

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING
29TH FEBRUARY 2012**

To: **Cabinet**

Date: **17th April 2012**

From: **LGSS: Director of Finance**

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

Forward Plan ref: **Key decision: No**

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.**

Name: Nick Dawe	Name: Steve Count
Post: LGSS: Director of Finance	Portfolio: Resources and Performance
Email: Nicholas.Dawe@cambridgeshire.gov.uk	Email: Steve.Count@cambridgeshire.gov.uk
Tel: 01223 699236	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	Forecast Year-End Status	Year DoT
Revenue Budget	Variance (£m)	-£13.4m	G ↑	-£2.4m	G ↓
Basket Key Performance Indicators	Number at target (%)	55% (6 of 11)	A ↔	50% (2 of 4)	A ↔
Capital Programme	Number of projects to budget and time (%)	70% (119 of 170)	A ↔	70% (119 of 170)	A ↔
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£6.2m (Dec)	G ↔	£0m (Dec)	G ↔

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

- Revenue Budget; overall the budget position is showing a forecast year-end underspend of -£2.4m (-0.6%). This is a decrease in the forecast underspend of -£784k from last month. Although further savings have been identified across all four Services this month, the Waste PFI expected underspend of -£2.1m has been transferred to Corporate Reserves, in line with the existing policy. The scheme can then draw against this reserve in future years.

December's forecast underspend of -£1.5m is what was assumed in the reserve balance in the 2012/13 Integrated Plan. The current forecast outturn position therefore assumes a further £0.9m will be available in reserves for 2012/13, which will provide the Council with some flexibility going into the new financial year that was not planned for.

Apart from the arrangements for Waste PFI, Financing and Winter Maintenance, where the benefit is taken to the General Reserve, all other under / over spends are taken to

the relevant service carry forward account. In view of the challenges facing Adults Social Care and indeed the longer term challenges facing the Authority, different arrangements could usefully be considered by Cabinet in June, which both continue to motivate good budgetary control but also recognise other financial risks.

The overall forecast position includes the impact of firm and agreed action plans to address overspends. See section 3.2 for details and suggested actions.

- Key Performance Indicators; there are 13 indicators within the Council's basket. Targets are available for 11 of these indicators currently, of which 6 are on target. Of these, 4 indicators have year-end forecasts of which 2 are on target. However, please note that further work is underway to precisely define some of the indicators. See section 4 for details and suggested actions.
- Capital Programme; at present 119 out of 170 current projects are forecast to be on time and budget. The projects not to time and budget are mainly as a result of both slippage and schemes progressing quicker than anticipated. See section 5.2 for details and suggested actions.
- Balance Sheet Health; end of quarter (December) figure shows the variance of actual net borrowing (a positive figure represents additional borrowing than what was planned). This can vary considerably due to the profile of cashflows throughout the year. There were investments of £26.1m at the end of the quarter (December) resulting in a projected borrowing requirement of £6.1m. An underspend of -£1.5m is currently forecast. See section 6.2 for details and suggested actions.

