Agenda Item No. 4

INTEGRATED RESOURCES AND PERFORMANCE REPORT – NOVEMBER 2010

To:	**Cabinet**		
Date:	**25th January 2011**		
From:	**LGSS: Director of Finance**		
Electoral division(s):	**All**		
Forward Plan ref:	**N/A**	*Key decision:*	**Yes**
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.

(b) Approves a virement of £255k from the Carbon Trading budget (within Business Support and Facilities Management) (see para 4.5.1) that is not required until next year to offset:

(i) the Better Utilisation of Property Assets in-year pressure (£230k) resulting from increased usage of the Shire Hall Site and in lieu of recharging services for this increased usage, as previously agreed by Cabinet; and

(ii) a planned investment in HR capability and capacity (25k).

(c) Approves the following 3 new capital schemes, for which Section 106 contributions will be required (see para 4.6):

- **St Neots Town Centre Urban Traffic Control (UTC) System**
- **St Neots Rail Station Improvements and Bridge Crossing**
- **St Neots Southern Cycle Bridge.**

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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 UNDERSTANDING THE REPORT

2.1 A joined-up reporting mechanism has been adopted as part of a drive to understand finance and performance together.

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. Further details on income analysis, service virements and movements in reserves follow later in the report.

2.3 For clarity, the year-end forecasts reported represent 'certain' year-end positions based on known figures and trends and the impact of any agreed, definite and proven action plans and remedial action.

2.4 Each measure, whether financial or performance, has been awarded a status based on a simplified three banding system.

Good performance performing above target, or spend in line with budget profile. No action required	**G - Green**
Acceptable performance 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**
Investigate urgently – 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 indicators that were reported last month as exceptions that have reached targeted levels this month.
- There are **7** exceptions to report this month:
  - National Indicator (NI) 130 Social Care Clients receiving Self Directed Support (RED ↑) – performance is continuing to increase and already above national year-end target of 30%. New Self Directed Support report by key team issued via Performance Management Bulletin to help monitoring. In addition, proportion of non-SDS direct payments is falling: 32:68 in June, 38:62 July, 41:59 August, 45:55 September, 48:52 October and 50:50 November.

- NI 131 Delayed Transfers of Care from Hospitals per 100,000 Aged 18+ (RED ↑) – a significant drop has been recorded in the number of delays September – November, however, target is unlikely to be met at year-end. Performance is now monitored weekly through the Urgent Care Network and the re-ablement project should help reduce delays further. However, winter pressures mean that admissions tend to increase over the December – February period, which can have a negative impact on this indicator.

- NI 148 Care Leavers in Employment, Education and Training (EET) (RED ↓) – there was a 2.8% increase in the number of care leavers who are Not in Employment, Education and Training (NEET) in October 2010 (currently 18 out of the 28 care leavers in the cohort are in EET). The team continue to develop strategies to encourage Young People to engage in EET, with the launch of the 16+ 'Your Life, Your Choice', which is a 12 week program that will include work experience, CV writing, team work and interview skills from November 2010. In terms of care leavers specifically, the team continue to develop a strategy around the Care2Work initiative to increase opportunities for care leavers to obtain work experience and apprenticeships. The recent announcement that Education Maintenance Allowance is going to be stopped from January 2011 is likely to have a negative impact on EET figures as YP will choose not to engage in programmes of education as a result of the financial impact of EMA ceasing.

- Business Mileage CCC_Total_12 Month (RED ↓) – business mileage reduction initiatives continue to gather pace across the organisation with Services and Directorates now aware of, and working towards, the commitment to reduce mileage by 10%. Quarter 3 results will be published in January 2011 and will offer comparison to the previous two quarters of this financial year and also to the 2009/10 baseline.

- NI 185b CO2 Reduction from Local Authority Operations (RED ↑) – the Council was originally predicting a small increase in carbon emissions, but having revised the 2008/09 baseline there is a very small reduction overall. The Climate Change Programme is overseeing activities to manage and reduce carbon emissions. However, the responsibility for actual delivery of carbon reductions lies with those responsible for delivering the services.

- Local Indicator (LI) 044 Value of Outstanding Invoices per Age Range >6 Months (RED ↑) – above target level, but continuing trend of reduction in balances.

- NI 179 VfM (RED ↑) – the year-end efficiency saving forecast is currently estimated to be £14.5m, which is an improvement from last month, but is still below the target level of £15.5m. This is the third month this indicator has reported RED. The status for this indicator is flagged as RED when the saving forecast drops 5% or more below the targeted level (currently 6.5% below the target). As reported previously this shortfall is mainly due to a delay in projects/reviews where it is now unlikely to realise the full saving in this financial year.

- Previously reported exceptions for which there is nothing further to report are:
    - NI 008 – Adult participation in sport and active recreation – an update from the Active People Survey 4 is expected next month.
    - NI 155 – Number of affordable homes delivered (gross).
    - NI 152b – Working age people on out of work benefits in Fenland – difference between Fenland and the regional average.
    - NI 163 – Working age population qualified to at least Level 2.
    - NI171 – New business registration rate - % of regional average.

  These indicators are measured annually, except NI152b, which is measured quarterly. An update on NI 152b is expected in January 2011. An update to NI 008 is expected next month.

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

- Overall the budget position is showing a forecast year-end underspend of £171k (-0.1%). This is a decrease in the forecast outturn of £1.8m from the previous month, where an overspend of £1.6m was reported. This forecast incorporates the £500k of funding from the Pressures and Developments Reserve to CYPS, that Cabinet approved in December, to assist in offsetting the pressure that has arisen from the unexpected increase in the number of Looked After Children (see table 3.4).
- In Environment Services (ES) an underspend of £1.2m is currently being predicted, which is due to savings identified across the whole Service (see para 4.2).
- In Community and Adult Services (CAS) an overspend of £1.1m is currently being predicted, which is due to pressures identified within Adult Support Services - Operations (see para 4.3).
- In Children and Young People's Services (CYPS) an overspend of £463k is currently being predicted, which is due to pressures within Strategy and Commissioning and Children's Social Care (see para 4.4).
- In Corporate Directorates (CD) an underspend of £532k is currently being predicted, which is due to savings identified within Corporate Services (see para 4.5).
- In Corporate Directorates – Financing a balanced budget is currently being predicted.
- Cabinet is asked to approve a virement of £255k from the Carbon Trading budget (within Business Support and Facilities Management) to offset the Better Utilisation of Property Assets in-year pressure (£230k) and an additional pressure resulting from HR job evaluations (£25k) (see para 4.5.1).
- Spending on the council's overall capital programme is currently proceeding slower than estimated (see para 4.6).
- Cabinet is asked to approve 3 new capital schemes, for which Section 106 contributions will need to be allocated to (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).

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

On 13th December 2010 the Secretary of State for Communities and Local Government, Eric Pickles, made a statement to the House of Commons outlining the provisional Local Government Finance Settlements for 2011/12 and 2012/13. For Cambridgeshire, the Secretary of State announced that we would see an overall reduction in spending power of 3.01% in 2011/12 and a further 2.62% reduction in 2012/13. However, these percentages take into account several sources of funding, including Council Tax which is raised locally.

