

**INTEGRATED RESOURCES & PERFORMANCE REPORT – OUTTURN 2009/10**

*To:* **Cabinet**

*Date:* **15<sup>th</sup> June 2010**

*From:* **Corporate Director: Finance, Property & Performance**

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

*Forward Plan ref:* **2010/041**

*Key decision:* **Yes**

*Purpose:* **This report:**

- **Details the performance of the Council for the 2009/10 financial year. The report follows the broad structure of the Integrated Resources and Performance Report submitted each month, but provides further detail in areas such as Schools, Reserves and Treasury Management Activities.**
- **Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.**

*Recommendation:* **That Cabinet:**

- i) **Note the revenue expenditure of Services in 2009/10, and in particular the delivery of a better than break-even position (section 3.4).**
- ii) **Approves the capital virement of £672k from the Better Utilisation of Property Assets (BUPA) programme to the Workwise scheme (see paragraph 5.2).**

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## 1. PURPOSE

- 1.1 To present financial and performance information for the financial year 2009/10.

## 2. BACKGROUND

- 2.1 A joined-up reporting mechanism has been adopted as part of a drive to understand finance and performance together. In an attempt to combine the most important parts of the separate finance and performance reports the integrated report is broken down into three sections:
1. Executive summary (section 3)
  2. Appendices showing performance data and financial tables (appendix 1 – appendix 6)
- 2.2 The executive summary provides a high level indicator of financial position across the 3 main themes: Income and revenue; resources and the capital programme. It also contains a summary of exceptions indicating areas of business that are underperforming and areas where performance is good.
- 2.3 The performance data reports on those indicators where the targets are likely to be missed, accompanied with an explanation of the reasons why.
- 2.4 Each measure, whether financial or performance, has been awarded a status based on a simplified three banding system.

<i>Good performance</i> performing above target, or spend in line with budget profile. No action required	<b>G - Green</b>
<i>Acceptable performance</i> but not yet at or above target, or spend is not fully in line with budget profile. Amber performance is cause for concern, especially near the end of the financial year. Director to investigate continued amber performance, especially if the Direction of Travel in performance or budgetary terms is downwards	<b>A - Amber</b>
<i>Investigate urgently</i> – action is required immediately if the target is going to be achieved. Executive Director/Corporate Director/Office Management Team (OMT) to investigate	<b>R - Red</b>

## 3. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

- 3.1 The following **performance** issues are of note:-
- It will be recalled that an end of year performance report based on the indicators in the corporate scorecard was presented to Cabinet/SMT on the 7<sup>th</sup> April 2010. This predicted that 63% of the National Indicator (NI) targets were likely to be met, compared to 73.9% in the previous year. The report suggested the reason for the drop in performance could be contributed to the impact of the recession and adverse weather conditions during February 2009. The report gave details of those targets that were likely to be missed and an explanation of the reasons why. This has been reproduced in appendix 1 for ease of reference.

- A full analysis of all the Council's NIs is currently being undertaken and a full final end of year report will be presented to Cabinet on the 5<sup>th</sup> July 2010.

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

- The approved Council Budget for the financial year 2009/10 was £325.8m. This was increased by transfers from carry forwards of £2.1m, making a total budget of £327.9m (see section 3.4).
- The overall position for 2009/10 was actual spending of £325.9m against the revised budget of £327.9m, resulting in an underspend of -£2m (-0.6% of the revised budget). Of this underspend, £0.480m is transferred to Carry Forwards and Other Reserves, in accordance with the Council's Constitution, and £1.5m is transferred to the General Reserve.
- In Environment Services (ES) an underspend of -£409k is being reported for 2009/10. This is mainly due to savings in Environment & Regulation (see appendix 2).
- In Community and Adult Services (CAS) an overspend of £530k is being reported for 2009/10. This is due to pressures in Adult Social Services (ASS) and Community Learning and Development (CLD). Further examination of the factors behind the overspend in ASS took place and as a result management actions were taken and a call against the Pressures and Developments Reserve of £1.3m was also made. Pressures in CLD arose mainly from declining income from Libraries and the underperformance of the School Library Service (see appendix 2).
- In Children and Young People's Services (CYPS) an overspend of £146k is being reported for 2009/10. This is mainly due to pressures within Strategy and Commissioning (see appendix 2).
- In Corporate Directorates (CD) an underspend of -£436k is being reported for 2009/10. This is due to specific actions to hold costs and reclaim rebates. Much of this additional benefit will be applied to the Workwise and Shared Service's target savings (see appendix 2).
- In Corporate Directorates – Financing an underspend of -£1.8m is being reported for 2009/10. This is due to savings on Debt Charges, resulting from further improvements to Treasury Management and the net impact of increases in costs on certain capital projects and revised phasing of other capital projects (see appendix 2).
- Spending on the council's overall capital programme has proceeded slower than estimated in 2009/10 (see section 5).
- Cabinet is asked to approve the capital virement of £672k from the Better Utilisation of Property Assets (BUPA) programme to the Workwise scheme (see para 5.2).
- As at the 31<sup>st</sup> March 2010, the overall level of Council debt was £13.8m, which is £1.8m (15%) above the target level (see section 10).