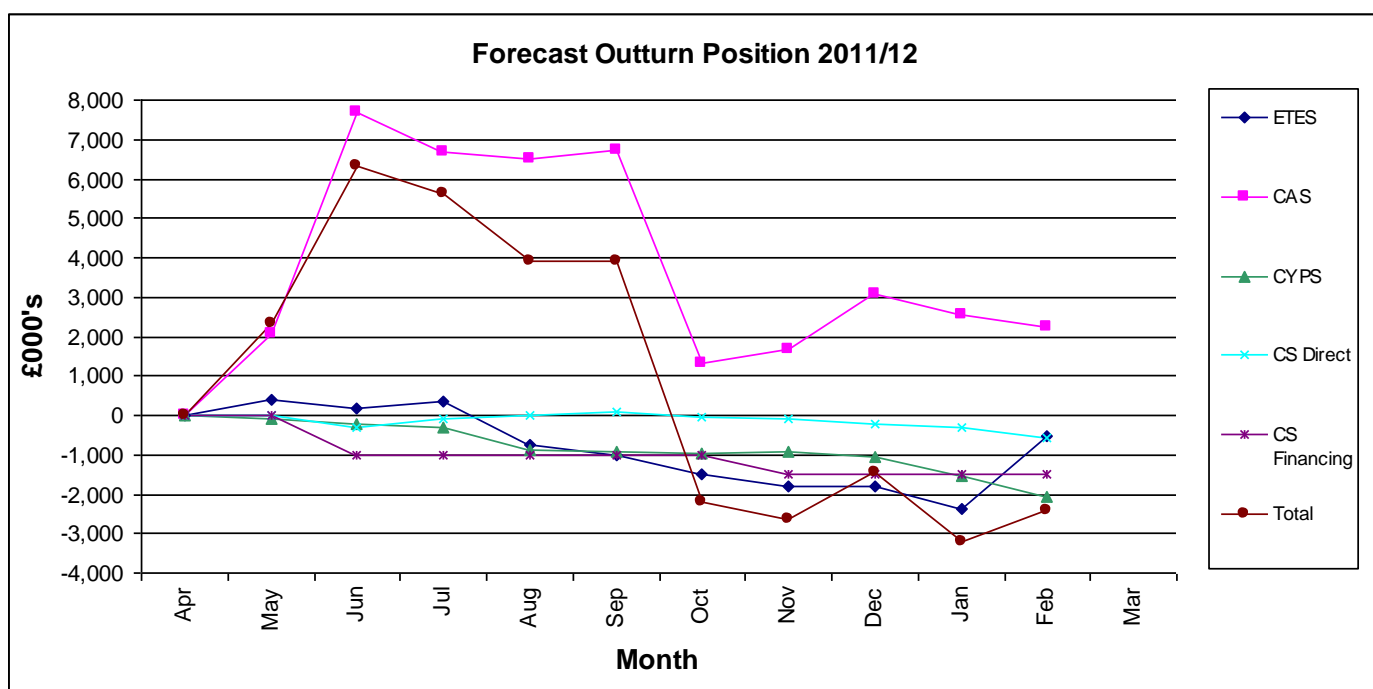
3. REVENUE BUDGET, ISSUES AND ACTIONS

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

Key to abbreviations

ETES	- Economy, Transport and Environment Services
CAS	- Community and Adult Services
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

Outturn Variance (Jan) £000	Service	Budget for 2011/12 £000	Current Variance £000	Forecast Outturn (Feb) £000	Forecast Outturn (Feb) %	Overall Status	D o T
-2,381	ETES	63,319	-4,638	-536	-0.8%	G	↓
2,545	CAS	172,944	-9,512	2,247	1.3%	A	↑
-1,556	CYPS	108,749	-2,562	-2,051	-1.9%	G	↑
-317	CS Direct	30,077	-1,724	-585	-1.9%	G	↑
-1,500	CS Financing	33,420	5,090	-1,500	-4.5%	G	↔
-3,209	Total Service Spending	408,509	- 13,346	-2,425	-0.6%	G	↓
-16	Financing Items	-9,008	-17	-16	0.2%	G	↔
-3,225	Total Spending 2011/12	399,501	- 13,363	-2,441	-0.6%	G	↓



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ETES	A total Service underspend of -£536k (-0.8%) is forecast at year-end. This is a decrease in the forecast underspend of £1.8m from last month.	In line with the existing policy for the Waste PFI project, the expected underspend of -£2.1m has been transferred to Corporate Reserves, which the project can draw against in future years.

Service	Key Exceptions	Impacts and Actions
	<p>Asset Management is currently reporting a material variance at year-end (£601k overspend (9%)) – as reported in October.</p> <p>Road Safety is currently reporting a material variance at year-end (-£455k underspend (-24%)) – as reported in October.</p> <p>There are no new exceptions to report this month.</p> <p>See the ETES Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CAS	<p>A total Service overspend of £2.2m (1%) is forecast at year-end. This is a decrease in the forecast overspend of £298k from last month.</p> <p>Executive Director CAS is currently reporting a material variance at year-end (-£3.5m underspend (-87%)) – as reported last month.</p> <p>Adult Social Care (ASC) Director of Strategy & Commissioning is currently reporting a material variance at year-end (-£1.4m underspend (-178%)) – as reported in July.</p> <p>Mental Health is currently reporting a material variance at year-end (-£900k underspend (-8%)) – as reported in October.</p>	