Further analysis of the figures estimates that the loss of central Government funding for the years 2011/12 and 2012/13 is as follows:

	2010-11 £000	2011-12 £000	Change %	2012-13 £000	Change %
Formula Grant	140,168	120,098	-14.3%	107,353	-10.6%
Specific Grants	57,288	49,845	-13.0%	51,229	2.8%
Council Tax Freeze Grant *	-	5,779	New	5,779	0.0%
NHS Funding **	-	6,242	New	6,038	-3.3%
TOTAL FUNDING * **	**197,456**	**181,964**	**-7.8%**	**170,399**	**-6.4%**

* This grant is specifically to enable authorities to freeze their Council Tax level in 2011/12. Funding is only available to support a freeze in 2011/12, but the equivalent funding will be provided for each of the following years until 2014/15 to avoid a cliff-edge effect.

** This is a new transfer of funding from the Department of Health through the NHS budget. Specific amounts to be transferred from PCTs were due to be announced 15th December.

*** This table does not include Dedicated Schools Grant funding, however, the Department for Education have committed to a minimal real terms increase in funding for schools over the next four years.

3.4 Revenue Income & Expenditure Summary

Outturn Variance (Oct) £000	Service	Budget for 2010/11 £000	Current Variance £000	Forecast Outturn (Nov) £000	Forecast Outturn (Nov) %	Overall Status	DoT
-873	ES *	52,263	-1,492	-1,236	-2.4%	G	↑
1,189	CAS	145,812	9,073	1,134	0.8%	A	↑
1,379	CYPS	83,964	1,198	463	0.6%	A	↑
-338	CD Direct	33,902	-1,280	-532	-1.6%	G	↑
250	CD Financing	29,051	-16,495	0	0.0%	G	↑
1,607	**Total Service Spending**	**344,992**	**-8,996**	**-171**	**0.0%**	**G**	**↑**
0	Financing Items	-5,577	-93	0	0.0%	G	↔
1,607	**Total Spending 2010/11**	**339,415**	**-9,089**	**-171**	**-0.1%**	**G**	**↑**

* ES includes Priority Investments (A14 Inquiry, Pitt Review and Economic Assessment) and Waste PFI Contract, where specific arrangements for underspends exist. Excluding these the underlying forecast outturn position for ES is £752k underspend.

3.5 Capital Programme Summary

Revised Budget (Nov) £m	Capital Summary	Outturn Estimate (Nov) £m	Outturn Variance (Nov) £m	Overall Status	DoT
168.3	**Total Capital Spending**	**149.3**	**-19.0**	A	↑
31.6	Total General Financing	29.0	-2.6	G	↓
136.7	Total Specific Financing	120.3	-16.4	G	↑
	Unsupported Expenditure (Funding Difference)	0.0	0.0	G	↔
168.3	**Total Capital Financing**	**149.3**	**-19.0**	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 (£1.2m underspend)

4.2.1 Road Safety is forecasting an underspend of £70k due to vacancies within the Service.

4.2.2 Waste – Residual is forecasting an overspend of £50k at year-end. This is due to implied liabilities from some of the District Councils, due to contract issues on dry recycling.

4.2.3 Environment Management and Climate Change is reporting an underspend of £75k, as a result of vacancies being held and project work that would have been undertaken by these posts.

4.2.4 Waste PFI Contract is forecasting an underspend of £360k at year-end. The MBT plant was due to be fully commissioned in November 2010. The gate fee per tonne paid to Donarbon is programmed in the contract to increase at that point. This change was factored into the business plan, with sufficient monies to cover these higher rates. However, while the facility is complete and operating, the technical and contractual commissioning of the MBT is likely to be delayed, whilst additional data is gathered by the contractor to demonstrate plant effect. This will result in the continuation of gate fee payments at the existing lower rate, for a longer period than was budgeted (March 2011 at the earliest).

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

- Asset Management (£240k underspend).
- Executive Director (£221k underspend).
- Passenger Transport (£100k underspend).
- Priority Investments:-
    - A14 Inquiry (£68k underspend).
    - Pitt Review (£25k underspend).
    - Economic Assessment (£30k underspend).

If the Priority Investments and Waste PFI Contract forecast underspends are excluded (as the Priority Investments are to be carried forward to 2011/12 by the use of the Service operational savings fund and the Waste PFI saving is transferred to the Corporate Pressures and Developments Reserve), then the ‘true’ Office forecast underspend would be £752k.

4.3 Community and Adult Services (£1.1m overspend)

4.3.1 The Adult Social Care restructure has been implemented with effect from the 1st October 2010. This report reflects the new structure.

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

- Learning Disability Services (£1.4m overspend).
- Physical Disability & Sensory Services (£450k overspend).
- Mental Health (£400k overspend).
- Director of ASC – Strategy & Commissioning (£900k underspend).
- Executive Director (£200k underspend).

4.4 Children and Young People Services (£463k overspend)

4.4.1 At the end of November CYPS is forecasting an overspend of £463k. This is a significant reduction since last month when an overspend of £1.4m was forecast. This reduction is largely as a result of the UK Border Agency having now confirmed that they will pay £430k in respect of the special circumstances claim for 2009/10 for Unaccompanied Asylum Seeker Children, which they had previously indicated that they did not expect to be able to pay. And also the transfer of £500k funding from the corporate Pressures and Developments Reserve to help CYPS manage the Looked After Children pressure (which has reduced to £3.5m following this transfer of funding), which Cabinet approved in December.

CYPS has already released a total of £3.6m of savings from budgets in the year to date to offset pressures. It is anticipated that a further £1m of savings can be achieved over the remainder of the year. In addition, the Placements Strategy for Looked After Children continues to be developed.

4.4.2 The following issues from previous months are still showing overspends although partially offsetting savings have been found elsewhere as explained in 4.4.1 (the detail can be obtained by referring to appendix 2):-

- Placements – Social Care (£2.7m overspend).
- Placements – Education (£850k overspend).
- Area Social Care Teams (£654k overspend).
- Strategic Management – Children’s Social Care (£435k overspend)
- Teachers Pensions (£250k overspend).

- Groomfields (£200k overspend).
- Residential Units (£190k overspend).
- Catering & Cleaning Services (£132k overspend).
- Home to School Transport – Mainstream (£260k underspend).

4.5 Corporate Directorates (£532k underspend)

Corporate Services (£756k underspend):

4.5.1 Cabinet is asked to approve a virement of £255k from the Carbon Trading budget (within Business Support and Facilities Management) that is not required until next year to offset the Better Utilisation of Property Assets in-year pressure (£230k) resulting from increased usage of the Shire Hall Site and in lieu of recharging services for this increased usage, as previously agreed by Cabinet; and a planned investment in HR capability and capacity (25k).

LGSS Cambridge Office (£223k overspend):

4.5.2 Legal Services is reporting an underspend of £83k, resulting from staffing vacancies within the Service whilst income recovery has been maintained at budgeted levels.

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

Corporate Services:

- Corporate Communications (£84k overspend).
- Director of Customer Services and Transformation (£97k overspend).
- Business Support and Facilities Management (£490k underspend).
- Strategy and Democracy (£157k underspend).
- Service Transformation (£130k underspend).
- IT Services (£65k underspend).

LGSS Cambridge Office:

- Shared Services Programme (£397k overspend).
- Better Utilisation of Property Assets (BUPA) (£230k overspend).
- Research, Performance and Financial Strategy (£100k underspend).
- Finance Transactions Team (£87k underspend).

