

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST DECEMBER 2011

To: **Cabinet**

Date: **31st January 2012**

From: **LGSS: Director of Finance**

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

Forward Plan ref: **2012/008** *Key decision:* **Yes**

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

Recommendations: **That Cabinet:**

- a) Analyses resources and performance information and notes the remedial action currently being taken and considers if any further remedial action is required.**
- b) Approves the additional funding allocation in full of £1.5m Social Care Funding for Winter Support to Community and Adult Services (see section 3.2 page 5).**

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1. PURPOSE

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

2. OVERVIEW

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

Area	Measure	End of Month Status	Month DoT	Forecast Year-End Status	Year DoT
Revenue Budget	Variance (£m)	+£0.9m A	↑	-£1.5m 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 (%)	72% (123 of 170) A	↓	72% (123 of 170) A	↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£6.2m G	↔	£0m 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 -£1.5m (-0.4%). This is a reduction in the forecast underspend of £1.2m from last month, which is mainly due to the increased pressures within Adults Social Care. 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 123 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

ES - Environment Services

CAS - Community and Adult Services

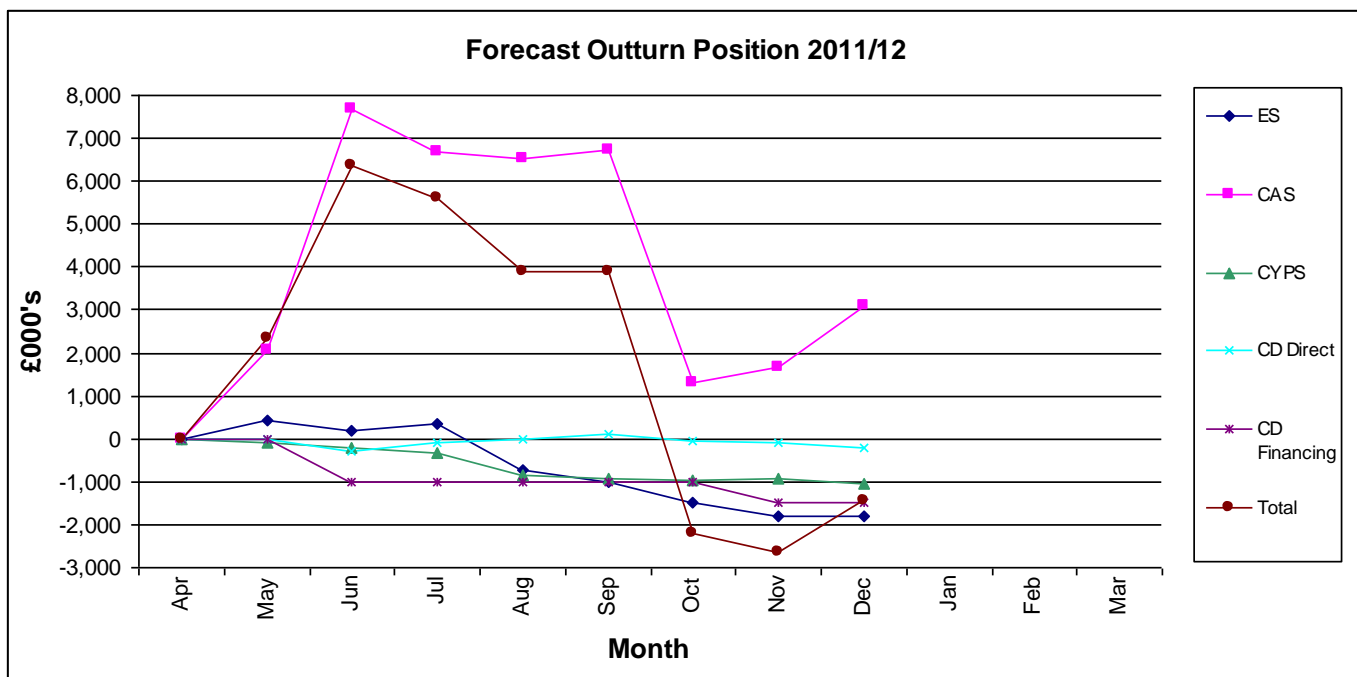
CYPS - Children and Young People's Services

CD - Corporate Directorates (including Local Government Shared Services (LGSS) Cambridge Office)