Service	Key Exceptions	Impacts and Actions
	<p>Supporting People are currently reporting a material variance at year-end (-£1.1m underspend (-10%)) – as reported in July.</p> <p>Older People are currently reporting a material variance at year-end (£6.5m overspend (11%)) – as reported in December.</p> <p>Quality & Transformation is currently reporting a material variance at year-end (-£1.1m underspend (-25%)) – as reported in October.</p> <p>Learning Disability Services are currently reporting a material variance at year-end (£3.5m overspend (8%)) – as reported in May.</p> <p>There are no new exceptions to report this month.</p> <p>See the CAS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CYPS	<p>A total Service underspend of -£2.1m (-2%) is forecast at year-end. This is an increase in the forecast underspend of -£495k from last month.</p> <p>Learning Directorate is currently reporting a material variance at year-end (-£814k underspend (-6%)) – as reported in August.</p>	

Service	Key Exceptions	Impacts and Actions
	<p>Home to School Transport – Mainstream is currently reporting a material variance at year-end (-£407k underspend (-4%)) – as reported last month.</p> <p>Looked After Children (LAC) / Special Educational Needs (SEN) Placements is currently reporting a material variance at year-end (-£619k underspend (-2%)) – as reported last month.</p> <p>Home to School Transport – Special is currently reporting a material variance at year-end (£525k overspend (9%)) – as reported in October.</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>	
CS	<p>A total underspend of -£2.1m (-3%) is forecast at year-end. This is an increase in the forecast underspend of -£268k from last month.</p> <p><u>Corporate Services</u></p> <p>There are no new exceptions to report this month.</p> <p><u>LGSS Cambridge Office</u></p>	

Service	Key Exceptions	Impacts and Actions
	<p>There are no new exceptions to report this month.</p> <p><u>LGSS Managed</u></p> <p>Carbon Trading is currently reporting a material variance at year-end (-£500k underspend (-79%)) – as reported in October.</p> <p>County Offices is currently reporting a material variance at year-end (£440k overspend (13%)) – as reported in September.</p> <p>There are no new exceptions to report this month.</p> <p><u>Financing</u></p> <p>Debt Charges is currently reporting a material variance at year-end (-£1.5m underspend (-5%)) – as reported in November.</p> <p>See the CD Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	

Service	Emerging Issues	Impacts and Actions
ETES	None	
CAS	Addenbrookes on “Black Alert”	Over the past couple of months Addenbrookes has been on “black alert”, which means it is at its highest alert and very busy. Consequently the council has been asked to take additional clients into intermediate care beds to resolve their

Service	Emerging Issues	Impacts and Actions
		<p>backlog, which could have implications on the Older People budget. However, the impact of these additional clients to the budget is unknown at this stage.</p> <p><i>Suggest actions:</i></p> <ul style="list-style-type: none"> • This situation will continue to be monitored, with an updated outturn position being provided next month.
CYPS	Academies Funding	<p>Following the consultation in the Summer on the basis for the decision on the appropriate amount of Academies funding transfer for 2011/12 and 2012/13, the Secretary of State for Education, in consultation with the Secretary of State for Communities and Local Government has reached a “minded to” decision. The consultation has closed and the outcome is awaited.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> • This position will be updated accordingly once the outcome of the latest consultation is known.
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 (£400k), whichever is the greater.

4. PERFORMANCE TARGETS, ISSUES AND ACTIONS

4.1 A detailed analysis of performance against key targets is tabled below:

<i>Description</i>	<i>Frequency</i>	<i>What is good?</i>	<i>Unit</i>	<i>Last data entered</i>	<i>Target</i>	<i>Actual</i>	<i>Status</i>	<i>DoT</i>	<i>Predicted year-end status</i>
Economy and employment									
The number of young people starting as apprentices in the county	Quarterly	High	Number	31-Oct-11	700	1,192	GREEN	n/a	GREEN
The proportion of 16 - 19 year olds in education, employment or training	Monthly	High	%	31-Jan-12	92.1	92.5	GREEN	↑	n/a
The number of people completing courses to directly improve their chances of employment	Quarterly	High	Number	29-Feb-12	n/a	10,821	n/a	n/a	n/a
Local places									
The proportion of streetlights that are currently working	Monthly	High	%	31-Jan-12	97.5	98.6	GREEN	↔	AMBER
The proportion of household waste collected in the last 12 months that was sent to landfill	Monthly	Low	%	31-Dec-11	45.3	44.65	GREEN	↓	GREEN
The number of people killed or seriously injured in road traffic accidents in previous 12 months	Monthly	Low	Number	31-Dec-11	328	336	RED	↑	RED
People and prevention									
The proportion of people who are independent following short-term support to help them be self-sufficient	Monthly	High	%	31-Jan-12	50	55	GREEN	↓	n/a