4.6 Capital Programme

Spending on the overall Council's capital programme is currently proceeding slower than estimated, with a year-end outturn of -£19m currently forecast. 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).

<u>Allocation of S106 Contributions</u>

Cabinet is asked to approve the following new capital schemes, for which Section 106 contributions will need to be allocated to. These have been considered and recommended by a joint County Council/Huntingdonshire District Council officer group and it is understood that Huntingdonshire District Council members are supportive of the proposals:

- St Neots Town Centre Urban Traffic Control (UTC) System – it is recommended that £450k of received s106 developer contributions be allocated to this project.
- St Neots Rail Station Improvements and Bridge Crossing – it is recommended that £235.4k of received s106 developer contributions be allocated from the Love's Farm, St Neots site to complete detailed design of station improvements.
- St Neots Southern Cycle Bridge – it is recommended that £1.47m of received s106 developer contributions be allocated to this project.

Further information around these allocation proposals is available in appendix 5.

4.7 Debt Outstanding (owed to the Council)

Longer-term debt (> 6 months old) has decreased by £97k in November to £1.2m. This is £235k above the target level for the year of £990k. Of this balance, £1.16m (95%) is subject to secondary recovery action. Debt in the 4-6 month age range has increased by £65k at the end of November to £291k. Emerging debts are currently with the Recovery Team and Budget Holders to resolve. The overall figure is £119k below the target for the year of £410k, with £280k (96%) 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 (November). CAS Budgetary Control Report (November). CYPS Budgetary Control Report (November). CD Budgetary Control Report (November). Capital Monitoring Report (November). Performance Management Report and Corporate Scorecard (November). Aged Debt per Directorate – as at 30th November 10.	Room 301, Shire Hall, Cambridge

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 (YTD)	High	%	31-Oct-2010	8.9	4.6	G	↑	
NI008 Adult participation in sport and active recreation	High	%	31-Mar-2010	22.3	24.7	R	↑	
NI069 Bullying (new target)	Low	%	31-Mar-2010	28.1			↑	
NI110 Young people's participation in positive activities	High	%	31-Mar-2010	80.4	80	G	↑	
NI115 Substance misuse by young people	Low	%	31-Mar-2010	9.6	9.1	A	↑	
2) Supporting and protecting vulnerable people (Strategic Objective 2)								
NI130 Social Care clients receiving Self Directed Support	High	clients	30-Nov-2010	43.5	80	R	↑	
NI131 Delayed transfers of care from hospitals per 100,000 aged 18+	Low	transfers	30-Nov-2010	11.6	8.9	R	↑	
NI148 Care leavers in EET	High	%	31-Oct-2010	64.3	75	R	↓	
NI032 Repeat incidents of domestic violence	Low	%	31-Mar-2010	27.5	28	G	↓	
NI040 Drug users in effective treatment	Low	users	30-Sep-2010	1202	1019	G	↓	
NI054 Services for disabled children	High	Number	31-Mar-2010	63	63	G	↑	
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-Oct-2010	343	365	G	↑	A
NI154 Net additional homes provided	High	Number	31-Mar-2010	2166	2024	G	↓	G
NI155 Number of affordable homes delivered (gross)	High	Number	31-Mar-2010	926	980	R	↑	G
NI169 Non-principal roads where maintenance should be considered	Low	%	31-Mar-2011	7	9	G	↔	G
NI177 Local bus passenger journeys originating in the authority area - LAA	High	Number	31-Mar-2010	22060128	21800000	G	↑	G
NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2010	21.04	22.5	G	↑	G
4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)								
NI152b Working age people on out of work benefits in Fenland - difference between Fenland and regional average - LAA	Low	%	31-Mar-2010	3.9	3.6	R		A
NI182 Satisfaction of businesses with local authority regulation services	High	%	30-Sep-2010	75.8	80	A	↓	A
NI163 Working age population qualified to at least Level 2	High	%	31-Mar-2010	74.7	75	R	↑	A
NI171 New business registration rate - % of regional average	High	%	31-Mar-2009	89	101	R	↑	R

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)								
Business Mileage CCC_Total_12MONTH	Low	Number	30-Nov-2010	8517299	8215017	R	↓	
NI192 Household waste recycled and composted - 12-month rolling average	High	%	31-Oct-2010	51.85	51.8	G	↑	G
NI185a CO2 reduction from Local Authority operations	High	%					◆	
NI185b CO2 reduction from Local Authority operations	Low	tonnes	31-Mar-2010	90448	88765.4	R	↑	R
NI188 Adapting to climate change (CCC)	High	Number	31-Mar-2010	2	2	G	↑	G
NI197 Improved local biodiversity – active management of local sites	High	Number	31-Mar-2010	195	185	G	↑	G
6) Delivering high-quality effective and efficient services (Service Delivery Principle 1								
LI032 Recruitment lead times	Low	days	30-Nov-2010	26.46	33	G	↑	G
Finance - Capital	High	Number	30-Nov-2010			A	↑	
Finance - CAS	High	Number	30-Nov-2010			A	↑	
Finance - CD Direct	High	Number	30-Nov-2010			G	↑	
Finance - CD Financing	High	Number	30-Nov-2010			G	↑	
Finance - CYPS	High	Number	30-Nov-2010			A	↑	
Finance - ES	High	Number	30-Nov-2010			G	↑	
LI025 Sickness Absence (CCC)	Low	working days	30-Nov-2010	4.63	4.95	G	◆	G
LI031 % of staff from ethnic minorities as a % of the workforce	High	%	30-Nov-2010	4.92	4.1	G	↑	G
LI039 Payment of undisputed invoices within 30 days	High	%	30-Nov-2010	98.9	97	G	↔	
LI044 Value of outstanding invoices per age range >6 months	Low	£	30-Nov-2010	1225164	990000	R	↑	G
NI179 VfM	High	£0,000	30-Nov-2010	14481	15536	R	↑	
Percentage of appraisals completed on time	High	%	31-Mar-2010	91.5	96	A	↓	
7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)								
LI068b Satisfaction with website - difference between CCC and national average	High	% points	30-Nov-2010	9	0	G	↑	
LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	30-Nov-2010	86	80	G	↑	
LI302 Successful visits to CCC website	High	%	30-Nov-2010	67	65	G	↑	
LI303 Response to FOI requests within specified timescales - fail rate	Low	%	30-Nov-2010	4	10	G	↑	G
LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	30-Sep-2010	87	75	G	◆	
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	◆	

The indicator NI 088 % of Schools Providing Access to Extended Services has been removed from the scorecard. This is due to the work to ensure schools provide access to extended services having been completed in September 2010. Over the last year, for primary schools not delivering the full core offer, the only gap was in wraparound children provision. Three schools had particular difficulty, mainly due to the lack of suitable premises or the inability to recruit suitably qualified staff. Guidance had been provided by central government on the application of criteria to determine whether a local authority had done everything that was ‘reasonably practicable’ to support the delivery of childcare. The action that had been taken at these three schools met the criteria. The extended schools programme is therefore complete and the target has been met.

The indicator ‘Business Mileage CCC_Total_YTD’ has been changed to ‘Business Mileage CCC_Total_12 Month’. The replacement measure shows the total number of miles incurred in the previous 12 months before the current date. It smoothes out fluctuations in the cumulative figure that was used in the previous measure (which measured total mileage incurred from the beginning of the current financial year) and gives a better indication of the trend and direction of travel.

