

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING  
31<sup>ST</sup> JANUARY 2014**

**To:** Cabinet

**Date:** 4<sup>th</sup> March 2014

**From:** Chris Malyon, Section 151 Officer for Cambridgeshire County Council

**Electoral division(s):** All

**Forward Plan ref:** 2014/005                      *Key decision:* Yes

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

**Recommendations:** That Cabinet:

- a) Analyse resources and performance information and notes the remedial action currently being taken and considers if any further remedial action is required
- b) Approve the use of prudential borrowing to bridge the funding gap where Section 106 triggers have not yet been met within Children, Families and Adults (CFA) (section 6.5)
- c) Approve the realignment of CFA's Section 106 funding to reflect the scheme's new phasing, which has been delayed from 2013/14 to 2014/15 (section 6.5).

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## 1. PURPOSE

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

## 2. OVERVIEW

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

Area	Measure	Forecast Year End Position (Dec)	Forecast Year End Position (Jan)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	+£0.8m	+£0.8m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	56% (9 of 17)	59% (10 of 17) <sup>1</sup>	Amber	↑
Capital Programme	Variance (£m)	-£40.2m	-£45.0m	Amber	↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£58.4m (Dec)	-£58.4m (Dec)	Green	↔

<sup>1</sup> The number of performance indicators on target reflects the current position.

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

- The overall revenue budget position is showing a forecast year end overspend of £0.8m (0.2%), which is a decrease in the forecast overspend of £35k from last month. See section 3 for details.
- Key Performance Indicators; there are 17 indicators in the Council's basket, of which 10 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£45m (-27%), which is an increase in the forecast underspend of -£4.8m from last month. The movement this month is due to further slippage in the capital programme, across Economy, Transport and Environment (ETE) and Children, Families and Adults (CFA), rather than total scheme underspends. See section 6 for details.

Not all of this slippage impacts on prudential borrowing. There is not a direct relationship between the in-year capital programme slippage and the Council's 2013/14 Debt Charges revenue budget, as a number of factors can influence it.

- Balance Sheet Health; at the end of quarter three (December), net borrowing is higher than forecast at year end (£373.6m compared to the year end forecast of £346.7m). The Council's cash flow profile varies considerably during the year as payrolls and payment to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is stronger than at the end of the year as many grants are received in advance. However, a cash settlement with the contractor of the Guided Busway will strengthen cash flow in the last quarter of the year. See section 7 for details.

The impact of slippage in the capital programme in 2012/13 and 2013/14 and stronger cash position has resulted in a favourable outturn variance of £2.2m being forecast for Corporate Services Financing in 13/14. For further detailed analysis please refer to the Quarter 3 Treasury Management Report.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

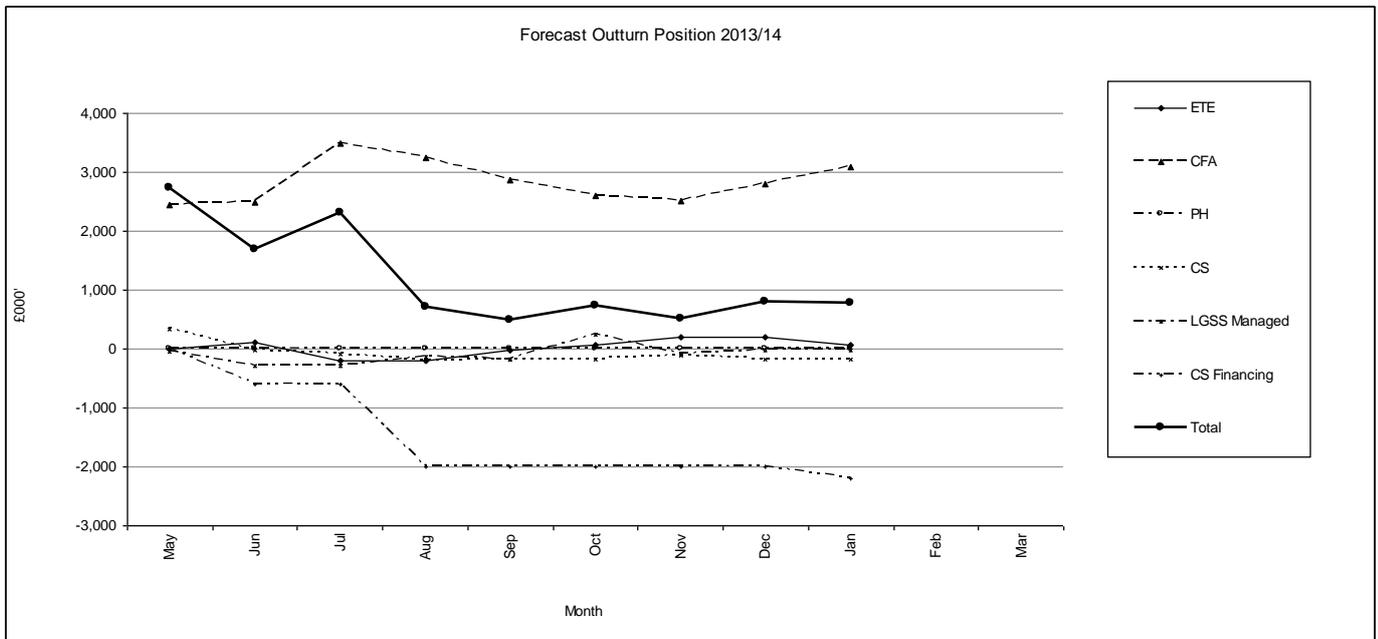
ETE	– Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP <sup>1</sup> £000	Service	Current Budget for 2013/14 £000	Forecast Variance - Outturn (Dec) £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) %	Current Status	DoT
62,096	ETE <sup>2</sup>	68,373	208	69	0.1%	Amber	↑
278,456	CFA	279,328	2,793	3,100	1.1%	Amber	↓
13,678	Public Health	13,678	0	0	0.0%	Green	↔
14,112	Corporate Services	7,613	-169	-179	-2.4%	Green	↑
8,520	LGSS Managed	9,855	-21	-13	-0.1%	Green	↓
35,204	CS Financing	35,204	-2,000	-2,200	-6.2%	Green	↑
<b>412,066</b>	<b>Service Net Spending</b>	<b>414,051</b>	<b>811</b>	<b>777</b>	<b>0.2%</b>	<b>Amber</b>	<b>↑</b>
-162	Financing Items	-3,137	5	5	-0.1%	Amber	↔
<b>411,904</b>	<b>Net Spending</b>	<b>410,914</b> <sup>3</sup>	<b>816</b>	<b>781</b>	<b>0.2%</b>	<b>Amber</b>	<b>↑</b>
	<i>Memorandum Items:</i>						
10,919	LGSS Operational	11,909	-528	-746	-6.3%	Green	↑
<b>422,823</b>	<b>Total Net Spending 2013/14</b>	<b>422,823</b>					

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 2 of the Business Plan for each respective Service. CFA's budget figure is a combination of the CYPs and ASC Business Plan net budgets.