The proportion of older people still at home after three months following discharge from hospital and support to regain independence	Monthly	High	%	29-Feb-12	81	82.91	GREEN	↓	n/a
The proportion of people using social care services who have chosen how their support is provided	Monthly	High	%	29-Feb-12	80	56.15	RED	n/a	n/a
The proportion of people living in Cambridgeshire who actively use a library service	Monthly	High	%	29-Feb-12	25	24.7	AMBER	↑	n/a
The number of children admitted to hospital as a result of injury, per 10,000 children	Quarterly	Low	Rate per 10,000 children	31-Dec-11	See note 1	19.5	n/a	n/a	n/a
The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted	Monthly	High	%	31-Jan-12	82	76.8	AMBER	↓	n/a
Repeat incidents of domestic violence in supported cases	Quarterly	Low	%	30-Sep-11	29	35	RED	n/a	n/a

Note 1: Work is underway with CYPS and NHS Cambridgeshire to review work and data in this area.

4.2 There are four indicators that are exceptions this month:

- **The number of people killed or seriously injured in road traffic accidents in the previous 12 months (RED)**

The provisional 2011 total of 336 is slightly above (worse than) the Council's target of no more than 328, although it is slightly lower than the 2010 total of 339. The number of pedal cyclist and pedestrian casualties (combined) has increased, but overall there has been a decrease in casualties travelling by other modes. Within the KSI total there were 26 deaths on Cambridgeshire's roads in 2011, which is the

second lowest total ever recorded and is a welcome reduction from the toll of 34 in 2010.

- **The proportion of people using social care services who have chosen how their support is provided (RED)**

This indicator is calculated by dividing the number of clients and carers who have received support in the community from Adult Social Care since 1st April 2011 by the number of clients and carers in the community who are in receipt of Self-Directed Support (SDS) in the same time frame. **Currently, more than half of all clients receiving support in the community have chosen how their support is provided.** This is good performance compared to other areas and better performance than in the same month in the previous year.

The overall number of clients receiving SDS continues to grow (the numerator grew by 208 in February) although this is offset by larger increase in the denominator (which grew by 619).

For some groups of clients, current practice is not to offer SDS as the default option. These groups are: Occupational Therapy, Assistive Technology Team, Sensory Services and Hospital Discharge. At the end of February these teams account for 4,284 clients. Removing these from the equation would put performance at 80%. **So for clients for whom SDS is appropriate or the default option, 80% are able to choose how their support is delivered.**

- **The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted (AMBER)**

This indicator measures the placements for small numbers of Looked After Children overall. It is important to note that for some children in care a children's home, residential school or specialist placement will be the best way to meet their need and a positive choice will be made for this kind of placement.

The sufficiency of foster carers and adopters and the pattern of commissioning placements is continually monitored through both the Placement Strategy work and the newly formed CYPS Performance and Quality Assurance Board. As reported last month, the Board has commissioned a piece of work to produce an in-depth analysis of the placement patterns of the current cohort of LAC. **This report will be discussed by the Board at the end of March and a verbal update on that discussion could be provided at Cabinet / SMT in April.**

- **Repeat incidents of domestic violence in supported cases (RED)**

No update for quarter 3 (to end December 2011) is available. A full report will be provided at year-end.

5. CAPITAL PROGRAMME, ISSUES AND ACTIONS

5.1 A more detailed analysis of capital performance by programme for individual schemes of £0.5m or greater is tabled below:

Service	No. of Programmes	No. on Budget	No. on Time	Target end of February	Actual end of February
ETES	57	49	57	49 schemes to budget and time.	49 schemes to budget and time.
CAS	22	22	6	6 schemes to budget and time.	6 schemes to budget and time.
CYPS	64	45	63	44 schemes to budget and time.	44 schemes to budget and time.
CS	27	22	24	20 schemes to budget and time.	20 schemes to budget and time.