APPENDIX 2: Income & Expenditure Position by Service

Environment Services (ES)

ES is forecasting to underspend by £1.2m at year-end. This represents -2.4% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	DoT
-201	Executive Director	ii	1,043	-279	-201	-19.3%	G	↔
-392	Highways & Access	iii, iv, v	28,525	-1,216	-429	-1.5%	G	↑
-102	Growth & Infrastructure	i	1,182	-105	-95	-8.0%	G	↓
-177	Environment & Regulation	i, vi, vii	7,685	-415	-150	-2.0%	G	↓
0	External Grants		-4,550	1	0	0.0%	G	↔
-873	**Total Office Funded Items**		**33,885**	**-2,012**	**-875**	**-2.6%**	**G**	**↑**
0	Waste PFI	viii	18,378	520	-360	-2.0%	G	↑
-873	**Total**	ix	**52,263**	**-1,492**	**-1,236**	**-2.4%**	**G**	**↑**

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

Priority Investments

i. The priority investment for the A14 Inquiry, agreed as part of the Integrated Planning Process (IPP), will not be spent in this financial year due to the Government's decision to axe the funding for this scheme. However, this funding, located within Growth and Infrastructure, may still be required in assisting with any improvements to the current road. The unspent funding at year-end is estimated to be £68k. The intention is that this unused funding will be carried forward to 2011/12 by the use of the Service Operational Savings Fund.

   Two other priority investments that were agreed as part of IPP will not be able to spend all the funding allocated in this financial year due to delays in the issuing of government guidance. However, the funding will still be required for these schemes, the Pitt Review (Floods and Water Bill work to be used for future pump priming) and Economic assessment both within Environment and Regulation. The unspent monies at year-end are estimated to be £25k and £30k respectively. The intention is that any unused funding for these schemes will be carried forward to 2011/12 by the use of the Service Operational Savings Fund.

Executive Director

ii. The Executive Director budget is forecasting to underspend by £221k, which is due to the 1% cut made to individual Service budgets that are now being held centrally to cover any pressures that may emerge.

Highways & Access

iii. Passenger Transport is expected to underspend by £100k at year-end due to inflation on contract prices being less than was budgeted.

iv. Asset Management is forecast to underspend by £240k at year-end. This is due to a number of reasons: lower costs than expected relating to the PFI procurement; a reduction in the price of energy for Street Lighting; and also lower costs payable to a contractor than was expected.

v. Road Safety is forecasting a year-end underspend of £70k due to vacancies within the Service.

Environment & Regulation

vi. Waste – Residual is forecast to be £50k overspent at year-end due to implied liabilities from some District Councils, due to contract issues on dry recycling.

vii. Environment Management and Climate Change is forecasting an underspend of £75k due to vacancies being held and project work that would have been undertaken by these posts.

Waste PFI

viii. Waste PFI Contract is forecasting to underspend by £360k at year-end. The MBT plant was due to be fully commissioned in November 2010. The gate fee per tonne paid to Donarbon is programmed in the contract to increase at that point. This change was factored into the business plan, with sufficient monies to cover these higher rates. However, while the facility is complete and operating, the technical and contractual commissioning of the MBT is likely to be delayed, whilst additional data is gathered by the contractor to demonstrate plant effect. This will result in the continuation of gate fee payments at the existing lower rate, for a longer period than was budgeted (March 2011 at the earliest).

Total

ix. If the Priority Investments and Waste PFI Contract forecast underspends are excluded (as the Priority Investments are to be carried forward to 2011/12 by the use of the Service operational savings fund and the Waste PFI saving is transferred to the Corporate Pressures and Developments Reserve), then the ‘true’ Office forecast underspend would be £752k.

Community and Adult Services (CAS)

CAS is forecasting to overspend by £1.1m at year-end. This represents 0.8% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	DoT
-200	Executive Director	i	693	279	-200	-28.8%	G	↔
15	Adult Social Care – Strategy & Commissioning *	ii, iii	99,145	4,951	-500	-0.5%	G	↑
1,198	Adult Social Care – Operations *	iv, v	57,491	3,818	1,834	3.2%	A	↓
176	Libraries, Learning & Culture		10,757	66	0	0.0%	G	↑
0	Community Engagement & Fenland		4,359	-140	0	0.0%	G	↔
1,189	**Total Expenditure**		**172,446**	**8,975**	**1,134**	**0.7%**	**A**	↑
0	External Grants		-26,634	98	0	0.0%	G	↔
1,189	**Total**		**145,812**	**9,073**	**1,134**	**0.8%**	**A**	↑

* The Adult Social Care restructure has been implemented with effect from the 1st October 2010. This report reflects the new structure.

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

Executive Director

i. Following the grant reductions and the reallocation of savings across the Directorate, the Executive Director's budget holds £180k, which will be allocated by the end of 2010/11.

Adult Social Care – Strategy & Commissioning

ii. The ASC – Director of Strategy & Commissioning is forecasting an underspend of -£900k. The Department for Health (DoH) announced a new funding stream for reablement at the end of October. £696k has been earmarked for Cambridgeshire for 2010/11. CCC and Cambridgeshire NHS are currently working on how to deploy this funding.

iii. Mental Health is forecasting a pressure of £400k due to high level of packages and the number of new service users. Salary staffing is very tightly managed with the Mental Health Trust saving c.£300k for 2010/11.

Adult Social Care – Operations

iv. Learning Disability Services – the current estimated outturn figure for the pool of £1.8m overspend (with the council's share being £1.4m) indicates that the savings programme is beginning to have a positive effect. The LDP is continuing to take steps to reduce current commitments through re-negotiation of costs with providers of high cost (over £1k per week) placements and also support packages both in and out of County. All but critical vacancies are being held and rigorous scrutiny of all new packages is being undertaken by managers. Managers are ensuring that all client contributions are being fully collected and all underspent Direct Payment monies are being clawed back. This approach will continue to be rigorously applied with the aim of achieving budgetary balance by the end of the financial year.

v. Physical Disability and Sensory Services (PD/SS) currently shows an anticipated year-end overspend of £450k. This is mainly due to the number of new packages that began in the last quarter of 2009/10 (that have a full year effect in 2010/11), plus higher demand and lower attrition than expected. Managers continue to closely scrutinise expenditure for all new clients and existing clients as they are reviewed.

Children and Young People Services (CYPS)

CYPS is forecasting to overspend by £463k at year-end. This represents 0.6% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	D o T
-4,374	Executive Director	i, ii	10,048	-2,373	-4,374	-43.5%	G	⇔
0	Learning		14,736	-39	0	0.0%	G	⇔
3,982	Strategy & Commissioning	iii, iv, v, vi, vii, viii, ix	65,650	3,767	3,572	5.4%	R	↑
1,785	Children's Social Care	x, xi, xii	36,714	172	1,279	3.5%	R	↑
-14	Children's Enhanced & Preventative Services		28,446	-232	-14	0.0%	G	⇔
1,379	**Total Expenditure Including Grant Funded Spend**		**155,594**	**1,295**	**463**	**0.3%**	**A**	↑
0	Grant Funded Spend		-71,630	-97	0	0.0%	G	⇔
1,379	**Total**		**83,964**	**1,198**	**463**	**0.6%**	**A**	↑

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

Executive Director

i. Central Financing is showing an underspend of £4.6m as a result of savings identified from across CYPS to offset pressures. These savings follow a major review by all CYPS budget holders to identify and cease non essential spend.