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

Although the economy has recently emerged from recession the accumulated public deficit is significant and significant cuts in public sector spending are probable from 2011/12 onwards.

There have been no significant direct impacts of the recession on the Authority's financial performance in 2009/10. There is some concern that interest rates, and as a consequence debt charges, will begin to rise from the third quarter of the next financial year and as a result small changes in the loans portfolio have been made to secure medium-term interest rates on loans.

### 3.4 Revenue Income & Expenditure Summary

(1)  Services	(2)  Revised Budget  £'000	(3)  Application of Carry Forwards  £'000	(4)  Total Funds (2)+(3)  £'000	(5)  Actual Spending  £'000	(6) (7)  Variation		(8) (9) Transfer to (+) / from (-):- Carry Forwards & Other Reserves General Balances £'000	
					£'000	%	£'000	£'000
Environment Services	54,709	-65	54,644	54,235	-409	-0.7%	720	-311
Community & Adult Services	151,881	1,228	153,109	153,639	530	0.3%	-530	
Children & Young People's Services	94,317	-231	94,086	94,232	146	0.2%	-146	
Corporate Directorates:								
- Direct & Support Services	4,722	1,187	5,909	5,474	-436	-7.4%	436	
- Financing & Debt Charges	26,712		26,712	24,899	-1,813	-6.8%		1,813
<b>Total Service Spending</b>	<b>332,341</b>	<b>2,119</b>	<b>334,460</b>	<b>332,478</b>	<b>-1,982</b>	<b>-0.6%</b>	<b>480</b>	<b>1,502</b>
Financing Items	-6,507		-6,507	-6,507	0	0.0%		
<b>Total Spending 2009/10</b>	<b>325,834</b>	<b>2,119</b>	<b>327,953</b>	<b>325,971</b>	<b>-1,982</b>	<b>-0.6%</b>	<b>480</b>	<b>1,502</b>

**Notes:-**

1. Key to column 6: + signifies overspend or reduced income, - signifies underspend or increased income.
2. The Environment Services (ES) variation in column 6 includes Winter Maintenance, Waste – Private Finance Initiative (PFI) Contract and Priority Investments, where specific arrangements for over/under spends exist. Excluding these items the underlying position for ES is -£257k underspend.
3. Revised budgets include Corporate Allocations, which move “overhead” costs from Corporate Directorates to front-line services.

### 3.5 Capital Programme Summary

Revised Budget £m	Capital Summary	Actual Outturn 2009/10 £m	Outturn Variance 2009/10 £m	Overall Status	DoT
163.6	Total Capital Spending	144.0	-19.6	A	↑
44.4	Total General Financing	32.3	-12.1	G	↑
119.2	Total Specific Financing	111.7	-7.5	G	↑
	Unsupported Expenditure (Funding Difference)	0.0	0.0	G	↔
163.6	Total Capital Financing	144.0	-19.6	A	↑

## 4. SCHOOLS

4.1 Since 2006/07, funding for schools was transferred from the County Council revenue support grant to the Dedicated Schools Grant (DSG). As well as funding individual school budgets (known as ISB), it also funds a range of central support services for schools. Cambridgeshire receives an allocation of funding per pupil and works with Cambridgeshire Forum to decide the allocation of the DSG.

4.2 Total schools balances as at 31<sup>st</sup> March 2010 are as follows:

	<b>31<sup>st</sup> March 2009</b>	<b>31<sup>st</sup> March 2010</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Nursery Schools	0.4	0.4	0.0
Primary Schools	12.0	10.7	-1.3
Secondary Schools	0.7	-0.3	-1.0
Special Schools	0.9	0.3	-0.6
<b>Sub Total</b>	<b>14.0</b>	<b>11.1</b>	<b>-2.9</b>
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	5.5	6.7	1.2
Schools In Partnerships Fund	-0.1	0.0	0.1
<b>TOTAL</b>	<b>19.4</b>	<b>17.8</b>	<b>-1.6</b>

It should be noted that further to the DSG, schools balances include funding from the School Standards Grant (SSG), Post 16 funding and various Standards Fund grants.