DoT - Direction of Travel

Outturn Variance (Nov) £000	Service	Budget for 2011/12 £000	Current Variance £000	Forecast Outturn (Dec) £000	Forecast Outturn (Dec) %	Overall Status	D o T
-1,797	ES *	62,198	-4,000	-1,803	-2.9%	G	↑
1,662	CAS	172,852	5,386	3,088	1.8%	A	↓
-910	CYPS	108,495	-866	-1,035	-1.0%	G	↑
-105	CD Direct	31,802	-1,208	-205	-0.6%	G	↑
-1,500	CD Financing	33,420	530	-1,500	-4.5%	G	↔
-2,650	Total Service Spending	408,767	-158	-1,455	-0.4%	G	↓
-16	Financing Items	-9,266	1,086	-16	0.2%	G	↔
-2,666	Total Spending 2011/12	399,501	928	-1,471	-0.4%	G	↓

* ES includes the Waste PFI Contract, where specific arrangements for under/over spends exist. Excluding this the underlying forecast outturn position for ES is -£330k underspend.



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ES	<p>A total Service underspend of -£1.8m is forecast at year-end. This is an increase in the forecast underspend of -£6k from last month.</p> <p>Asset Management is currently reporting a material variance at year-end (£420k overspend) – as reported in October.</p> <p>Road Safety is currently reporting a material variance at year-end (-£462k underspend) – as reported in October.</p> <p>Waste PFI is currently reporting a material variance at year-end (-£1.5m underspend) – as reported in August.</p> <p>There are no new exceptions to</p>	

Service	Key Exceptions	Impacts and Actions
	<p>report this month.</p> <p>See the ES Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CAS	<p>A total Service overspend of £3.1m is forecast at year-end. This is an increase in the forecast overspend of £1.4m from last month.</p> <p>Older People: £6.7m overspend forecast at year-end.</p>	<p>This is an increase of £1m from the previously reported overspend, which represents Cambridgeshire County Council's share of the Pool's updated forecast overspend position at year-end. There has been an increased need for nursing home placements this month and the demand for domiciliary care has continued to place further pressure on the budget. This increase in demand is reflected in Accident and Admissions (A&E) attendances and admissions to acute hospitals seen over the last 3 months. There is significant pressure for social care placements and packages to enable older people to be discharged from hospital and free these acute beds for other patients.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> A detailed action plan has been agreed between Commissioners and Providers (Cambridgeshire Community Services (CCS)), which is expected to reduce the overspend over time. The extent to which the action plan will reduce the overspend is regularly reviewed. <p>In early January 2012, the Department of Health announced a one-off contribution to Social Care for winter pressures for the current financial year. The expected allocation for Cambridgeshire is £1.5m. This is payable to NHS Cambridgeshire and will be passported to the Local Authority once a Section 256 agreement is signed between the two parties</p>

Service	Key Exceptions	Impacts and Actions
	<p data-bbox="316 633 788 853">Adult Social Care (ASC) Director of Strategy & Commissioning is currently reporting a material variance at year-end (-£1.4m underspend) – as reported in July.</p> <p data-bbox="316 929 783 1072">Mental Health is currently reporting a material variance at year-end (-£500k underspend) – as reported in October.</p> <p data-bbox="316 1149 783 1292">Supporting People are currently reporting a material variance at year-end (-£650k underspend) – as reported in July.</p> <p data-bbox="316 1368 735 1547">Quality & Transformation is currently reporting a material variance at year-end (-£1.1m underspend) – as reported in October.</p> <p data-bbox="316 1624 791 1771">Learning Disability Services are currently reporting a material variance at year-end (£3.1m overspend) – as reported in May.</p> <p data-bbox="316 1848 799 1991">See the CAS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	<p data-bbox="826 230 1519 409">with a detailed plan on its use. The impact of this additional grant on the bottom line is not yet known and, as such, has not been reflected within the forecast outturn position in this report.</p> <p data-bbox="826 450 1519 562">Cabinet is asked to approve the allocation of this funding in full to Community and Adult Services (upon receipt of it).</p>

Service	Key Exceptions	Impacts and Actions
CYPS	<p>A total Service underspend of -£1m is forecast at year-end. This is an increase in the forecast underspend of -£125k from last month.</p> <p>Learning Directorate is currently reporting a material variance at year-end (-£500k underspend) – as reported in August.</p> <p>Home to School Transport – Special is currently reporting a material variance at year-end (£583k overspend) – 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>	
CD	<p>A total underspend of -£1.7m is forecast at year-end. This is an increase in the forecast underspend of -£100k 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> <p>Carbon Trading is currently reporting a material variance at year-end (-£500k underspend) – as reported in October.</p>	