5.2 Key exceptions and emerging issues are identified below:

Service	Key Exceptions	Impacts and Actions
ETES	<p>An underspend of -£1.7m (-4%) is currently being forecast for ETES' capital programme in 11/12.</p> <p>Infrastructure Management & Operations is currently reporting a material variance at year-end (-£2m underspend (-21%)) – as reported in May.</p> <p>There are no new exceptions to report this month.</p> <p>See the ETES Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CAS	<p>An underspend of -£2.9m (-58%) is currently being forecast for CAS' capital programme in 11/12.</p> <p>Transformation Initiatives is</p>	

	<p>currently reporting a material variance at year-end (-£1.2m underspend (-99%)) – as reported in May.</p> <p>There are no new exceptions to report this month.</p> <p>See the CAS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CYPS	<p>An underspend of -£5.3m (-5%) is currently being forecast for CYPS' capital programme in 11/12.</p> <p>Secondary Schools – Demographic Pressures: -£1.2m underspend (-69%) forecast at year-end.</p> <p>Building Schools for the Future: -£1.7m underspend (-5%) forecast at year-end.</p> <p>Primary Schools – New Communities is currently reporting a material variance at year-end (-£5m underspend (-88%)) – as first reported in August (with an update last month).</p> <p>Primary Schools – Demographic Pressures is currently forecasting a material variance at year-end (£1.6m overspend (8%)) – as reported in October.</p>	<p>Cambourne 5 Form Entry (5FE) Secondary forecast spend has been revised down under this year's allocation as the land purchase will not now take place until April 12 (in the next financial year).</p> <p>The phasing of spend has now been revised from 11/12 to 12/13 and 13/14.</p>

	<p>Secondary Schools – Adaptions is currently reporting a material variance at year-end (£527k overspend (10%)) – as first reported in December (with an update 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>An underspend of -£8.4m (-51%) is currently being forecast for CS's capital programme in 11/12.</p> <p><u>Corporate Services</u></p> <p>There are no new exceptions to report this month.</p> <p><u>LGSS Managed</u></p> <p>Cambridgeshire Community Network Refresh: -£2m underspend (-44%) forecast at year-end.</p> <p>Better Utilisation of Property Assets (BUPA) Building Maintenance is currently reporting a material variance at year-end (£600k overspend (100%)) – as reported last month.</p> <p>BUPA College of West Anglia (CoWA) Project is currently reporting a material variance at year-end (-£5m underspend (-100%)) – as reported in November.</p>	<p>This is due to rephrasing of expenditure and does not reflect an overall reduction in scheme costs.</p>

	<p>Carbon Reduction is currently forecasting a material variance at year-end (-£605k underspend (-67%)) – as reported in October.</p> <p>See the CD Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
--	--	--

Service	Emerging Issues	Impacts and Actions
ETES	None	
CAS	None	
CYPS	None	
CS	None	

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

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

Measure	Target end of February	Actual end of February
Net borrowing activity from plan, £m	£352m (Dec)	£345.9m (Dec)
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.3m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£0.8m
Invoices paid by due date (or sooner), %	95%	99%

6.2 Key exceptions and emerging issues are identified below:

Key exceptions	Impacts and actions
Variance of net borrowing activity from plan	The sovereign debt crises in the Eurozone has gained momentum over the past six months and this has led in turn to an increase in safe haven flows into UK gilts, which has

	depressed gilt yields to record lows. As a result interest rates on new long term borrowing have been secured at lower levels than budgeted, which has resulted in an underspend of £1.5m being forecast.
--	---

Emerging issues	Impacts and actions
None	

7. EXTERNAL AND CONTEXTUAL ISSUES

- 7.1 The Chancellor of the Exchequer is due to give his March budget speech on the 21st March. There is a serious possibility that government spending will continue to fall or be held flat in real terms for the coming years. The council has assumed a reduction in central government funding within the Integrated Plan for the next four years.

An update on the budget announcement will be included in next month's report.

- 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
Budget speech	<p>Government funding could be cut by more than has been assumed within the Integrated Plan.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> Any change to government funding than what has been assumed within the Integrated Plan will be reviewed to assess the level of impact this could have on the authority, with necessary plans being put in place to mitigate any impact.

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
-------------------------------------	---

CAS Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Community+and+Adult+Services.htm
ES Finance and Performance Report	http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Environment+Services.htm
CD 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:

ES Budgetary Control Report (February) CAS Budgetary Control Report (February) CYPs Budgetary Control Report (February) CD Budgetary Control Report (February) Performance Management Report & Corporate Scorecard (February) Capital Monitoring Report (February) Aged Debt per Directorate – as at 29 th February 2012	Room 301, Shire Hall, Cambridge
---	---------------------------------------