In August £2.6m of budget was vired from a wide range of budgets across CYPS to the central financing line. The vast majority of savings offered up were relatively small scale but large savings were made on: the one off cash investment set aside in the Integrated Plan for the development of Connexions services (£200k); Staying Put funding where numbers have not grown as quickly as previously expected (£350k); contingency funding for unexpected Social Care costs (£200k); Home to School Transport grant funding where activity can be curtailed (£206k); Youth Opportunity/Capital Fund grant funding where activity can be curtailed (£130k); and unallocated CAMH grant funding (£113k). In most cases these are one off savings due to circumstances at the current time and the funding being offered up will not be available next year without significant reduction to services.

In addition £1m has been removed from CYPS budgets as a result of savings arising from unplanned vacancies. It is estimated that a further £1m of savings can be achieved for the rest of this year from continuing to remove vacancy savings as they arise.

ii. In 2009/10 the teachers pensions budget overspent by £500k. This was attributed to higher than normal pension costs of teaching staff made redundant, related to a higher proportion of redundancies being long service / senior teaching staff. Projections of redundancies have been prepared for 2010/11 based on redundancy expectations and at this time the forecast for the teachers' pensions budget is a £250k overspend.

Strategy & Commissioning

iii. Professional Development Services is forecasting an overspend of £75k. Unanticipated grant reductions of £250k, and reduced buy-back from schools (reflects pressure on school budgets and revised priorities e.g. with the scrapping of the new primary curriculum) have resulted in a significant pressure on the Cambridgeshire Advisory Service budget. A range of actions have been taken, including stopping activity, charging schools for previously grant funded courses and working with neighbouring Local Authorities to achieve economies of scale, and these have mitigated this pressure. Actions will continue to be taken as necessary.

iv. Standards and Effectiveness 3-11 is forecasting an underspend of £75k at year-end. Estimated supply cover for schools has been revised down, releasing £50k saving from literacy and numeracy budgets. In addition, other sundry underspends total £25k.

v. Catering and Cleaning Services (CCS) forecast an overspend of £192k at year-end.

Schools Catering – meal numbers in the period April to November have been below the budget target levels causing approximately £25k reduction in contribution. Sales of paid meals have steadily increased over this period and exceeded budget in the Autumn term. The outturn forecast is dependant on achieving the budgeted growth of 5 paid meals per day per school. The major direct costs (staff and provisions) are being closely managed within the budgeted levels. From September, CCS commenced supplying Northamptonshire County Council (NCC) with in excess of 30,000 meals each week from their Cook Chill Unit, which is expected to achieve a £20k contribution to December 2010. This arrangement has now been extended until July 2011, which should increase the contribution in 2010/11 to £40k.

Cleaning Services – as a result of the last schools budget round, CCS lost a number of Service Level Agreements (SLAs) where schools have decided to manage their cleaning services in house to cut costs. Costs will need to be closely managed to avoid this pressure affecting the outturn.

Civic Catering – income levels are below target although the direct costs are being managed accordingly.

Whilst there are opportunities to limit these contribution losses and progress to budget, the addition of the NCC contract should enable CCS to achieve sufficient surplus to contribute £50-£60k to the £192k traded services deficit contribution expected in 2010/11.

vi. Groomfields is forecasting a deficit of £200k for 2010/11. A fundamental review of the service took place in 2009/10, which resulted in the service being absorbed within the management structure of CCS with the deletion of a number of management posts. A further restructuring consultation will be introduced for Groomfields Maintenance Service during November. This will further reduce the size of the grounds maintenance team and the number of contracts the service operates. The objective is to create a smaller business model that will offer a viable service. This in turn will not only offer stability, but provide a strong base from which to grow for the future.

vii. The Home to School/College Mainstream budget is forecasting a £260k underspend at year-end due to: a highly competitive tendering round; a £60k contribution from the Post-16 Partnership grant agreed by the Partnership; the Peterborough Regional College administration of transport now being carried out by the Education Transport Team; along with continued scrutiny and challenge on in-year transport requests.

viii. Placements – Education is forecast to overspend by £850k. Much of this is a pressure on the Out of School budget including the costs of EOTAS provision. Difficulties in finding places for children in special schools are also a factor in the pressure and the delay of the revised purchase place scheme for special schools until 2011 has meant the savings required in the Integrated Plan for this area have not yet been achieved. The budget is experiencing further pressure due to the costs of education being incurred where Looked After Children are being placed outside of Cambridgeshire and attending non Cambridgeshire schools and SENDIST directing to independent schools.

ix. Placements – Social Care is forecasting a pressure of £2.7m at year-end.

277 children were in placements on 1st April 2010 compared to 223 children at the end of 2008/09 (an increase of 24%). At the end of November 271 children are in placements. In addition, needs continue to be increasingly complex and associated costs of the placements needing to be made rises accordingly.

A Placement strategy is in draft form setting out the expectations on future numbers of children looked after, the placement mix and the actions to be delivered to achieve this. For the longer term service redesign will be influenced significantly by the need to reduce the number of children and young people being looked after.

<u>Children's Social Care</u>

x. Strategic Management – Children's Social Care is forecasting an overspend of £435k at year-end. During August the UK Border Agency (UKBA) announced changes to daily rates payable for Unaccompanied Asylum Seeker Children. These changes were implemented from 1st October and no Local Authority will be able to claim funding for additional costs incurred above these rates. This additional funding is known as "special circumstance funding" and Cambridgeshire has recovered significant costs through this funding stream in recent years. The impact in this financial year is expected to create a pressure of £435k.

UKBA had also indicated that it was unlikely that they would be able to pay the outstanding special circumstances claim of £506k relating to 2009/10. However, confirmation has now been received from UKBA that the majority of this claim will be paid reducing the pressure accordingly.

xi. Residential Units are forecasting a £190k overspend at year-end. In general residential units have improved their occupancy levels without associated increases in costs. However, Woodland Lodge long term unit closed during 2009/10 and whilst its staff have been deployed to vacancies in other units wherever possible (saving £232k), a pressure of £130k remains. Issues with long term sickness in units and substantive staff working additional hours owing to the complex needs of some young people is also impacting through overtime payments (£60k pressure).

xii. East Cambs and Fenland and Huntingdonshire social care teams are facing a combined pressure of £654k, as a result of costs arising from court requirements for supervised contact for Looked After Children (LAC). As LAC numbers continue to rise the pressure on these budgets increases.

Corporate Directorates (CD)

CD is forecasting to underspend by £532k at year-end. This represents -0.8% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2010/11 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	DoT
-515	Corporate Services *	i, ii, iii, iv, v, vi	25,296	-1,216	-756	-3.0%	G	↑
178	LGSS Cambridge Office *	vii, viii, ix, x, xi	10,772	-64	223	2.1%	A	↓
-338	**Gross Expenditure**		**36,068**	**-1,280**	**-532**	**-1.5%**	**G**	**↑**
0	External Grant Income		-2,166	0	0	0.0%	G	↔
-338	**Sub Total**		**33,902**	**-1,280**	**-532**	**-1.6%**	**G**	**↑**
	Financing Costs:							
250	Debt Charges and Interest	xii	27,883	-16,495	0	0.0%	G	↑
0	Restructure Support Costs		1,167	0	0	0.0%	G	↔
-88	**Total**		**62,952**	**-17,775**	**-532**	**-0.8%**	**G**	**↑**

* Further clarification has been provided regarding the split of responsibilities between retained Corporate Services and LGSS Cambridge Office. Consequently, budgets relating to Better Utilisation of Property Assets, Insurance, County Farms and Organisational Development have been transferred from retained Corporate Services to LGSS Cambridge Office this month.