The change in schools balances can be attributed to a number of reasons:

- Increased awareness of the balance control mechanism and increased challenge to schools.
- Some schools that have been saving for a capital related project that will be part funded by revenue balances have transferred the required balances to a ringfenced capital fund when project costs are known.
- Increase in deficit budgets within the secondary sector due to pressures in individual schools. Work is ongoing with those schools in deficit to ensure robust recovery plans are in place.

4.3 Analysis will be undertaken to look at the individual changes in balances and appropriate challenge given to those schools in a deficit position and those with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.

4.4 Schools retain balances for a number of reasons and as part of the Balance Control Mechanism the local authority first requires schools to separate out their balances between committed and uncommitted funds. Any uncommitted balances in excess of 5% (secondary) or 8% (primary/special) of the school's budget share is considered excessive and will be subject to claw-back.

4.5 The balances can be further analysed in the tables overleaf:

<b>Sector</b>	<b>Schools with Reported Deficit Balances as at 31<sup>st</sup> March 2010</b>	<b>% of Schools with Deficit Balances</b>
Nursery	0	0%
Primary	6	3%
Secondary	13	43%
Special	4	50%
<b>Total Schools</b>	<b>23</b>	<b>9%</b>

Value of revenue deficits at 31<sup>st</sup> March 2010:

<b>Deficit</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£500k+	0	0	1	0	<b>1</b>
£300k - £500k	0	0	2	0	<b>2</b>
£100k - £300k	0	0	4	2	<b>6</b>
£60k - £100k	0	0	2	1	<b>3</b>
£20k - £60k	0	0	2	1	<b>3</b>
£10k - £20k	0	2	1	0	<b>3</b>
£1k - £10k	0	4	1	0	<b>5</b>

Value of surplus revenue balances held by schools at 31<sup>st</sup> March 2010:

<b>Surplus</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£0k - £10k	0	6	1	0	<b>7</b>
£10k - £20k	0	8	2	0	<b>10</b>
£20k - £40k	1	52	1	0	<b>54</b>
£40k - £70k	2	79	1	0	<b>82</b>
£70k - £100k	3	35	4	0	<b>42</b>
£100k - £130k	0	9	3	0	<b>12</b>
£130k - £160k	0	4	0	0	<b>4</b>
£160k - £200k	0	1	1	2	<b>4</b>
£200k - £300k	0	1	0	2	<b>3</b>
£300k - £400k	0	0	3	0	<b>3</b>
£400k+	0	0	1	0	<b>1</b>

Please note: the figures in 4.2 and 4.5 are based on the year-end returns from schools. However, following further validation of the CFR returns the final information on Schools balances published by the Department for Education may differ slightly.

## **5. CAPITAL PROGRAMME**

- 5.1 Spending on the overall Council's capital programme is currently proceeding slower than estimated with planned deferrals and delays in the Schools and Better Utilisation programmes more than offsetting increased spend in the Transport programme. It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value (the detail can be obtained by referring to appendix 5).

## Capital Virement

- 5.2 The Workwise scheme, within Corporate Directorates, is expected to have a final overspend of £672k, with £636k already incurred in 2009/10 and a further £36k due in 2010/11. The Corporate Director: Finance, Property and Performance has agreed in principle that this should be covered by the Better Utilisation of Property Assets (BUPA) programme. Cabinet are therefore asked to approve the proposed capital virement of £672k from BUPA to the Workwise scheme.

## **6. BALANCES**

- 6.1 Balances (the general reserve) as at 31<sup>st</sup> March 2010 are £8.7m as set out below:

<b>County Fund Balance</b>	<b>2008/09 Final Outturn £m</b>
<b>Balance as at 31<sup>st</sup> March 2009</b>	9.453
<b>Changes Arising:-</b>	
Funding for Pressures & Developments Reserve	-2.260
Winter Maintenance	-0.311
Debt Charges	1.813
<b>Balance as at 31<sup>st</sup> March 2009</b>	<b>8.695</b>

- 6.2 As a minimum it is proposed that General Reserves should be no less than 2% of the non-school spend of the Council. At present, General Reserves are 2.7% of net revenue expenditure. This has been taken account of and dealt with as part of the Integrated Planning Process (IPP) process for 2010/11, so that this balance will be 2% in future years.

