

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST JULY 2012

To: Cabinet

Date: 17th September 2012

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

Electoral division(s): All

Forward Plan ref: 2012 /040 **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) Approve the virement of £792k to the Learning Directorate in 2012/13. This is to come from Children and Young People's (CYPS) reserves and in year vacancy savings and is required to fund work that has been committed and budgeted for the 2011/12 academic year (see section 3.2).
- c) Approve the transfer of £52k from the Pressures & Developments Reserve to Community Engagement (CS) in 2012/13, and consider the ongoing investment of £117k per annum thereafter via the Business Planning Process (BPP), to facilitate the Countywide roll out of Shape Your Place (see section 3.2).
- d) Approve £1.4m to be used in year, as recommended by Strategic Management Team (SMT), to fund the increasing Soham Primary scheme (as detailed in June's report). The remainder of the funding is recommended to be used to offset current prudential borrowing in 2012/13 for approved Basic Need schemes in order to reduce the overall prudential borrowing requirement until the identified new priority Basic Need schemes (in Cambridge City, Northstowe, Huntingdon, Ely and St Ives) are developed and approved through the 2013-14 Business Planning process (see section 5.4).
- e) Approve a capital virement of £353k from General Scheme Protection to Libraries RFID (see section 5.4).

Name: Matt Bowmer
Post: Section 151 Officer, Cambridgeshire CC

Name: Steve Count
Portfolio: Resources and Performance

Email: MBowmer@northamptonshire.gov.uk
Tel:

Email: Steve.Count@cambridgeshire.gov.uk
Tel: 01223 699172

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)	+£4.5m	A	↓	+£3.9m	A	↑
Basket Key Performance Indicators	Number at target (%)	33% (3 of 9)	A	↓	-	-	
Capital Programme	Number of projects to budget and time (%)	77% (147 of 192)	A	↑	77% (147 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 £3.9m (1.0%). This is a decrease in the forecast overspend of £282k 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; 147 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 Economy, Transport and Environment Services (ETE) Waste Infrastructure Schemes
 - the pressures on the CYPS Condition, Maintenance and Suitability and Temporary Accommodation budgets
 - removal of the majority of the Better Utilisation of Property Assets (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

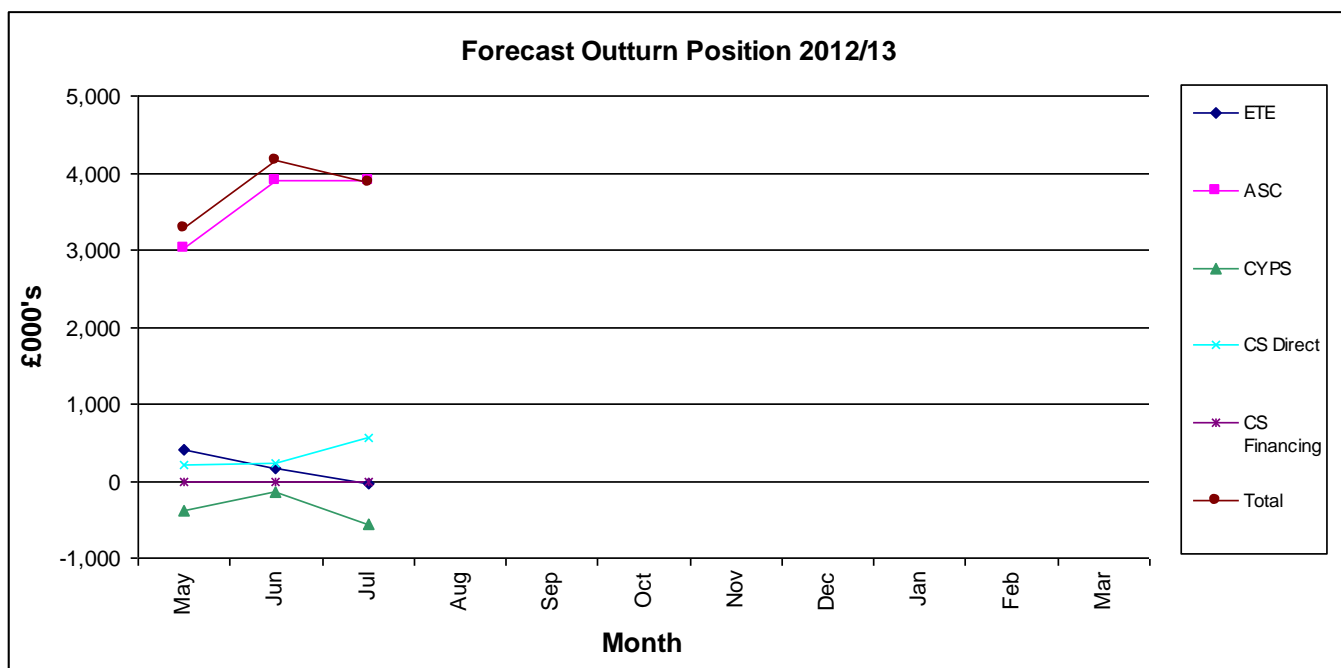
CYPS - Children and Young People's Services