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

Corporate Services

i. The Corporate Director of Customer Services and Transformation is forecasting a year-end overspend of £97k. This is due to deferral in implementing a restructure within the directorate.

ii. Business Support and Facilities Management is reporting a year-end underspend of £490k. This is due to significant savings against the Carbon Trading budget, because carbon credits have not had to be purchased this financial year following a delay in the implementation of the scheme. While the ongoing pressures in the County Offices budgets have been reduced because of the revaluation of business rates against some properties, there remain pressures largely relating to energy costs. It is expected that these pressures will be offset by cash savings within the Service in the current financial year, but will continue to be an issue in future years. Cabinet is asked to approve a virement of £255k from the Carbon Trading budget (within Business Support and Facilities Management) that is not required until next year to offset the Better Utilisation of Property Assets in-year pressure (£230k) resulting from increased usage of the Shire Hall Site and in lieu of recharging services for this increased usage, as previously agreed by Cabinet; and a planned investment in HR capability and capacity (25k).

iii. Within Corporate Communications additional income and other cost saving measures has reduced the overspend to £84k, which is due to the delay in realising the savings target on County publications and distribution.

iv. Service Transformation is forecasting a year-end underspend of £130k. This is the result of delays in filling vacancies following a restructure of the service (£80k) and efficiencies within the EDRM budget (£50k).

v. IT Services is currently forecasting an underspend of £65k. Significant underspends have been identified due to ceasing work on IT resilience (£89k), staffing vacancies within the service (£74k)and other general efficiencies (£39k). However, these have been partially offset by the Service absorbing the currently unfunded pressure created by the centrally helf MFD budget (£137k).

vi. Strategy and Democracy is reporting an underspend of £157k, which is due to efficiencies and cost controls applied within the Service.

<u>LGSS Cambridge Office</u>

vii. Research, Performance and Financial Strategy is currently forecasting an underspend of £100k. This is due to staffing vacancies within Financial Strategy that are not expected to be filled this financial year.

viii. The Better Utilisation of Property Assets (BUPA) budget is forecasting a year-end overspend of £230k. There was a pressure brought forward into 2010/11 of £811k as a result of the shortfall in targeted saving for the Workwise project in previous years. This has been partially offset in 2010/11 by a transfer of revenue funding following reclassification of Building Maintenance expenditure (£250k), the draw-down of the remaining approved Invest to Transform (ITT) funding (£276k) and other minor adjustments, leaving the currently forecast year-end position at £230k overspent

It is proposed that this pressure be offset in the current financial year by a virement from the Carbon trading budget (within Business Support and Facilities Management), which Cabinet is asked to approve.

ix. Legal Services is reporting an underspend of £83k resulting from staffing vacancies within the Service, whist income recovery has been maintained at budgeted levels.

x. The finance transactional teams are reporting a combined underspend of £87k. This is due to part year staffing vacancies within the Revenues team and Revenue IROs team (£44k) and general efficiencies across all teams (£43k).

xi. The Shared Services Programme team budget is showing an overspend of £397k, as a result of delays in achieving targeted operational savings. However, this will be offset by savings elsewhere in LGSS.

<u>Financing</u>

xii. Debt Charges and Interest is predicting a balanced budget at year-end. This includes the expected write-off of a £190k debt with Woodford Waste Management. Replacement borrowing and new borrowing for the remainder of this year is expected to be taken at the short end of the yield curve at interest rates close to base rate.

APPENDIX 3.1: Income Analysis

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

Grant	Awarding Body	Directorate	Budget Book 2010/11 £'000	Expectation at Nov 10 £'000	Change £'000
Revenue Grants within ABG					
Department for Education ABG	Department for Education (DfE)	Various	8,972	7,170	-1,802
Department for Transport ABG	Department for Transport (DfT)	Various	3,433	3,136	-297
Home Office ABG	Home Office (HO)	Various	684	631	-53
Communities & Local Government ABG	Communities and Local Government (CLG)	Various	11,173	10,864	-309
Non ABG Revenue Grants					
Standards Fund					
Early Years: extension of free entitlement	DfE	S&C	3,617	3,485	-131
Foundation Learning	DfE	Learning	0	200	200
Primary Strategy – Targeted	DfE	Learning	1,734	2,454	720
School Development Grant	DfE	SMIs	15,752	15,535	-217
Sure Start Grant					
Transition Support Programme	DfE	Social Care	0	50	50
DCatch	DfE	S&C	0	119	119
Other Non ABG					
CEBLO	YPLA	Learning	177	0	-177
Local Delivery Support Grant (Consortia Support Grant)	DfE	Learning	569	316	-253
ContactPoint	CLG	S&C	150	56	-94
Dedicated Schools Grant (DSG)	DfE	SMIs	321,114	319,669	-1,445
Diploma Formula	DfE	Learning	711	1,499	788
Education Business Partnership Services	YPLA	Learning	0	382	382
Fair Play Pathfinder Revenue Grant	DfE	Learning	143	71	-72
Higher Level Teaching Assistants	TDA	Learning	190	0	-190
Training Schools	TDA	SMIs	0	189	189
Transport to LEA Partnerships	YPLA	S&C	0	145	145
Work Related Learning	YPLA	Learning	200	0	-200
Workforce in Schools Modernisation and Development	TDA	Learning	176	117	-59
Youth Capital Fund	DfE	E&P	248	124	-124
Youth Offending Grants	YJB	E&P	929	1,013	84
Emergency Fund Winter Damage	DfT	Highways & Access	0	1,289	1,289

APPENDIX 3.2: Virements

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

	£000	Notes	Month
Transfer of Archive function to CD	133	Transfer of Archive function from CAS to CD (Service Transformation).	May 10
Transfer of CD Management Support to Adults Man. Support	66	Transfer of CD Management Support budget to Adults Management Support (CAS).	May 10
ABG Top-Up Funding	2,928	Use of Corporate Reserves to fund the cuts in Area Based Grants (ABG) across the Services.	Jul 10
Transfer of the Social Care Contact Function	79	Transfer of the Social Care Contact Function from CYPS to CD.	Jul 10
1% Saving Target	2,933	Transfer of 1% saving target from the Services to Corporate Reserves.	Jul 10
Re-Distribution of the 1% Saving Target	2,933	Transfer of the 1% saving target from Corporate Reserves to the Services to share the impact of mitigating the reduction in non-Area Based Grants.	Jul 10
Transfer of Noble House	167	Transfer of the Noble House budget from CYPS to CD.	Jul 10
Transfer of Community Engagement budget	200	Transfer of Community Engagement budget from CD to CAS.	Aug 10
Transfer of Postal Franker budget	69	Transfer of Postal Franker budget from CD to CYPS.	Aug 10
ITT Loan Advances	988	Invest to Transform (ITT) loan advances for 2010/11 to the Services.	Aug 10
G2G Card Funding	350	Funding from Corporate Reserves to CYPS for the G2G Card project.	Aug 10
ITT Loan Repayments	966	Invest to Transform (ITT) loan repayments for 2010/11 by the Services.	Nov 10