<sup>2</sup> ETE includes Winter Maintenance and Waste PFI Contract, where specific arrangements for under/overspends exist. Excluding this the underlying forecast outturn position for ETE is £97k overspend.

<sup>3</sup> For budget virements between Services throughout the year, please see [Appendix 1](#).



3.2 Key exceptions this month are identified below (*updates to exceptions that have already been reported are captured within [appendix 2](#)*).

3.2.1 **Economy, Transport and Environment:** £0.069m (0.1%) overspend is forecast at year end.

- |  | £m     | %      |
|--|--------|--------|
| <ul style="list-style-type: none"> <li><b>Local Infrastructure and Street Management (LISM) Other</b> – the predicted underspend is due to a combination of staff vacancies (these are currently being recruited to, with the forecast outturn savings figure reflecting the amount accrued to date), and greater income from developer fees being forecast than was originally expected. These additional funds will be utilised for frontline maintenance in Network Management and Local Infrastructure and Streets.</li> </ul> | -0.447 | (-19%) |
| <ul style="list-style-type: none"> <li>Previously reported exceptions that are still applicable can be found in <a href="#">appendix 2</a>.</li> </ul>   |        |        |

3.2.2 **Children, Families and Adults:** £3.100m (1.1%) overspend is forecast at year end.

- |   | £m    | %     |
|---|-------|-------|
| <ul style="list-style-type: none"><li>• <b>Older People</b> – the forecast overspend has increased by £0.7m this month.</li></ul> <p>Residential / nursing placements have remained relatively stable, but homecare has increased by £167k, this is reflective of increased demand. Further work is being undertaken to understand Extra Care facilities as the expenditure forecast for the year has increased by £400k and we need to verify that this is due to increases in the dependency levels of service users. This is partly offset by vacancy savings of £123k.</p> <p>The on-going review of all residential, nursing and domiciliary care commitment records has now been concluded with the identification of a net increase in commitments of £228k once block and spot contracts are fully reconciled.</p> <ul style="list-style-type: none"><li>• Previously reported exceptions that are still applicable can be found in <a href="#">appendix 2</a>.</li></ul> | 7.272 | (10%) |

3.2.3 **Public Health:** a balanced budget is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.4 **Corporate Services:** -£0.179m (-2.4%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.5 **LGSS Managed:** -£0.013m (-0.1%) overspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.6 **CS Financing:** -£2.200m (-6.2%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.7 **LGSS Operational:** -£0.746m (-6.3%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

**Note:** exceptions relate to Forecast Outturns and are considered to be in excess of either +/- 0.5% of the Service's overall net budget plus grants or +/- 0.1% of the Council's net budget plus grants (£412k), whichever is the greater.

#### 4. KEY ACTIVITY DATA

##### 4.1 Looked After Children (LAC): January 14

Service Type	No. of Placements Anticipated at April 13	Latest No. of Placements end Jan 14	Anticipated direct Cost of Care (£/week)	Actual average direct Cost of Care (£/week)	Annual Budget £000	Estimated Annual Cost of Care £000	Variance from Annual Budget £000
Independent Fostering	210	236	724	780	7,906	8,954	1,048
Independent Residential	46	45	3,004	2,745	7,186	6,676	-510
Supported Accommodation/Living	33	34	587	419	1,007	769	-238
In-House Fostering (including placements with relatives or friends)	149	128	398	454	3,085	2,927	-158
In-House Residential	20 *	11	2,039	2,760	2,121	2,121	0
<b>Grand Total</b>	<b>458</b>	<b>454</b>			<b>21,305</b>	<b>21,483</b>	<b>188</b>

\* Based on 90% anticipated occupancy. Note: one home closed with effect from 31<sup>st</sup> December reducing capacity by 6.

There are also 17 LAC currently living at home subject to Care Orders and 27 LAC placed for adoption.

4.2 Adult Social Care: December 13

<b>Total number of people receiving a service each month</b>										
<b>Commissioning Area</b>	<b>Care Type</b>	<b>Apr-13</b>	<b>May-13</b>	<b>Jun-13</b>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>
Learning Disability Partnership	Community Based	1,224	1,226	1,241	1,256	1,257	1,260	1,258	1,257	1,262
	Residential Care	261	260	260	265	264	264	256	257	255
	Nursing Care	17	17	16	16	15	15	15	15	15
	<b>Total of above</b>	<b>1,502</b>	<b>1,503</b>	<b>1,517</b>	<b>1,537</b>	<b>1,536</b>	<b>1,539</b>	<b>1,529</b>	<b>1,529</b>	<b>1,532</b>
Disabilities Services	Community Based	974	966	978	979	1,011	1,023	1,005	991	997
	Residential Care	38	38	39	38	38	37	38	38	37
	Nursing Care	23	23	23	23	22	22	22	23	23
	<b>Total of above</b>	<b>1,035</b>	<b>1,027</b>	<b>1,040</b>	<b>1,040</b>	<b>1,071</b>	<b>1,082</b>	<b>1,065</b>	<b>1,052</b>	<b>1,057</b>
Adult Mental Health	Community Based	330	338	343	349	351	358	360	362	360
	Residential Care	88	87	84	82	82	81	80	82	83
	Nursing Care	19	19	19	20	20	20	22	22	20
	<b>Total of above</b>	<b>437</b>	<b>444</b>	<b>446</b>	<b>451</b>	<b>453</b>	<b>459</b>	<b>462</b>	<b>466</b>	<b>463</b>
Older People Mental Health	Community Based	117	123	116	118	123	129	128	125	121
	Residential Care	37	40	45	47	46	50	47	44	42
	Nursing Care	98	99	104	102	99	103	108	109	108
	<b>Total of above</b>	<b>252</b>	<b>262</b>	<b>265</b>	<b>267</b>	<b>268</b>	<b>282</b>	<b>283</b>	<b>278</b>	<b>271</b>
CCS Section 75 Services (Intermediate Care, AT, OT)	Community Based	1,448	1,405	1,388	1,387	1,335	1,259	1,170	1,127	1,154
	Residential Care	14	13	8	11	14	19	13	7	5
	Nursing Care	8	10	12	8	7	15	14	4	2
	<b>Total of above</b>	<b>1,470</b>	<b>1,428</b>	<b>1,408</b>	<b>1,406</b>	<b>1,356</b>	<b>1,293</b>	<b>1,197</b>	<b>1,138</b>	<b>1,161</b>
Older People Directorate	Community Based	3,006	3,018	3,008	3,032	3,024	3,006	3,023	3,049	3,040
	Residential Care	824	823	823	835	854	846	866	885	885
	Nursing Care	392	409	409	415	410	412	409	427	428
	<b>Total of above</b>	<b>4,222</b>	<b>4,250</b>	<b>4,240</b>	<b>4,282</b>	<b>4,288</b>	<b>4,264</b>	<b>4,298</b>	<b>4,361</b>	<b>4,353</b>