## **7. REVIEW OF OTHER RESERVES**

- 7.1 The Council reviews the final level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the Integrated Planning Process (IPP). Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in Appendix 4 and specific commentary, where necessary, can be found below:
- 7.2 The Invest to Transform (ITT) Fund provides interest free loans to services (other than schools) to pump-prime revenue schemes where investment will permit savings or increases in performance, which will enable the loans to be repaid. In addition to this, non-repayable loans, from which funding is then top-sliced from future Integrated Planning (IP) rounds, have also been made available to services. The balance on this fund as at 31<sup>st</sup> March 2010 is £2.3m. When all loans are repaid (2014/15), the balance on the ITT fund is £5.5m (including the individual Service allocations of the fund).

## **8. EFFICIENCY**

- 8.1 During the 2007 Comprehensive Spending Review (CSR), which covers the financial years of 2008/09 to 2010/11, Council is required to report on Value For Money (VFM) gains, under National Indicator 179 (NI 179). NI 179 was defined as: the total net value of ongoing

cash-releasing Value for Money gains that have impacted since the start of the 2008-09 Financial Year.

- 8.2 The Council is required to achieve slightly more than 3.0% of VFM gains per year using an adjusted 2007/08 net service expenditure as the baseline. This equates to a target for the Council of ongoing VFM gains in excess of £11m each year resulting in a cumulative target of £38.1m ongoing VFM gains by 2010/11. The target figures below have been revised in line with baseline expenditure figures supplied by Communities and Local Government (CLG).

Council has set a budget in excess of the target figure defined by Government within the CSR, with progress against the three-year target and budget as follows:

<b>Year</b>	<b>Target (Revised) £'000</b>	<b>Budgeted Position £'000</b>	<b>Outturn Position £'000</b>
2008/09	11,098	11,363	11,361
2009/10	11,467	14,511	12,325
2010/11	15,536	18,754	-
<b>Total</b>	<b>38,101</b>	<b>44,628</b>	<b>23,686</b>

On this basis the Council has exceeded the second year's Government target by £858k, and exceeded their cumulative target to 2009/10 by £1,121k.

Overall, the total savings that were required in 2009/10 in order to balance the budget were £18.4m. The savings reported within this section are only the ones that meet the NI179 criteria. Further details on the Council's efficiency gains are shown within Appendix 6.

## 9. TREASURY MANAGEMENT ACTIVITIES

- 9.1 This section summarises the expenditure and income for debt financing, which is held as a central budget within the Corporate Directorates, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variation £'000</b>
Interest Payments	11,840	10,261	-1,579
Interest Receipts	-	-147	-147
Loan Repayments	14,628	14,402	-226
	<b>26,468</b>	<b>24,516</b>	<b>-1,952</b>

- 9.2 Interest payments were underspent as a result of debt levels and interest rates remaining below the level assumed in the budget for the year. It should be noted that the variance shown here differs to the total indicated in the CD table (appendix 2 note ix), as that budget includes a number of items outside the CIPFA definition.



9.3 The change in the authority's loan debt over the year was as follows:

	<b>1<sup>st</sup> April 2009 £'000</b>	<b>Loans Raised £'000</b>	<b>Loans Repaid £'000</b>	<b>31<sup>st</sup> March 2010 £'000</b>
Long-Term Debt	213,338	95,000	41,195	267,143
Temporary Debt	8,500	29,450	8,500	29,450
	221,838	124,450	49,695	296,593
Less Investments	-			-
<b>Net Debt</b>	<b>221,838</b>			<b>296,593</b>

The increase in net debt is partly due to new loans being raised as one source of financing the capital programme.

- 9.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.4%. Temporary debt consists of loans for periods of less than one year, and interest paid on temporary debt approximates to the bank base rate which was 0.5% over the year.
- 9.5 Each year the authority must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2009/10 compares with approved limits as follows:

	<b>Approved £'000</b>	<b>Actual £'000</b>
<b>Financing Costs</b>		
% of Net Revenue Expenditure	9.0%	7.5%
Authorised Limit for Debt	433,082	296,593
Operational Boundary for Debt	403,082	296,593
<b>Interest Rates Exposure (as % of total debt)</b>		
Fixed Rate	80 – 100%	100%
Variable Rate	0 – 20%	0%
<b>Debt Maturity (as % of total debt)</b>		
Under 1 year	0 – 40%	10%
1 – 2 years	0 – 20%	3%
2 – 5 years	0 – 20%	0%
5 – 10 years	0 – 20%	5%
Over 10 years	50 – 90%	82%

- 9.6 Financing costs are below the approved limit because of the underspend on debt charges, and all debt levels are within the approved limits.