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 (Jun) £000	Service	Budget for 2012/13 £000	Current Variance £000	Forecast Outturn (Jul) £000	Forecast Outturn (Jul) %	Overall Status	D o T
173	ETE *	66,448	-571	-32	0.0%	G	↑
3,898	ASC	164,587	7,164	3,898	2.4%	R	↔
-148	CYPS	108,733	-1,135	-556	-0.5%	G	↑
238	CS Direct	36,512	-710	569	1.6%	A	↓
0	CS Financing	33,538	-419	0	0.0%	G	↔
4,161	Total Service Spending	409,818	4,329	3,879	0.9%	A	↑
-16	Financing Items	-7,465	134	-16	0.2%	G	↔
4,145	Total Spending 2012/13	402,353	4,463	3,863	1.0%	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 £295k overspend.



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ETE	<p>A total Service underspend of -£32k (0%) is forecast at year end. This is an improvement from last month where an overspend of £173k was forecast.</p> <p>Waste PFI: -£327k underspend (-1%) forecast at year end – as reported in May.</p> <p>Strategic Planning: -£280k underspend (-22%) forecast at year end – as reported last month.</p> <p>Concessionary Fares: £575k overspend (12%) forecast at year end – as reported last month.</p>	<p>The forecast underspend has decreased by £20k from last month</p> <p>The forecast overspend has decreased by £225k from last month.</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 £3.9m (2.4%) is forecast at year end. This remains at the same level as 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: £4.1m overspend (6%) is forecast at year end – as reported in May.</p> <p>Quality & Transformation: -£600k underspend (-17%) is forecast at year end – as reported in May.</p> <p>Providers – in house services: £1.0m overspend (21%) 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>	

Service	Key Exceptions	Impacts and Actions
	See the ASC Finance and Performance Report for details of individual variances (link provided in section 8.1).	
CYPS	<p>A total Service underspend of -£556k (-0.5%) is forecast at year end. This is an increase in the forecast underspend of -£408k from last month.</p> <p>Home to School Transport: -£460k underspend (-4.4%) is forecast at year end – as reported in May.</p> <p>Learning Directorate</p> <p>There are no new exceptions to report this month.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p>The forecast underspend has increased by -£60k from last month.</p> <p>The Learning Directorate undertakes a range of work with schools that is undertaken on the basis of the academic year rather than the financial year. As a consequence Cabinet is asked to approve the virement of £792k to the Learning Directorate in 2012/13 from CYPS reserves and in year vacancy savings. This virement is required to fund work that has been committed and budgeted for the 2011/12 academic year.</p>
CS	<p>A total overspend of £569k (0.8%) is forecast at year end. This is an increase in the forecast overspend of £331k from last month.</p> <p><u>Corporate Services</u></p>	

Service	Key Exceptions	Impacts and Actions
	<p>Corporate Director: £400k overspend (1,367%) is forecast at year end.</p> <p>Community Engagement</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>County Offices: £393k overspend (11%) is forecast at year end – as reported in May.</p> <p><u>Financing</u></p> <p>There are no new exceptions to</p>	<p>The timescale for implementation of the Corporate Services restructure following completion of the consultation process means that the full-year Integrated Plan saving will not be achieved.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> • Work is ongoing to identify further savings to offset this pressure. <p>Shape Your Place is a neighbourhood website project, first introduced in Fenland. The websites are proving very popular as a method of communication to allow neighbourhoods to contact the County Council and local members. Following this success, Community Engagement is requesting additional funding so that the scheme may be rolled out across the County. The additional funding required is £52k for 2012/13 and £117k per annum thereafter.</p> <p>Cabinet is asked to approve the transfer of £52k from the Pressures & Developments Reserve to Community Engagement in 2012/13, and consider the ongoing investment of £117k via the Business Planning Process (BPP), to facilitate the Countywide roll out of Shape Your Place.</p> <p>The forecast overspend has decreased by £20k from last month</p>

Service	Key Exceptions	Impacts and Actions
	<p>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 overleaf:

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	↑
	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	31/05/2012	Number	15,965	20,710	Amber	n/a
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	30/06/2012	%	79.9	80	Amber	n/a
	The proportion of people living in Cambridgeshire who actively use a library service ¹	Cllr Harty	CST	Monthly	High	31/07/2012	%	23.8	25	Amber	n/a

¹ The migration to a new Library Management System in the middle of June has meant that the method of calculating this indicator has changed, so a direction of travel cannot be calculated this month.

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	↑
	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	↑
	The proportion of repeat incidents of domestic violence in supported cases ²	Cllr McGuire	CYPS	Quarterly	Low	30/06/2012	%	44			
How we run the business	The ratio of staff to desks in corporate offices	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	↑
	The proportion of customer complaints received in the month before last that were responded to within minimum response times ³	Cllr McGuire	CST	Monthly	High	30/06/2012	%	72.4	90	Amber	↓

² Update on measure awaited from CYPS Performance Board

³ On hold for 1 month as calculation method amended to take account of complaints received at the end of each month. A figure for the whole of July will be available in early September.