## 5. PERFORMANCE TARGETS

5.1 Performance Indicators are shown below:

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	12 months ending 30 <sup>th</sup> Sep 2013	%	76.1	72.5	Green	↓
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/12/13	%	95.4	94.5	Green	↓
	The number of people starting as apprentices	ETE	High	2012/13 academic year	Number	4,394	4,000	Green	↔
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	31/12/13	%	67%	70%	Amber	↓
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/12/13	%	82.2	95	Red	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/12/13	%	59.0	55	Green	↑
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/12/13	Number per 100,000 of population	555.0	735.0	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	30/11/13	Number	1,776	2,041	Red	↓

Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	31/12/13	Rate per 10,000	38.1	31.3 to 38.4	Green	See note
	The proportion of children who are referred to social care within 12 months of a previous referral	CFA	Low	31/12/13	%	20.6	25	Green	↓
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/12/13	%	80	85	Amber	↔
	A reduced volume of acute bed days attributable to adult social care	CFA	Low	31/12/13	Number	4,969	3,542 reimbursable bed day delays (50% reduction on previous year)	Red	↓
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CFA	High	31/12/13	%	91	90	Green	↓
		ETE	High	31/12/13	%	86	90	Red	↑
		CST	High	31/12/13	%	No complaint	90	n/a	n/a
		LGSS	High	31/12/13	%	0	90	Red	↔
	The average number of days lost to sickness per full-time equivalent staff member	LGSS HR	Low	31/12/13	Days	5.8	7.8	Green	See notes

**Notes:**

**The number of looked after children per 10,000 children**

Whilst performance in this indicator is within the target range a direction of travel is not shown as changes within this range are neither good nor bad. If performance moves above or below the target range a 'down' or 'up' arrow will apply respectively.

**The proportion of customer complaints received in the month before last that were responded to within minimum response time**

For CFA, 67 complaints were received and 6 failed to meet the target.

For ETE, 44 complaints were received and 6 failed to meet the target.

For CST, 0 complaints were received.

For LGSS, 1 complaint was received and 1 failed to meet the target.

**The average number of days lost to sickness per full-time equivalent staff member**

The data for December, which was reported in last month's report, was incorrect. The figure in the table above is now the correct figure. The data to 31<sup>st</sup> January will need to be reloaded and will not be available this month.

5.2 Key exceptions are identified below.

- **The proportion of eligible service users receiving Self Directed Support (SDS)**

Performance is improving, but is significantly below target. An additional 1,098 new and existing service users have been given SDS since April 2013, which is a significant improvement.

- **The number of people successfully quitting smoking with support from stop smoking services**

The improvement seen at the end of September and October when performance was 91.8% against the trajectory has not been maintained and has dropped to 87%. This reflects the 10% national drop in performance attributed to e-cigarettes with more smokers adopting a harm reduction approach. Performance in GP practices, the main provider, remains low but there has been more interest from practices about their smoking activity. CAMQUIT the Stop Smoking Service is providing intensive support to all providers including the provision of additional clinics. The immediate post-Christmas period was critical in attracting additional smokers into the services as historically this has been a period of high activity reflecting the post-Christmas/New Year resolution factor. Data is not available for this period until the end of March. The Stop Smoking message is being promoted across a range of media and is well supported by Cambridgeshire County Council's Communications Team. Visits to Practice Managers and Practice Nurses are taking place to increase awareness of the poor performance and problem solve.

Please note that these figures relate to the end of November. This is due to the nature of the intervention where smokers make a quit attempt that lasts for 4-5 weeks, which allowing for data returns, means that there is a delay of two months in reporting performance.

- **A reduced volume of acute bed days attributable to adult social care**

This is a new measure focused on a 50% reduction on acute bed day delays attributable to adult social care. Action has been taken to streamline the commissioning of homecare services to minimise hospital delays, and work is being done with homecare providers and the reablement service to improve capacity, however, this remains a challenging and ambitious target.

A piece of work was undertaken in late January with acute providers to ensure that the volume of reported delays are a) compliant with Department of Health guidance, and b) validated by county council staff prior to submission. A second piece of work is about to begin with non-acute providers.

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

#### **ETE**

Out of 44 complaints recorded during December, 6 failed to meet the target of responding within 10 days. Of those 6, all have since been closed.

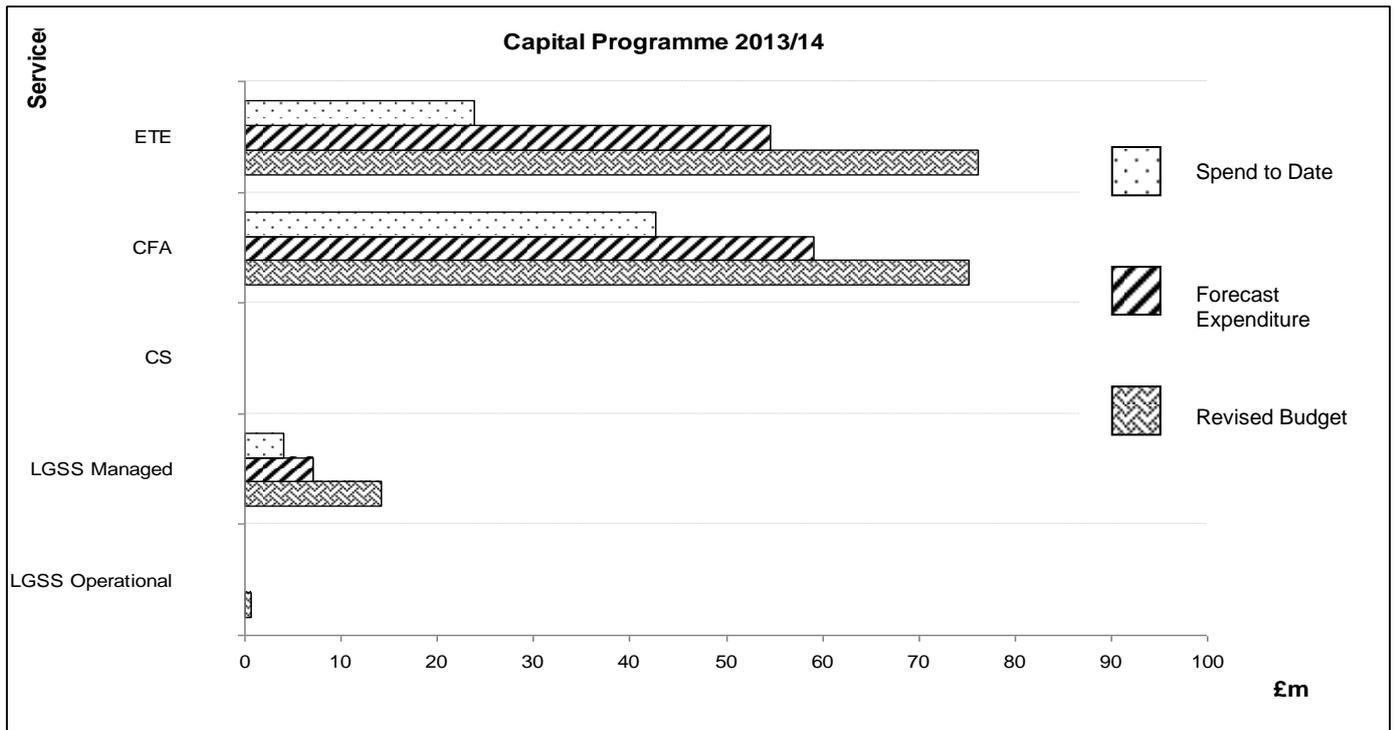
#### **LGSS**

Out of 1 complaint recorded during December, 1 failed to meet the target of responding within 10 days. This is being investigated by the assigned officer.

