end – as reported in June.</p> <p>BUPA CoWA: £2m overspend (77%) forecast at year end – as reported in June.</p> <p>There are no new exceptions to report this month.</p> <p>See the CS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>The forecast underspend has reduced by £0.2m from last month.</p> <p>The reason for this overspend was reported accurately in June, however the overspend was incorrectly labelled as an underspend. This has now been corrected.</p>
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Service	Emerging Scheme Issues	Impacts and Actions
ETE	None	
ASC	None	
CYPS	<p>Pressures on the Condition, Maintenance and Suitability budget</p> <p>CYPS have emerging urgent Basic Need schemes for approval from 2013/14.</p>	<p>The in-year overspend will need to be addressed during the Budget Planning process by reducing spend in future years to bring it in line with the available budget.</p> <p>CYPS will be requesting approval and funding as part of the Business Planning demography proposals but will need to give an indication to the relevant schools in year that the schemes will be planned to respond to the urgent need.</p>

Service	Emerging Scheme Issues	Impacts and Actions
	See the CYPS Finance and Performance Report for further details (link provided in section 8.1).	
CS	None	

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

Funding Source	IPP Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m
DfT Grant	14.8	0.0	0.0	0.0	14.8
Capital Maintenance Grant	7.5	0.0	0.0	0.0	7.5
Basic Need Grant	23.3	0.0	0.0	12.5	35.8
Devolved Formula Capital	1.3	3.7	0.0	0.0	5.0
Other Grants	22.0	6.0	3.7	0.5	32.3
S106 Contributions	19.6	0.0	-0.9	5.9	24.6
Other Contributions	1.8	0.1	0.0	6.3	8.2
Capital Receipts	7.9	0.1	0.0	0.0	8.0
Prudential Borrowing	48.2	12.7	0.1	-12.6	48.5
Total	146.5	22.6	2.9	12.6	184.6

5.4 Key funding changes (of greater than £0.5m) and emerging issues are identified below:

Funding	Service	Amount (m)	Reason for Change and Actions Required
Rolled Forward Funding	All services	£22.6	Slippage and re-phasing of the 11/12 programme – as reported in May.

Revised Phasing (Other Grants)	CYPS	£3.7	Building Schools for the Future funding – as reported in May.
Revised Phasing (S106 Contributions)	CYPS	-£1.1	Relating to the NIAB (National Institute of Agricultural Botany) development – as reported in June.
Additional / Reduction in Funding (Basic Need)	CYPS	£12.5	Relating to additional Department for Education (DfE) funding – as reported last month and awaiting Cabinet approval (17 th September).
Additional / Reduction in Funding (Prudential Borrowing)	CYPS	-£11.1	Relating to additional DfE funding (used to reduce Prudential Borrowing) – as reported last month and awaiting Cabinet approval (17 th September).
Additional / Reduction in Funding (Other Grants)	ASC	-£1.2	Transformation Initiatives funding – as reported in May.
Additional / Reduction in Funding (Other Grants)	ETE	£0.6	Sustainable Transport Funding – as reported in June.
Additional / Reduction in Funding (Other Grants)	ETE	£0.5	Better Bus Area Funding – as reported in June.
Additional / Reduction in Funding (S106 Contributions)	ETE	£5.8	As reported in June.
Additional / Reduction in Funding (Other Contributions)	ETE	£3.5	Growing Places funding – as reported in June.
Additional / Reduction in Funding (Other Contributions)	ETE	£2.2	Department for Transport (DfT) funding – as reported in June.
Additional / Reduction in	ETE	-£1.5	The Waste materials recycling facility – as reported last month.

Funding (Prudential Borrowing)			
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Service	Emerging Funding Issues	Impacts and Actions
ETE	None	
ASC	None	
CYPS	It has recently been announced that the County Council has been awarded Priority Build programme funding for Manor Community College, which is yet to be incorporated into the capital programme figures.	The funding will be incorporated into the capital programme once the allocation has been announced.
CS	None	

6. BALANCE SHEET, ISSUES AND ACTIONS (reported quarterly)

6.1 A more detailed analysis of balance sheet health issues is tabled below:

Measure	Target end of August	Actual end of August
Net borrowing activity from plan, £m	£370m (Jun)	£324.4m (Jun)
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.9m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.0m
Invoices paid by due date (or sooner), %	95%	98.7%

6.2 Key exceptions and emerging issues are identified below:

Key exceptions	Impacts and actions
Variance of net borrowing activity from plan	<p>Medium and long term interest rates continue to reach new low levels as demand for UK gilts persist.</p> <p>Interest rates are being monitored closely and a pragmatic approach to borrowing is adopted. Further information can be found in the Treasury Management Quarter 1 Report.</p>

Emerging issues	Impacts and actions
None	

7. EXTERNAL AND CONTEXTUAL ISSUES

7.1 The economic outlook has generally weakened since April 2012. Output shrunk by 0.3% during the first quarter of the calendar year and initial estimates showed the recession deepening further for the second quarter. However, this has been revised upwards recently. The Bank of England recently revised downwards its growth forecast for 2012/13 to 0%.

7.2 With regards to the Business Rates Retention Scheme, Cambridgeshire County Council has submitted an expression of interest to pool business rate income with the 5 district councils across the county. Work is ongoing to submit a formal pooling proposal to the DCLG by the deadline of 19th October. Local authorities generally receive a financial gain from pooling through a reduced levy rate applied business rate income.

Cambridgeshire County Council will be submitting a joint response to the business rates technical consultation with the authorities within LGSS outlining a number of key concerns such as complexity, lack of information and a reduced incentive for growth.

The authority has been working with the district councils across the county to understand their proposals under the new Council Tax Support Scheme and to identify ways in which to mitigate the cuts to this funding.

The outcome of the above is being fed into the Business Planning Process (BPP).

7.3 An initial assessment of these issues is set out below.

External and Contextual Issues; key issues, impact and suggested actions

Key issues	Impacts and actions
Economic outlook	<p>The weakening economic outlook could impact the future funding levels for the Authority and could impact on the Council's ability to produce a balanced five year Business Plan.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> The impact of reductions in local government funding and plans to mitigate this will be reviewed as part of the 2013/14 Business Planning Process.

Business Rates Retention Scheme	The result of the consultation will have implications on the Council's funding levels. At this stage it is not known what these may be, and so an update will be provided in future reports once they are known.
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8. FURTHER INFORMATION

- 8.1 Members requiring further information on issues raised in this report may wish to access the reporting and drill down facilities in CORVU (for performance issues) and the Oracle e-Business Suite for finance issues, or follow the links below:

CYPS Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Children+and+Young+Peoples+Services.htm
ASC Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Community+and+Adult+Services.htm
ETE Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Environment+Services.htm
CS Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Corporate+Directorates.htm

9. IMPLICATIONS

Resources and Performance:

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

Statutory, Legal and Risk:

- 9.2 There are no significant statutory, legal and risk implications.

Equality and Diversity:

- 9.3 There are no significant equality and diversity implications.

Engagement and Consultation:

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

SOURCE DOCUMENTS:

ETE Budgetary Control Report (August) ASC Budgetary Control Report (August) CYPS Budgetary Control Report (August) CS Budgetary Control Report (August) Performance Management Report & Corporate Scorecard (August) Capital Monitoring Report (August) Aged Debt per Directorate – as at 31 st August 2012	Room 301, Shire Hall, Cambridge
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