Service	Key Exceptions	Impacts and Actions
	<p>County Offices is currently reporting a material variance at year-end (£368k overspend) – 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) – as reported last month.</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
ES	None	
CAS	None	
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 now closed and a response is awaited. If the “minded to” proposals are implemented there will be no further financial impact on the County Council for 2011/12 and 2012/13. If the government were to change its proposals following this latest consultation, there could still be a financial pressure both this financial year and next financial year.</p>

Service	Emerging Issues	Impacts and Actions
		<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.
CD	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:

Description	Frequency	What is good?	Unit	Last data entered	Target	Actual	Status	DoT	Predicted year-end status
Economy and employment									
The number of young people starting as apprentices in the county	Quarterly	High	Number	31-Jul-11	2433	3115	GREEN	n/a	GREEN
The proportion of 16 - 19 year olds in education, employment or training	Monthly	High	%	30-Nov-11	92.1	92.1	GREEN	↑	n/a
The number of people completing courses to directly improve their chances of employment	Monthly	High	Number	The definition of this measure is currently under development.					n/a
Local places									
The proportion of streetlights that are currently working	Monthly	High	%	31-Dec-2011	97.5	98.6	GREEN	↑	AMBER
The proportion of household waste collected in the last 12 months that was sent to landfill	Monthly	Low	%	30-Nov-11	45.4	44.76	GREEN	↓	GREEN
The number of people killed or seriously injured in road traffic accidents in previous 12 months	Monthly	Low	Number	31-Oct-11	330	335	AMBER	↑	AMBER
People and prevention									
The proportion of people who are independent following short-term support to help them be self-sufficient	Monthly	High	%	30-Nov-11	50	57	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	%	30-Nov-11	81	81.82	GREEN	↓	n/a
The proportion of people using social care services who have chosen how their support is provided	Monthly	High	%	31-Dec-11	80	57.6	RED	n/a	n/a
The proportion of people living in Cambridgeshire who actively use a library service	Monthly	High	%	31-Dec-11	25	24.06	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	30-Sep-11	See note 1	14.3	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	%	30-Nov-11	82	79.6	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 three indicators that are exceptions this month:

- **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.

For some groups of clients, current practice is not to offer SDS as the default option. These groups are; Occupational Therapy; Assistive Telecare Technology; Sensory Services; and Hospital Discharge. At the end of December these teams account for 3,840 clients. Removing clients in these groups who do not receive SDS from the equation would put performance at 82.1%. **So for clients for whom SDS is appropriate or the default option, more than 80% are able to choose how their support is delivered.**

Last month's exception report made two further points, for which updated data is now available and explained below:

- o The number of clients in appropriate groups is increasing faster than the number of clients in appropriate groups who are in receipt of SDS. Between September – November 2011, the number of clients in appropriate groups increased on average by approximately 340 people each month, but the number of clients of SDS from these groups only increased on average by approximately 200 each month. In order to reach the target of 80% of clients in appropriate groups on SDS at year-end, and assuming an average increase of 340 clients in appropriate groups each month, the number of clients in appropriate groups receiving SDS needs to increase by approximately 250 per month on average for December 2011 – March 2012.
- o The largest client group is older people, so effort should be focused on increasing the proportion of older people receiving SDS to make the most impact. According to the latest available data, the proportion this month of older people receiving SDS is lower than in November. However, this data will be updated next month and so a further report will be provided.

Although the target here is overall, we monitor the figures by age band: 16-18 years; 19-24 years; and 25+ years. There has been strong growth across all year categories. We have considerably exceeded the overall and 25+ targets, but fell short on 16-18 and 19-24 years. All targets were set at 18% and there was always a question as to how realistic any of them were.

Looking at the comparative date for 16-18, here we have growth approximately at half the rate of the national and regional averages, but at a significantly higher rate than for our statistical neighbours.

- **The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted (AMBER – downward direction of travel for two consecutive months)**

This indicator measures the placements for small numbers of Looked After Children (LAC) overall. In November, 34 out of 167 LAC aged 10 to 15 were not in foster care or placed for adoption. 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. However 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. 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 is due to be reported on in February when further information will be available.