## **6. CAPITAL PROGRAMME**

6.1 A summary of capital financial performance by service is shown below:

<b>Original 2013/14 Budget as per BP £000</b>	<b>Service</b>	<b>Revised Budget for 2013/14 £000</b>	<b>Forecast Variance - Outturn (Dec) £000</b>	<b>Forecast Variance - Outturn (Jan) £000</b>	<b>Forecast Variance - Outturn (Jan) %</b>	<b>Total Scheme Forecast Variance (Jan) £000</b>
51,437	ETE	76,117	-18,221	-21,518	-28.3%	-528
76,149	CFA	75,125	-14,458	-15,949	-21.2%	-4,227
584	Corporate Services	187	0	0	0.0%	0
9,477	LGSS Managed	14,116	-6,990	-7,030	-49.8%	-1,846
600	LGSS Operational	718	-500	-500	-69.6%	0
<b>138,247</b>	<b>Total Spending 2013/14</b>	<b>166,262</b>	<b>-40,169</b>	<b>-44,996</b>	<b>-27.1%</b>	<b>-6,601</b>



**Note:** The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted.

6.2 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:

6.2.1 **Economy, Transport and Environment:** -£21.5m (-28.3%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> <li><b>Highways Maintenance including Footways and Signals</b> – the forecast underspend relates to the following: <ul style="list-style-type: none"> <li>A -£0.1m underspend on Bridges relating to one particular bridge in Over. The scheme has been delayed due to investigations and complications which will not be resolved before year end. The work will need to be completed in 2014/15;</li> <li>A -£0.1m underspend on Signals, which is mainly due to efficiencies being made on the agreed schemes (this underspend will be reallocated across the Highways Maintenance programme); and</li> <li>A -£0.8m underspend on Roads including signs and lines, which relates to the estimated costs from Eastern Highways Alliance being significantly less than budgeted for. They are a relatively new contractor and when the budgets for schemes were set the engineers were prudent in their estimations. Efficiencies have also been found within these schemes (this underspend will be reallocated across the Highways Maintenance programme).</li> </ul> </li> </ul>	-1.1	(-6%)

- Connecting Cambridgeshire** – as previously reported, the predicted underspend is a result of rephasing of work on the programme as the original phasing of expenditure was estimated prior to the award of the contract for this area of work. The contract was signed in March 2013, with the first expected milestone contract payment expected to occur in December 2013 (now delayed to February 2014). The additional underspend reported this month (-£0.5m) is as a result of a revision to management costs, including staffing and legal fees. However, this does not represent a reduction in overall scheme costs.
 

-10.0	(-68%)
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- Previously reported exceptions that are still applicable can be found in [appendix 3](#).

**6.2.2 Children, Families and Adults: -£15.9m (-21.2%) underspend is forecast at year end.**

- |  | £m | % |
|--|----|---|
| <ul style="list-style-type: none"> <li> <b>Primary School New Communities</b> – the forecast underspend has reduced by £0.5m this month. Both Northstowe and Alconbury’s S106 receipts have been delayed. The project costs for the year have been revised to take account of this, reducing the forecast to -£510k. Following considerable discussion and negotiation, the S106 for the first phase of Northstowe has now been signed. The project’s completion is now set for November 2015. Due to uncertainty over the development timetable for Alconbury Weald, option appraisal work only began in December 2013 with the commission brief developed early in 2014.               </li> </ul> |    |   |

As previously report:

<p>North West Cambridge Primary (NIAB) profiled expenditure has been revised for 2013/14 in response to the rescheduled start on site date reflecting the fact that the design code for the development has yet to be issued - without this, the design for the primary school can not be finalised. <i>Note:</i> S106 receipts for this scheme are delayed and will now be received and used in 2014/15 as a reflection of delayed build across the site. The forecast spend for 2013/14 has been reduced by a further £30k this month to £50k, giving rise to a -£510k projected underspend at year end. The total cost of the project is expected to remain on budget</p>	-0.5	(-16%)
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All expected costs to be incurred for the University development site have been removed (£4.3m) as confirmation has now been received that the University has been granted approval by the Secretary of State to open the new primary as a University Training School. Agreement has been reached that they will undertake the development, and fully fund the project themselves. Future year adjustments will be reflected in the 2014/15 Business Planning process.

- **Primary School Demographic Pressures** – charges relating to early years accommodation at The Shade Primary School, Soham and East Chesterton Primary School, Cambridge have been moved to Early Years Basic Need Provision within Children's Support Services, resulting in an increase in the forecast underspend of -£0.8m this month.

As previously reported:

North Ely Primary profiled expenditure has been revised for 2013/14 and the main build works, and therefore expenditure, will occur in 2014/15. This presents a -£4.6m underspend on the scheme in this financial year. However, the total cost of the project is expected to remain on budget.

Wisbech (additional places) has initial costs of £0.8m relating to feasibility and planning fees expected to be incurred in 2013/14 ahead of time for the provision of places. The total cost of the project is expected to remain on budget and the scheme will be reprofiled during the Business Planning process for 2014/15.

Hemingford Grey Primary extension expenditure has been further revised for 2013/14 from £2.0m to £0.7m. As a result of a greater than expected number of pre commencement planning conditions, which need to be discharged, work on site will now start in January 2014. The overall cost of the project is expected to remain on budget. -5.8 (-20%)

Thorndown Primary is progressing on site although there is some slippage and rescheduling of build programme items, as a consequence contractor payments are anticipated later than the original plan resulting on £600k of spend being moved into the next financial year.

Huntingdon Town additional 1FE places expenditure has been revised for 2013/14 to £20k as the project completion has slipped to September 2016 opening. The total expenditure is expected to remain on budget.

Kings Hedges Primary and Hardwick second campus (Cambourne) anticipate increased costs of £250k and £187k respectively due to design phases of the projects being progressed more quickly than anticipated. Overall costs of both projects will remain on budget.

- **Temporary Accommodation** – the forecast overspend has been reduced from £0.8m last month by working with Early Years to 0.2 (30%)

best utilise the budget that is available for developing 2 year old placements. £0.65m has been spent from the Early Years budget on temporary accommodation in order to support Early Years targets.

- Children Support Services** – the forecast overspend has reduced by a net £0.5m this month as the anticipated projects scheduled to commence in 2013/14 for 2 year old places have been delayed by issues around legal and property agreements. It has, however, been possible to identify spend of £1.45m for early years accommodation from both the Primary School Demographic Pressures budget and the Temporary Accommodation budget, which support the 2 year old place targets. These costs have therefore been transferred to this spend category to best utilise the available funding.
 