4.2 Key exceptions and emerging issues are identified below.

Exceptions:

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

Provisional figure. Still awaiting remaining data from some services (expected in August). 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 July	Actual end of July
ETE	71	53	57	51 schemes to budget and time	51 schemes to budget and time
ASC	12	10	10	10 schemes to budget and time	10 schemes to budget and time
CYPS	72	56	60	56 schemes to budget and time	56 schemes to budget and time
CS	37	36	30	30 schemes to budget and time	30 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 -£2.5m (-4.6%).</p> <p>The following scheme has been identified as a material exception:</p> <p>Infrastructure Management & Operations: currently reporting a -£2.0m (-9.9%) underspend – as reported in May.</p>	

	<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>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 -£0.3m (-0.3%).</p> <p>The following schemes have been identified as material exceptions:</p> <p>Primary Schools – New Communities: currently reporting a -£6.1m (-47.8%) underspend – as reported last month.</p> <p>Primary Schools – Demographic Pressures: currently reporting a £2.1m (10.8%) overspend – as reported last month.</p> <p>Secondary Schools – New Communities:</p>	

	<p>currently reporting a £0.7m (160.7%) overspend – as reported last month.</p> <p>Secondary Schools – Demographic Pressures: currently reporting a £0.8m (5%) overspend – as reported last month.</p> <p>Condition, Maintenance and Suitability: currently reporting a £1.4m (29.2%) overspend – as reported last month.</p> <p>Temporary Accommodation: currently reporting a £0.8m (160%) overspend – as reported last month.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CS	<p>CS' capital programme is currently reporting a year end underspend of -£8.2m (-26.9%).</p> <p>The following schemes have been identified as material exceptions:</p> <p><u>LGSS Cambridge Office Managed Capital Expenditure</u></p> <p>BUPA Shire Hall Campus 2: currently reporting a -£8.8m (-100%) underspend – as reported last month.</p>	

	<p>BUPA Community Hubs: currently reporting a -£0.9m (-94.7%) underspend – as reported last month.</p> <p>BUPA CoWA: currently reporting a -£2m (-77.0%) underspend – as reported last month.</p> <p>See the CS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
--	--	--

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>See the CYPS Finance and Performance Report for further details (link provided in section 8.1).</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>
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	-0.1	4.9
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	6.2	8.1
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	12.4	184.4

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 last month.
Additional / Reduction in Funding (Basic Need)	CYPS	£12.5	Additional funding has been provided by the Department for Education (DfE) to address the shortfall of school places in 2013/14. Cabinet is asked to approve £1.4m to be used in year, as recommended by SMT, to fund the increasing Soham Primary scheme (as detailed in June's

			report). The remainder of the funding is recommended to be used to offset current prudential borrowing in 2012/13 for approved Basic Need schemes in order to reduce the overall prudential borrowing requirement until the identified new priority Basic Need schemes (in Cambridge City, Northstowe, Huntingdon, Ely and St Ives) are developed and approved through the 2013/14 Business Planning process.
Additional / Reduction in Funding (Prudential Borrowing)	CYPS	-£11.1	As above, Cabinet is asked to approve that the remainder of the Basic Need funding is used to offset current prudential borrowing for approved Basic Need schemes.
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 last month.
Additional / Reduction in Funding (Other Grants)	ETE	£0.5	Better Bus Area Funding – as reported last month.
Additional / Reduction in Funding (S106 Contributions)	ETE	£5.8	As reported last month.
Additional / Reduction in Funding (Other Contributions)	ETE	£3.5	Growing Places funding – as reported last month.
Additional / Reduction in Funding (Other Contributions)	ETE	£2.2	Department for Transport (DfT) funding – as reported last month.
Additional / Reduction in	ETE	-£1.5	The Waste materials recycling facility will now not go ahead, therefore Prudential Borrowing has

Funding (Prudential Borrowing)			been reduced accordingly.
--------------------------------------	--	--	---------------------------

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	The General Scheme Protection allocation has historically been used to support Libraries capital spend. In a continuation of this treatment, it is suggested to undertake a virement to transfer the £353k budget to a scheme for Libraries RFID to support the implementation of self-service to all County libraries. This will reduce the pressure on the Libraries revenue budget which would otherwise have to make loan repayments.	Cabinet is asked to approve a virement of 353k from General Scheme Protection to Libraries RFID (Radio Frequency Identification).

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 July	Actual end of July
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	£0.8m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£0.9m
Invoices paid by due date (or sooner), %	95%	98.2%

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 At a national level the outlook for local government funding remains gloomy, with significant cuts expected as part of the next Comprehensive Spending Review. The Spending Review is due in Autumn 2014 but is likely to be brought forward to Autumn 2013. Against this backdrop, the Council remains on track to deliver the £42.2m savings to be achieved in 12/13. The 2012/13 IPP outlines a savings requirement of £128m over the next five years. If any of these savings can be achieved earlier than planned this would put the Council in a more favourable position to weather the upcoming CSR.

7.2 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
Long term reductions in funding.	<p>The significant cuts expected in the medium and longer term 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.

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