Operational Savings - movements from Operational Savings into revenue

Notes	£000	Month
Members IT (CD)	9.5	Jul 10
Internal Audit and Risk Management (CD)	20	Jul 10
Corporate Development (CD)	90	Jul 10
Registration and Coroners (CD)	14	Jul 10
IT Services (CD)	40	Jul 10
Research and Financial Strategy (CD)	50	Jul 10
Corporate Director: Finance, Property and Performance (CD)	34.4	Jul 10
Corporate Director: People, Policy and Law (CD)	111.4	Jul 10
Reversal of the Corporate Development Ops Savings transfer (CD)	(90)	Aug 10
Corporate Development (CD)	40	Sep 10
Democratic Services e-Petitions (CD)	3.5	Oct 10
Highways Reporting (ES)	17.5	Nov 10
TOTAL	**340.3**	

APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2010	2010-11 Movements in 2010-11	2010-11 Balance at 30 Nov2010	Forecast Balance 31 March 2011	Notes
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	8,694	-2,604	6,090	6,090	
- Services					
1 CYPS	33	0	33	-430	Includes Service Forecast Outturn (FO)
2 ES	1,061	-2	1,059	1,671	Includes Service Forecast Outturn (FO)
3 CAS	-530	530	0	-1,134	Includes Service Forecast Outturn (FO)
4 CD	919	-340	579	1,007	Includes Service Forecast Outturn (FO)
subtotal	10,177	-2,417	7,761	7,204	
Earmarked					
- Specific Reserves					
5 Insurance	7,093	0	7,093	7,093	
6 Invest to Transform – Corporate	2,323	-1,048	1,275	-687	FO after 2010/11 adjustments
7 Invest to Transform – Offices	592	63	655	592	
8 Pressures & Developments Reserve	3,033	-391	2,643	2,503	
Subtotal	13,041	-1,375	11,666	9,501	
Trading Units					
9 CYPS	-295	295	0	0	
10 CAS	0	0	0	0	
11 CD	70	0	70	70	
subtotal	-225	295	70	70	
Equipment Reserves					
12 CYPS	143	-11	132	132	
13 ES	388	-241	147	167	
14 CAS	124	0	124	0	
15 CD	782	2	784	617	
Subtotal	1,437	-251	1,186	915	
Other Earmarked Funds					
16 CYPS	1,058	-585	473	23	
17 ES	5,744	2,940	8,684	10,213	Includes delayed damages in respect of the Guided Busway
18 CAS	1,005	-331	674	454	
19 CD	461	0	461	150	
Subtotal	8,268	2,024	10,291	10,840	
SMIs (LMS etc)					
20 LMS Schools	17,830	0	17,830	17,830	
21 SIPF	-1	1	0	0	3 to 5 year loans made to schools using their balances
Subtotal	17,829	1	17,830	17,830	
Grand Total	**50,527**	**-1,723**	**48,804**	**46,361**	

APPENDIX 5: Capital

Capital Expenditure 2010/11

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

Revised Budget £m	Capital Expenditure	Outturn Estimate £m	Outturn Variance £m
91.0	Children & Young People	84.4	(6.6)
60.6	Environment Services	55.6	(5.0)
6.3	Community & Adult Services	3.9	(2.4)
10.4	Corporate Directorates	5.4	(5.0)
168.3	**Total Capital Spending**	**149.3**	**(19.0)**

- The CYPS outturn position is £6.6m below the revised budget for November, compared to a £6.3m below budget reported in October.

  The revised budget this month has increased by £783k. This is due to additional s106 funding of £237k, the inclusion of the Standards fund grant of £300k held on account for the Netherhall Partnership scheme for pre school and sport, and a correction to the Surestart grant claw back of £246k, as this will be applied to PVI schemes.

  All variances are due to a timing issue with the exception of the remaining £342k overspend on School Condition Capital 2009/10, £6k overspend on site acquisition and development 2010/11 and a £1k overspend on Primary final payments. Of particular note are:

  - The £3.9m forecast underspend on the Primary New Communities schemes due to slippage on the start dates at the Trumpington Meadows, Northstowe and North West Cambridge (both Huntingdon/Madingley Road and NIAB) projects.
  - The £1.5m forecast underspend on Secondary School projects relates to a two month slippage on the start date at Comberton Village College Phase 2 required to resolve traffic calming and drainage planning conditions and for contractor mobilisation.
  - overspend of £2m is due to an overspend on School Condition Capital of £0.9m for 2009/10 (overspend) and 2010/11 (acceleration), site acquisition and development 2010/11 of £0.2m (acceleration and overspend), Primary Capital Programme (PCP) 2010/11 of £0.7m, Schools access initiative 2009/10 of £0.1m and Environmental initiatives of £0.1m.

  Since the Integrated Plan was set the budget has increased by £10m providing a total revised budget of £91m for 2010/11. The budget increase is made up of:

  - £7.2m relating to the Building Schools for the Future (BSF) programme (£8.8m for Neale Wade Community College, £1.5m for Fenland ICT less £3m for the delayed ICT Fenland scheme);
  - £3.7m relating to funding brought forward from 2009/10 where the final spend was less than anticipated and increased S106 funding and AHDC funding;
  - £0.3m budget reduction in the Extended schools grant as a result of in-year government savings; and

- £0.6m budget decrease in the Sure Start grant as uncommitted funds clawed-back by DfE.

- ES is forecasting an outturn variance of £5m below the revised budget. On Environment and Regulation, more specifically, Waste Management Infrastructure projects, there is a potential overspend relating to design costs for Witchford Recycling Centre. There is currently an on-going dispute with Capita Symonds regarding this scheme, which officers are trying to resolve. However, most of the costs for the Witchford Recycling Centre are now expected to fall in 2011/12 and therefore shows as an underspend in 2010/11. The overall scheme is programmed to come in on-budget, due to savings on the construction budget.

  Expenditure on the Guided Busway is in line with that detailed in the most recent cashflow statement. Due to further delays in the project during 2010/11, expenditure is higher than originally projected for the year, but there remains the expectation that these additional costs will be recovered from the contractor as part of the final risk share agreement. The outturn position is therefore shown in this report as zero, but is reviewed on a regular basis. Clearly there are a number of on-going issues on this capital project, which have been well documented elsewhere.

  A number of capital grants from Central Government have been reduced as a consequence of the national economic situation. The specific grant cuts are: deletion of the Road Safety grant (£251k); reduction in the A10 detrunking grant (£133k) and the A505 Bridges grant (£50k). There is also a reduction of £2.035m in the amount of the LTP grant funding received this year and a paper detailing the necessary savings was agreed by Cabinet in September. The majority of the LTP grant savings (£1.948m) are now reflected in the outturn forecast with the remaining £87k being removed from the Corporate scheme.