0.5	(22%)
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- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.3 **Corporate Services:** a balanced budget is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.4 **LGSS Managed:** -£7.0m (-49.8%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.5 **LGSS Operational:** -£0.5m (-69.6%) underspend is forecast at year end.

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.3 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:

	£m	%
<b><u>ETE:</u></b>		
<ul style="list-style-type: none"> <li>There are no new exceptions to report this month.</li> <li>Previously reported exceptions that are still applicable can be found in <a href="#">appendix 4</a></li> </ul>		

**CFA:**

- **Condition, Maintenance and Suitability** – this is a result of the withdrawal of the Disabled Children’s Short Breaks Grant in both 2013/14 and 2014/15 - £388k is included in the Business Plan for each of these years. -0.8 (-2%)
- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

**LGSS Managed:**

- There are no new exceptions to report this month.
- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

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

<b>Funding Source</b>	<b>BP Budget £m</b>	<b>Rolled Forward Funding<sup>1</sup> £m</b>	<b>Revised Phasing £m</b>	<b>Additional/Reduction in Funding £m</b>	<b>Revised Budget £m</b>
Department of Transport (DfT) Grant	16.8	0.0	0.0	2.9	<b>19.7</b>
Capital Maintenance Grant	5.8	0.0	0.0	0.3	<b>6.1</b>
Basic Need Grant	10.3	0.0	0.0	2.3	<b>12.6</b>
Devolved Formula Capital	1.0	2.3	0.0	0.1	<b>3.4</b>
Other Grants	2.6	7.3	0.0	5.7	<b>15.6</b>
Section 106 Contributions	29.5	0.0	-10.0	-6.2	<b>13.2</b>
Other Contributions	3.9	0.0	0.0	7.8	<b>11.7</b>
Capital Receipts	4.7	0.0	0.0	2.4	<b>7.2</b>
Prudential Borrowing	63.6	15.0	-1.9	0.0	<b>76.7</b>
<b>Total</b>	<b>138.2</b>	<b>24.5</b>	<b>-12.0</b>	<b>15.4</b>	<b>166.3</b>

<sup>1</sup> Reflects the difference between the anticipated 2012/13 year end position, as incorporated within the 2013/14 Business Plan, and the actual 2012/13 year end position.

6.5 Key funding changes (of greater than £0.5m) are identified below:

<b>Funding</b>	<b>Service</b>	<b>Amount (£m)</b>	<b>Reason for Change</b>
Rolled Forward Funding	All Services	24.5	This reflects slippage or rephasing of the 2012/13 capital programme – as reported in May.
Additional / Reduction in Funding (Other Grants)	ETE	1.2	Better Bus Area Funding: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Other Grants)	ETE	1.7	Growing Places funding to finance the Huntingdon Link Road Project (£1.7m for 2013/14): allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Other Grants)	ETE	0.9	Local Sustainable Transport Funding: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Other Grants)	ETE	1.2	Cycle Safety Fund: allocated to appropriate schemes across ETE – as reported in May and approved by Cabinet on 9 <sup>th</sup> July 2013.
Additional / Reduction in Funding (Other Grants)	ETE	2.2	Cycle City Ambition Grant: allocated to appropriate schemes across ETE – as reported in July and approved by Cabinet on 9 <sup>th</sup> July 2013.
Additional / Reduction in Funding (S106 Contributions)	ETE	1.4	Allocated across various schemes – as reported in May.
Additional / Reduction in Funding (Other Contributions)	ETE	5.3	Broadband Delivery UK (BDUK) funding for the Connecting Cambridgeshire scheme (£1.3m): brought forward funding in order to remove the 2013/14 prudential borrowing requirement – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.  The Busway capital contingency funding of £4m has been applied to the ETE capital programme, as this is no longer required for the Busway following settlement with the contractor. This reduces the prudential borrowing requirement in 2013/14.

Additional / Reduction in Funding (Prudential Borrowing)	ETE	-5.3	As above, using BDUK brought forward funding (£1.3m) and The Busway capital contingency funding (£4m) reduces the need for prudential borrowing in 2013/14.
Additional / Reduction in Funding (DfT Grant, S106 Contributions and Other Contributions)	ETE	3.1	Huntingdon West of Town Centre Link Road scheme: £0.6m Housing Growth Funding; £1.5m S106 Contributions; and £1m Other Contributions: allocated to appropriate projects across ETE – as reported in September and approved by Cabinet on 29 <sup>th</sup> October 2013.
Revised Phasing (S106 Contributions)	CFA	-9.2	NIAB triggers (£6m) and University Primary triggers (£4m) have been rephased – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Revised Phasing (Prudential Borrowing)	CFA	-2.0	Ely College funding rephased to reflect the new phasing of expenditure – as reported in July and approved by Cabinet on 10 <sup>th</sup> September 2013.
Additional / Reduction in Funding (Basic Need Grant)	CFA	2.4	An additional £2.4m funding has been received following a successful Additional Targeted Needs bid to the Education Funding Agency (EFA). This funding will result in a reduction to prudential borrowing in 2013/14.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-2.4	As above - additional Basic Need Grant received has resulted in a reduction to the prudential borrowing requirement in 2013/14.
Additional / Reduction in Funding (Other Grants)	CFA	0.7	Building Schools for the Future (BSF) Grant - following a review of the BSF funding position an additional £0.7m of grant is available, which reduces the prudential borrowing requirement – as reported last month and approved by Cabinet on 28 <sup>th</sup> January 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	As above – additional BSF funding has resulted in a reduction to the prudential borrowing requirement in 2013/14.

Additional / Reduction in Funding (S106 Contributions)	CFA	-9.4	<p>The following capital schemes' spend plans exceed the in-year S106 receipts due to timing differences:</p> <ul style="list-style-type: none"> <li>- Cambourne Secondary (£3.4m)</li> <li>- Trumpington Meadows Secondary &amp; Primary (£2.5m &amp; £2.2m)</li> <li>- Orchard Park Primary (£0.6m)</li> <li>- Thorndown and Hemingford Grey Expansions (£0.3m)</li> <li>- Sundry movements (£0.3m)</li> </ul> <p><b>Prudential borrowing will be required to bridge the funding gap until the S106 triggers are reached and the funding released from developers. Cabinet is asked to approve this change in funding.</b></p>
Additional / Reduction in Funding (Prudential Borrowing)	CFA	9.4	<p>As above – capital schemes' spend plans have exceeded S106 receipts, which has resulted in an increase in prudential borrowing to bridge the funding gap.</p>
Revised Phasing (S106 Contributions)	CFA	-0.8	<p>The following schemes' S106 receipts have been delayed in 2013/14 and so the project costs for the year have been revised to take account of this:</p> <ul style="list-style-type: none"> <li>- Northstowe (£300k)</li> <li>- Alconbury (£250k)</li> <li>- Hauxton (£230k)</li> </ul> <p>The cost of the projects and associated funding has been moved into 2014/15. <b>Cabinet is asked to approve the realignment of this funding to reflect the scheme's new phasing.</b></p>
Additional / Reduction in Funding (Capital Receipts)	LGSS Managed	1.0	<p>The forecast level of capital receipts currently exceeds the 2013/14 Business Plan expectation of £4.7m by £1.0m. This will therefore result in a reduction in prudential borrowing in 13/14. This forecast will be updated each month, with Cabinet being asked to approve any change in the Business Plan expectation at year end, where applicable.</p>
Additional / Reduction in Funding (Prudential Borrowing)	LGSS Managed	-1.0	<p>As above.</p>