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

No update for quarter 3 (to end December 2011) is available. Last month it was reported that the Domestic Abuse Partnership Manager is currently reviewing all repeat referrals and non-engagements for quarter 1 in 2011/12 to better understand the issues and identify any emerging trends. This work is ongoing, but data irregularities have since been discovered and are currently being investigated. 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 December	Actual end of December
ES	57	50	56	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	49	63	48 schemes to budget and time.	48 schemes to budget and time.
CD	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
ES	<p>An underspend of -£1.7m is currently being forecast for ES' capital programme in 11/12.</p> <p>Infrastructure Management & Operations is currently reporting a material variance at year-end (-£1.7m underspend) – as reported in May.</p>	

	<p>There are no new exceptions to report this month.</p> <p>See the ES Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CAS	<p>An underspend of -£2.6m is currently being forecast for CAS' capital programme in 11/12.</p> <p>Transformation Initiatives is currently reporting a material variance at year-end (-£1.2m underspend) – 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 -£373k is currently being forecast for CYPS' capital programme in 11/12.</p> <p>Secondary Schools – Adaptions: £522k overspend forecast t year-end.</p> <p>Primary Schools – New Communities is currently reporting a material variance at year-end (-£3.4m underspend)</p>	<p>This mainly relates to Comberton Village College improvements, which are progressing more quickly than anticipated. This does not represent an increase in the overall scheme costs.</p>

	<p>– as reported in August.</p> <p>Primary Schools – Demographic Pressures is currently forecasting a material variance (£1.9m overspend) - as reported in October.</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
CD	<p>An underspend of -£5m is currently being forecast for CD'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 Cambridge Office</u></p> <p>Better Utilisation of Property Assets (BUPA) Fenland Project is currently reporting a material variance at year-end (£844k overspend) – as reported last month.</p> <p>BUPA College of West Anglia (CoWA) Project is currently reporting a material variance at year-end (-£4.8m underspend) – as reported last month.</p> <p>Carbon Reduction is currently forecasting a material variance at year-end (-£505k underspend) – as reported in October.</p>	

	<p>There are no exceptions to report this month.</p> <p>See the CD Finance and Performance Report for details of individual variances (link provided in section 8.1).</p>	
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Service	Emerging Issues	Impacts and Actions
ES	None	
CAS	None	
CYPS	None	
CD	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 December	Actual end of December
Net borrowing activity from plan, £m	£352m	£345.9m
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.5m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£0.9m
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

Local Government Resources Review (LGRR)

- 7.1 The Government published a consultation on the future funding of local authorities on the 18th July 2011.

On the 19th December, in response to this consultation, the Secretary of State for Communities and Local Government, Eric Pickles, confirmed the Government's intention to push ahead with reforms to the way in which local authorities are funded.

The Government has provided further clarification on a number of technical issues and outlined areas which will be subject to further discussions or consultation.

For two-tier area the main change was around the share of business rate income between county councils and district/borough councils. In two-tier areas, Government considers that the lower tier has the greatest control over business growth and as such want to place the greatest reward/risk with them. Districts will therefore keep 80% of the growth in their areas.

The result is that it is likely that county councils will all become top-up authorities where their share of business rate income is topped up by an additional grant. The idea is that this will enable services to protect vulnerable people (adult social care and children's social services). Districts will now all be tariff authorities of varying degrees i.e. paying excess business rate income into a pool.

Work will be ongoing over the next 12 months to fully understand the impact of the changes as they are announced through the year.

Localisation of Council Tax Benefit

- 7.2 On the 16th December the Government announced its response to the above consultation along with a timetable outlining the next steps. The response confirmed arrangements for the development of local schemes and that support for council tax will become fully integrated into the council tax system and not the benefits system. Further consultations will take place over the next 12 months looking at issues such as the grant distribution methodology.

Again, work will be ongoing over the next 12 months to fully understand the impact of the changes as they are announced through the year.

Technical Reforms of Council Tax

7.3 The Government issued the above consultation last autumn and the closing date for responses was the 29th December 2011. The Government has yet to announce the outcome of the consultation, and so an update will be provided in a later report once this announcement has been made.

7.4 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
Local Government Resources Review (LGRR)	Risks/issues that arise with the proposed system are as reported in June. <i>Suggested actions:</i> <ul style="list-style-type: none">• A project is currently underway to understand the potential financial impact. This will be ongoing over the next 12 months with any findings reported as necessary.
Localisation of Council Tax Benefit and the Technical Reforms of Council Tax consultations.	These could significantly impact on council tax funding going forward. However, it is not know at this stage the level of this impact. <i>Suggested actions:</i> <ul style="list-style-type: none">• A project is currently underway to understand the potential financial impact. The findings resulting from this work will be reported once available.

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
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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 (December) CAS Budgetary Control Report (December) CYPs Budgetary Control Report (December) CD Budgetary Control Report (November) Performance Management Report & Corporate Scorecard (December) Capital Monitoring Report (December) Aged Debt per Directorate – as at 31 st December 2011	Room 301, Shire Hall, Cambridge
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