  <u>Allocation of S106 Contributions</u>

  Cabinet is asked to approve the following new capital schemes, for which Section 106 contributions will need to be allocated to. These have been considered and recommended by a joint County Council/Huntingdonshire District Council officer group and it is understood that Huntingdonshire District Council members are supportive of the proposals:

  - **St Neots Town Centre Urban Traffic Control (UTC) System**
    It is recommended that £450,000 of received s106 developer contributions be allocated to this project. These contributions have been made towards the St Neots Market Town Transport Strategy and have come from the following developments:
    - £318,725 from Love's Farm, St Neots
    - £131,275 from Riverside Mill, Little Paxton

    The objective of this project is to maintain and operate efficient transport networks in the town centre, as identified in the St Neots Market Town Transport Strategy as priority 1 within the Road Safety and Traffic section. The proposal is to connect to the UTC system within St Neots, using SCOOT software, four upgraded traffic lights at the four main town centre junctions, that are the most significant barriers to traffic flow, which would be linked to each other, and four upgraded crossings to provide a coherent traffic movement system through the town. The UTC system will focus on minimising delays to journeys, taking into account additional trips generated by new developments in the area, where the majority of these additional trips can be attributed to the Love’s Farm development. The benefits from the reduction in start-stop and stationary traffic include:

- reduced need for pedestrians to cross between the cars.
- reduced temptation for motorists to stop on pedestrian crossing.
- reduced need for cyclists to weave between vehicles to make progress.
- reduced frustration among motorists, due to less stop-starts, resulting in motorists being less likely to jump red lights and potentially come into conflict with pedestrians and other road users.

- **St Neots Rail Station Improvements and Bridge Crossing**

  It is recommended that £235,400 of received s106 developer contributions be allocated from the Love’s Farm, St Neots site to complete detailed design of the station improvements.

  Under the Love’s Farm s106 agreement, between the developer, Huntingdonshire District Council and the County Council, there are a series of measures to be implemented to improve the rail station and to provide a pedestrian/cycle bridge crossing of the railway to link the Love’s Farm development to the existing built fabric of the town and linkage to the cycling and walking measure being delivered as part of the Market Town Transport Strategy. Once the detailed design has been completed, the approval in principle stage should be achieved, where accurate details of overall project cost, currently estimated at £3.428m, for the option that includes refurbishment of existing bridge, provision of new lifts to serve all platforms and provision of a new development access bridge with lifts to accommodate bicycles. Subject to sufficient s106 funds and further approval to allocate, the current estimated project cost is within the identified budget provision of £3.526m that includes £0.25m of grant contributions, the project will be able to progress to implementation, which will become the responsibility of Network Rail to deliver.

- **St Neots Southern Cycle Bridge**

  It is recommended that £1,470,000 of received s106 developer contributions be allocated to this project. These contributions have been made towards the St Neots Market Town Transport Strategy and have come from the following developments:

  - £1,358,875 from Love’s Farm, St Neots
  - £55,324 from 15 Church View, St Neots
  - £41,266 from land south of Colmworth Brook and Vulcan Way, Eaton Socon
  - £9,028 from 37 Great North Road, Eaton Socon
  - £5,507 from land each of Great North Road, Eaton Ford

  The estimated cost for the St Neots Southern Cycle Bridge is £3,500,000, for the option spanning road to road, as identified in the St Neots Market Town Transport Strategy as priority 1 within the Cycling and Walking section. The overall funding proposal is as follows:

  - £1,470,000 – s106 developer contributions
  - £1,000,000 – Local Transport Plan funding, allocated in Integrated Plan 2010
  - £530,000 – Huntingdonshire District Council contribution
  - £500,000 – Sustrans Connect 2 contribution

  The bridge will provide the essential link to the expanding cycleway network around St Neots, with both bridge and cycleways identified as important elements of the Market Town Transport Strategy. This bridge option for the long span is to allow for flooding and avoid closure of the bridge for an estimated 35 days each year, based on the Environment Agency model. The project also draws in significant contributions in terms of match funding. Approval of the allocation of s106 developer contributions is now being sought to secure the overall funding package following the recent order being placed for the work, which follows the member acceptance to this project through the agreed allocation of the above Local Transport Plan funding.

- The CAS outturn position is £2.4m below the revised budget. It is worth noting that:
  - Croyland/Larkfields (£1.2m) – the completion of this programme is dependent upon the sale of the Croyland site.
  - The following projects are now funded by unrestricted government grants:
    - HIV/AIDS
    - Adult Social Care IT Infrastructure
    - Social Care Reform Grant
  - CRIP3 grant of £193k was transferred from Corporate Directorates.
  - A new contract has been signed with Northgate to buy the new version of SWIFT (social care database). The value of the contract is currently c.£750k (plus c.£150k annual maintenance).
  - An extensive review of the capital programme is underway. This process is led by the Director of Commissioning (ASC) with the input of Project Managers and Finance. Its aims are maximising the use of the various funding streams towards investing in Social Care.

- Corporate Directorates have a capital budget for 2010/11 of £10.3m and spend to date is £2.810m. It is currently expected that the programme will underspend by £5m at year-end, largely due to rephasing of proposals under the General Protection and Response to Economic Uncertainty scheme.

  The Corporate Accommodation scheme is for the Disability Discrimination Act improvements to council properties. Works are requested on an ad-hoc basis and so it is expected that there will be an in-year underspend, currently estimated at £355k.

  There are delays to planned works on the Shire Hall site under the Fire Compartment Surveys and Implementation scheme which means no spend is expected in the current financial year. This is a timing decision to fit in with other works being carried out on site as part of the Better Utilisation of Property Assets Programme, thereby ensuring minimum disruption to employees, and does not reflect an overall reduction in scheme costs.

  The £965k underspend on Better Utilisation of Property Assets is due to a reduced number of projects being progressed to business case stage during 2010/11 and County Farms Viability works progressing more slowly than expected.

  The outturn position on the Carbon Reduction scheme reflects expenditure forecast on projects identified to date and is subject to revision during the course of the year. This does not reflect a reduction in total scheme costs.

  Work has ceased on IT Resilience, resulting in a scheme underspend of £346k. There are a number of underspends on other schemes totalling £894k.

  These in-year underspends are partially offset by an expected overspend of £643k on the Huntingdon Office Rationalisation scheme. The overspend is partly due to additional costs incurred by decontaminating the site following a petrol spillage at a neighbouring site.

£338k remediation recovery has been secured to cover these costs. It has yet to be identified how the remaining overspend of £305k will be funded.

Capital Financing 2010/11

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**
22.2	Supported Capital Expenditure (Revenue)	20.9	(1.3)
9.4	Capital Receipts (General)	8.1	(1.3)
31.6	**Total General Financing**	**29.0**	**(2.6)**

Project Specific Finances (PSF) (Ring-Fenced)			
0.0	Supported Capital Expenditure (Capital)	0.0	0.0
67.5	Specific Grants	63.8	(3.7)
2.3	Ring-Fenced Capital Receipts	1.6	(0.7)
12.7	Developer and Other Contributions	9.2	(3.5)
54.2	Prudential Borrowing	45.7	(8.5)
136.7	**Total Specific Financing**	**120.3**	**(16.4)**

	Funding Difference	0.0	0.0

168.3	**Total**	**149.3**	**(19.0)**

- The Capital Receipts outturn estimate is currently £9.7m. However, the actual predicted capital receipts based on the latest information available and market conditions is approximately £2.7m. The potential shortfall of £7m capital receipts will require additional prudential borrowing or a reduction in the capital spend 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.