Additional / Reduction in Funding (Capital Receipts)	LGSS Managed	1.4	California Road (ringfenced element): used to offset the capital works completed – as reported in November and approved by Cabinet on 14 <sup>th</sup> January 2014.
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## 7. BALANCE SHEET

7.1 A more detailed analysis of balance sheet health issues is included below:

Measure	Target end of Jan	Actual end of Jan
Net borrowing activity from plan, £m	£405.1m (Dec)	£346.7m (Dec)
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.7m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.1m
Invoices paid by due date (or sooner)	95%	99.6%

7.2 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.1m. The actual net borrowing position at 31 <sup>st</sup> December is £373.6m.	<p>Interest rates have risen during the year driven upwards by a return in confidence in equity markets, better economic indicators and shift from the safe haven of UK gilts, though this has not been without volatility.</p> <p>As a result interest payable on new borrowing will rise, however given capital programme slippage and stronger than expected cash flow this year little or no further long term borrowing will be undertaken.</p> <p>Interest rates continue to be monitored closely and a pragmatic approach to borrowing is adopted. Further information can be found in the Treasury Management Quarter 3 Report.</p>

7.3 A comparison of the net borrowing activity from plan to the previous financial year can be found in the following table:

<b>Measure</b>	<b>Actual 1<sup>st</sup> April</b>	<b>Actual end of June</b>	<b>Actual end of Sept</b>	<b>Actual end of Dec</b>	<b>Original forecast for end of Mar</b>	<b>Revised forecast for end of Mar</b>
Net borrowing activity from plan, £m (2013-14)	£340.7m	£299.2m	£359.7m	£373.6	£405.1m	£346.7m
Prior year comparator (2012-13 actual)	£330.8m	£319.4m	£327.3m	£305.8m	n/a	n/a

7.4 A schedule of the Council's reserves and provisions can be found in [appendix 5](#).

## **8. EXTERNAL AND CONTEXTUAL ISSUES**

8.1 The Council's draft Business Plan (BP) for 2014/15 has now been completed and is due to go to Full Council for approval on the 18<sup>th</sup> February 2014.

## **9. FURTHER INFORMATION**

9.1 Members requiring further information on issues raised in this report may wish to access the individual Services' Finance and Performance Reports by following the link below:

<http://www.cambridgeshire.gov.uk/council/finance/spending/monthly.htm>

## **10. IMPLICATIONS**

10.1 Resources and Performance:

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

10.2 Statutory, Legal and Risk:

There are no significant statutory, legal and risk implications.

10.3 Equality and Diversity:

There are no significant equality and diversity implications.

10.4 Engagement and Consultation:

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

## SOURCE DOCUMENTS

ETE Budgetary Control Report (January) CFA Budgetary Control Report (January) PH Budgetary Control Report (January) CS and LGSS Cambridge Office Budgetary Control Report (January) Performance Management Report & Corporate Scorecard (January) Capital Monitoring Report (January) Aged Debt per Directorate – as at 31 <sup>st</sup> January 2014 Payment Performance Report (January)	Room 301, Shire Hall, Cambridge
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<b>APPENDIX 1 – transfers between Services throughout the year</b> (only virements of £1k and above (total value) are shown below)								
	<b>Public</b>		<b>CS</b>	<b>Corporate</b>	<b>LGSS</b>	<b>LGSS</b>		<b>Financing</b>
	<b>CFA</b>	<b>Health</b>	<b>ETE</b>	<b>Financing</b>	<b>Services</b>	<b>Managed</b>	<b>Operational</b>	<b>Items</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Opening Cash Limits as per Business Plan (BP)	278,456	13,678	62,096	35,204	14,112	8,520	10,919	-162
Post BP corrections						346	-346	
Use of operational savings to fund Capital pension costs			30					-30
Blue badge	-17				17			
MAC funding from EPAM			1			-1		
Centralised property cost centres from depots			-158			158		
Transfer depots income budget						-118	118	
Aspire support	30					-30		
FM centralised properties income to service	-22					22		
ITT Loan Advance					183			-183
Centralised properties recharge to ASC Provider Units	258					-258		
Use of operational savings to fund ETE transformation project team			7					-7
Procurement contract savings from MFD and Insurance budgets						-97	97	
Transfer Contact Centre telephony budget to IT Managed					-57	57		
Return Cromwell Museum cleaning budget to service					2	-2		
Transfer budget for centralised stationery staffing costs						-20	20	
Adjustment to property income budgets with CFA	11					-11		
Transfer CFA Service Transformation project manager post from CS	54				-54			
Transfer laundry facilities budget to LGSS Managed						34	-34	
Correction to budget prep error between LGSS Operational and LGSS Managed budgets						19	-19	
CS Operational Savings – restructure pressures					134			-134
CS Operational Savings – various					336			-336
CS Operational Savings – libraries bookfund					100			-100

LAF Funding			-6			6			
YOT HR annual charge	-4							4	
Funding for Election Costs 13/14						345			-345
Finance Operational Savings 13/14 – CIPFA Trainee								44	-44
ETE Operational Savings – capital pension costs			37						-37
CS Operational Savings – service transformation & restructure pressures						126			-126
ETE Operational Savings – early retirement costs			65						-65
ETE Operational Savings – fund joint strategic planning			45						-45
ETE Operational Savings – cover costs prior to possible externalisation of SmartLife			50						-50
Sawston Funding	-56		56						
Correction to budget prep figures							-2	2	
Allocation of LGSS central charges budget from CS						-8		8	
Migration demography	-30					30			
ETE Operational Savings – pension costs			20						-20
CCS corp staffing budget	-38							38	
13/14 pay inflation award	635		156			42	51	116	-1,000
Service Realignment - Community and Cultural Services			5,983			-7,447	978	486	
LGSS Operational Savings								350	-350
Migration demography	15					-15			
OT double-up project funding 13/14	35								-35
Admin review						3		-3	
Employment review						-199	199		
Allocation of Public Health support budgets to LGSS						-65		65	
Ramsey library WAN costs			-10				10		
CS Operational Savings – Community Engagement restructure						22			-22
LGSS Operational Savings – data centre consolidation work								40	-40
LGSS Operational Savings – data centre consolidation work (additional)								6	-6
<b>Current budget</b>	<b>279,327</b>	<b>13,678</b>	<b>68,372</b>	<b>35,204</b>	<b>7,613</b>	<b>9,855</b>	<b>11,911</b>	<b>-3,137</b>	
<i>Rounding</i>	1	-	1	-	-	-	-2	-	

**APPENDIX 2 – previously reported revenue exceptions that are still applicable**

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	<b>Executive Director</b> – the predicted overspend is due to a target in the Business Plan to increase charges and other fees by £690k (this includes £640k increased charges and £50k additional charges budgeted within ETE Transformation). Work is currently taking place to determine which charges will be increased / new charges introduced in order to hit this target, with the charging for parking at Park and Ride sites being the main consideration at this point. However, this increased saving requirement will not be achieved in 2013/14, with the increased charges for Park and Ride sites not being introduced until around the turn of the financial year.	0.690	(177%)
CFA	<b>Learning Disability Services - Ordinary Residence</b> – this funding is planned to fund care packages for service users who we anticipate will become the responsibility of Cambridgeshire County Council. However, to date referrals have not been received from other local authorities. At the point referrals are received this position would change.	-1.330	(-100%)
	<b>Learning Disability Services - Head of Services</b> – this is due to: (i) negotiations with an independent sector provider to end an arrangement to cover costs associated with the TUPE transfer of staff on NHS conditions; (ii) the ending of a time limited arrangement to contribute funding to the Supporting People budget; and (iii) management of inflation relating to a block contract and a slippage in staffing budgets whilst recruitment takes place.	-1.058	(-29%)
	<b>Strategic Management - Adult Social Care</b> – this is mainly due to: (i) £325k reduced expenditure on transport for day services; (ii) £756k contract contingency budget to offset unanticipated pressures arising during the year; (iii) £124k from staff vacancies; and (iv) £117k fleet management annual mileage savings.	-1.334	(-37%)

	<p><b>Physical Disabilities</b> – the teams continue to scrutinise spend. All new service users are directed through the Reablement Service and social inclusion needs are met locally. A new process for scrutinising reviews has recently been put in place.</p> <p>In addition to the on-going work to manage demand, greater numbers of people have transferred to the older people service than accounted for and a concentrated piece of work has been undertaken to recover unspent Direct Payments, spanning across the last 2 years. These unspent Direct Payments have provided additional income of £398k to date. There will be no further spend on the Stroke Project.</p>	-0.668	(-5%)
	<p><b>Children’s Social Care</b> – this is principally as a result of savings from vacant posts not being high enough to meet the target set for the Directorate; higher than anticipated Agency staffing costs; and an increase in Legal Proceedings following increases in the number of child care proceedings, general advice and disclosure matters over the last year.</p>	1.296	(4%)
	<p><b>Application of Reserves</b> – CFA have general reserves of £3.6m of which £2.8m are uncommitted. The service is working to reduce the overspend position, however, if this is not fully achieved then the remaining overspend will be offset against uncommitted reserves.</p>	-	-
Public Health	N/A	-	-
CS	N/A	-	-
LGSS Managed	<p><b>County Offices</b> – there is a net pressure of £203k resulting from business rates costs for the vacant Black Horse House wing of Castle Court (£79k), estimated dilapidation costs from vacating two leased properties (£65k) and an overspend of £59k on utilities across the portfolio. A savings target of £736k was allocated in the Business Plan linked to a reduction in the Council’s property portfolio. Delivery of this saving is being led by the Effective Property and Asset Management (EPAM) Project. It is unlikely that any savings will be secured before year end.</p>	0.939	(18%)
	<p><b>Insurance</b> – this results from ongoing work by the Insurance Section to minimise the cost of internal provision, coupled with significant savings on external insurances for the Authority.</p>	-0.500	(-26%)

CS Financing	<p><b>Debt Charges</b> – the Guided Busway receipt of £33m, which was forecast to come in 2014/15, is now reflected in 2013/14. In addition, the projected Capital Financing Requirement (CFR) as at 31st March 2014 has fallen since the budget was set in February 2013, as a result of capital programme slippage. This has reduced the Council’s need to borrow by approximately £63m, which was budgeted at a rate of 4.2% (long term borrowing rate). Savings of £2.2m are generated as a result of the decision not to undertake any long term borrowing during this period. This will also result in lower cash balances which yield approximately 0.7%.</p>	-2.200	(-6%)
LGSS Operational	N/A	-	-

**APPENDIX 3 – previously reported current year capital exceptions that are still applicable**

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	<p><b>Science Park Station</b> – negotiations are ongoing with Department for Transport (DfT) and Network Rail regarding delivery of the scheme. This has therefore resulted in in-year slippage and a forecast underspend of -£0.9m in 2013/14. However, the total cost of the project is expected to remain on budget.</p>	-0.9	(-36%)
	<p><b>Cycle City Ambition Schemes</b> – in September 2013, the Department for Transport (DfT) announced that the Council will be receiving over £4m of capital funding, which is to be spent by May 2015. DfT allocated £2.175m of this funding to the Council in 2013/14, however, it is not possible to spend the full level of this funding by 31st March 2014 due to resource, planning and consultation constraints in light of the late announcement. This therefore results in a forecast underspend of -£1m in 2013/14, with the remainder of the funding being carried forward to 2014/15.</p>	-1.0	(-42%)
	<p><b>Waste – Replacement of March RC</b>  <b>Waste – North &amp; East Cambridge Recycling Centre</b>  <b>Waste – District Council Investment</b>  <b>Waste Management Infrastructure</b></p>	-0.7 -3.2 -0.6 -1.9	(-100%) (-100%) (-100%) (-84%)
	<p>The majority of the waste capital programme will not be delivered this year because the larger schemes (including Northstowe and Cambridge North and East) are not currently required, as a consequence of delays in and changes to the development strategy. Although shown as an underspend, the funding for these schemes will be required in future years, when these developments move forward.</p>		
CFA	<p><b>Secondary Schools - New Communities</b> – Southern Fringe Secondary build main contract work was expected to commence in October 2013. However, aspects of the contract have been delayed until January 2014. This has resulted in reduced spend on materials for 2013/14. The overall cost of the project is expected to remain on budget.</p>	-1.6	(-35%)

	<b>Schools - Scheme Final Payments</b> – final accounts are not being concluded as anticipated at commencement of this financial year. There are numerous issues that need to be resolved between project managers/employers’ agents and contractors. CCC is actively engaged in resolving these issues but cannot make final payments until contractor claims for additional sums are substantiated, or proved unfounded.	-0.8	(-32%)
	<b>Condition, Maintenance and Suitability</b> – there have been some delays in schemes which have resulted in this work being scheduled for Easter 2014. In addition, a number of tenders for the Priority 1 condition projects have come in with lower prices than had been anticipated.	-1.5	(-28%)
	<b>Build own Residential Home (Cambridge or South Cambs)</b> – the programming of this spend is still under consideration.	-5.0	(-100%)
	<b>Adult Social Care</b> – the Community Capacity grant is now expected to be spent in 2014/15.	-1.3	(-100%)
CS	N/A	-	-
LGSS Managed	<b>Effective Property Asset Management (EPAM) – Shire Hall Campus</b> – this budget includes £0.5m for Black Horse House remedial works. It is expected that this work will be delayed and so funding will need to be carried forward to 2014/15.	-0.5	(-45%)
	<b>EPAM - Fenland</b> – construction work on Awdry House has been completed and services have moved in. It is currently reported that the scheme will underspend by c.£0.6m, though the final account is close to being agreed and it is expected that this will increase the reported underspend.	-0.6	(-39%)
	<b>EPAM - Reps for Local Plans</b> – an in-year underspend of £0.6m is forecast. Funding will need to be carried forward into 2014/15 as some significant costs from the existing work programme are expected early in the new financial year.	-0.6	(-87%)

	<p><b>EPAM – Building Maintenance</b> – the difficulties being experienced in reducing the property portfolio in line with the Business Plan has resulted in an additional pressure on the capital building maintenance budget. It is currently estimated that the original budget will be exceeded by approximately £0.5m, but that this will be able to be managed in-year within the overall EPAM budget, as slippage on other schemes will generate an underspend. However, it is possible that this could become a greater issue in future years and officers are currently undertaking a re-forecast of future needs.</p>	0.5	(174%)
	<p><b>EPAM - Community Hubs</b> – this is due to the timing of works and does not represent a reduction in overall scheme costs. The originally planned programme of works has been reviewed and the scheme has been split into three separate proposals as part of the Business Planning (BP) process to better reflect proposed activity. This will also ensure that each scheme is subject to proper approval as part of BP.</p>	-1.4	(-93%)
	<p><b>EPAM - Other Projects</b> – the forecast underspend is due to slippage on bringing new projects to business case stage. This scheme will be re-evaluated during Business Planning and it is expected that there will be a significant reduction in total scheme spend as a result of this process, with identified projects being required to submit individual proposals.</p>	-1.4	(-59%)
	<p><b>Carbon Reduction</b> – the in-year underspend of £1m 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.</p>	-1.0	(-84%)
	<p><b>Thin Client / Rationalisation of Applications</b> – this is due to the timing of works and does not represent a reduction in overall scheme costs. The scheme has been reviewed as part of the Business Planning process.</p>	-1.0	(-100%)
CS Financing	N/A	-	-
LGSS Operational	<p><b>R12 Convergence</b> – this is due to a delay in progressing work to identify and install a converged financial reporting tool across LGSS and does not represent a reduction in total scheme cost.</p>	-0.5	(-83%)

**APPENDIX 4 – previously reported total scheme capital exceptions that are still applicable**

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	<p><b>Babraham Park &amp; Ride Extension</b> – the risk during construction was controlled and managed and more efficient construction processes were identified during the work, which resulted in lower construction costs.</p> <p>This scheme was funded by S106 area funding, which means that the unspent funding will be utilised for other transport schemes. This will be approved via the normal mechanism for the allocation of S106 funding.</p>	-0.5	(-100%)
CFA	<p><b>Primary Schools - New Communities</b> – all expected costs to be incurred for the University development site have been removed as confirmation has now been received that the University has been granted approval by the Secretary of State to open the new primary as a University Training School. Agreement has been reached that they will undertake the development, and fully fund the project themselves. Future year adjustments will be reflected in the 2014/15 Business Planning process.</p>	-4.3	(-7%)
	<p><b>Building Schools for the Future</b> – the forecast overspend is as a result of additional ICT spend that was under estimated in the original project plan.</p>	0.7	(2%)
LGSS Managed	<p><b>Effective Property Asset Management (EPAM) - Fenland</b> – construction work on Awdry House has been completed and services have moved in. It is currently reported that the scheme will underspend by c.£0.6m, though the final account is close to being agreed and it is expected that this will increase the reported underspend.</p>	-0.6	(-9%)

	<p><b>EPAM - Building Maintenance</b> – the difficulties being experienced in reducing the property portfolio in line with the Business Plan has resulted in an additional pressure on the capital building maintenance budget. It is currently estimated that the original budget will be exceeded by approximately £0.5m, but that this will be able to be managed in-year within the overall EPAM budget, as slippage on other schemes will generate an underspend. However, it is possible that this could become a greater issue in future years and officers are currently undertaking a re-forecast of future needs.</p>	0.5	(8%)
	<p><b>EPAM - Other Projects</b> – the forecast underspend is due to slippage on bringing new projects to business case stage. This scheme will be re-evaluated during Business Planning and it is expected that there will be a significant reduction in total scheme spend as a result of this process, with identified projects being required to submit individual proposals.</p>	-1.4	(-6%)

## APPENDIX 5 – Reserves and Provisions

Fund Description	Balance at 31 March 2013	2013-14		Forecast Balance at 31 March 2014	Notes	
		Movements in 2013-14	Balance at 31 Jan 14			
	£000s	£000s	£000s	£000s		
<b>General Reserves</b>						
- County Fund Balance	5,365	3,938	9,302	12,058	Includes £3m from Guided Busway contractor as a refund towards revenue costs incurred.	
<b>- Services</b>						
1 CFA	4,276	-646	3,630	316		Includes Service Forecast Outturn (FO) position.
2 ETE	2,199	-259	1,940	960		Includes Service FO position.
3 CS	1,628	-938	690	1,068		Includes Service FO position.
4 LGSS Managed	8	-8	0	0		Any FO will be transferred to the County Fund Account.
5 LGSS Operational	1,905	-988	917	815	Includes Service FO position.	
subtotal	15,381	1,098	16,479	15,217		
<b>Earmarked</b>						
<b>- Specific Reserves</b>						
6 Insurance	5,085	0	5,085	5,085		
7 Invest to Transform – Corporate	183	-183	0	0		
8 Invest to Transform – Services	675	-675	0	0		
9 Connecting Cambridgeshire	3,585	-100	3,485	3,485		
10 Contingency Reserve	1,000	-1,000	0	0		
subtotal	10,528	-1,958	8,570	8,570		
<b>Trading Units</b>						
11 LGSS Managed	70	0	70	0		
subtotal	70	0	70	0		
<b>Equipment Reserves</b>						
12 CFA	330	110	440	584		
13 ETE	245	106	351	152		
14 CS	132	-106	25	25		
15 LGSS Managed	451	0	451	359		
16 LGSS Operational	85	0	85	85		
subtotal	1,243	110	1,353	1,206		
<b>Other Earmarked Funds</b>						
17 CFA	2,469	-162	2,307	1,535	Includes liquidated damages in respect of the Guided Busway.	
18 ETE	15,839	859	16,697	10,537		
19 CS	1,204	-880	323	323		
20 LGSS Operational	1	-1	0	0		
subtotal	19,512	-185	19,327	12,395		
<b>Self-Managed Institutions (SMIs) (Local Management of Schools (LMS) etc)</b>						
21 DSG carry-forward	22,628	0	22,628	14,728	Includes balances held for Pools and Contingency Fund and Schools accumulated balances. Adjusted for estimated Academy conversions and anticipated reductions in balances held by maintained schools.	
subtotal	22,628	0	22,628	14,728		