## 10. DEBT MANAGEMENT

### 10.1 Summary:

The 2009/10 cash target for debts over 6 months was met. With further improvements in the final month of the financial year the year-end position was £856k against the target figure of £1,060k.

Although the debt figure within the 4-6 month category remained above the target level, showing £479k against a target of £430k, a payment of £84k was received on the 1<sup>st</sup> April 2010 just missing the 31<sup>st</sup> March 2010 deadline.

#### 10.2 Community and Adult Services (CAS):

Overall balances for over 90 days old debt reduced by £186k in the last month, which ensured that the cash targets for debt over 6 months and 4-6 months were achieved. The final position recorded £827k against a target of £950k and £270k against a target of £355k respectively.

During the year various strategies were developed as part of the overall Debt Recovery Plan. As a result, good progress was made within all parts of the portfolio, in particular, as a direct result of ongoing work on Probate cases the Debt Team have been able to get confirmation of payments (via Solicitors of £132k - £56k of which was received in April 2010).

#### 10.3 Environment Services (ES):

Throughout the year the ES cash position has been adversely affected by outstanding developer debt contributions. The delays in payment have mainly affected the medium term position with the year-end position being £168k above the target level of £20k. Conversely the over 6 month's position was within target.

The Debt Team have worked alongside fellow professionals to get settlement of developer types debts. At year-end outstanding debts of £173k were subject to specific legal action, with £84k being received just after year-end.

Other areas of ES (Environment & Regulation and Highways & Access) had minimal balances for debt over 90 days at year-end.

#### 10.4 Children and Young People's Services (CYPS):

CYPS met both of their cash targets, returning a final position of £22k against the combined target of £80k. Good progress was made in the final month of the year by reducing PCT and Schools balances to minimal levels.

#### 10.5 Corporate Directorates (CD):

Similar to CYPS, Corporate Directorates met both of their cash targets returning a final position of £22k against a combined target of £75k.

### 11. STATUTORY DUTIES & PARTNERSHIP WORKING

- 11.1 There is no direct legislation or legal requirements that need to be adhered to for this report. There are also no significant issues that arise in relation to partnerships.

### 12. CLIMATE CHANGE

- 12.1 There are no direct climate change implications stemming from this report.

### **13. ACCESS & INCLUSION**

13.1 There are no significant issues arising from this report in relation to access & inclusion.

### **14. ENGAGEMENT & CONSULTATION**

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

#### **SOURCE DOCUMENTS:**

ES Budgetary Control Report (Outturn). CAS Budgetary Control Report (Outturn). CYPS Budgetary Control Report (Outturn). CD Budgetary Control Report (Outturn). Capital Monitoring Report (Outturn). Performance Management Report and Corporate Scorecard (Outturn). Aged Debt per Directorate – as at 31 <sup>st</sup> March 10.	Room 301, Shire Hall, Cambridge
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## APPENDIX 1: Indicators that are predicted to miss target 2009/10

Indicator	Current performance	Predicted end of year performance	Target	Direction of travel (performance predicted to be better or worse than last year)
NI008 Adult participation in sport and active recreation	22.3% (Dec 09) <b>R</b>	Miss target	24.7%	↑
With the exception of South Cambridgeshire, performance is falling below the target in the other districts and county area. This is due to the impact of the recession on people's discretionary spend which has had a major effect on reducing both membership of sports clubs and people's ad-hoc visits to sports centres. Attempts have been made to focus on delivering a number of key initiatives to encourage people to participate in sports such as enhanced local authority marketing of leisure centres. However a shortage of resource for such initiatives has limited their impact.				
NI115 Substance misuse by young people	9.6% (actual 09/10) <b>A</b>	9.6%	9.1%	↑
Our performance improved since last year by 0.2% points against a national reduction in performance of 0.7 % points. Our national ranking amongst all England LAs has risen from 76th in 08/09 to 62nd in 09/10 and we are now 2nd amongst our statistical neighbours.				
NI148 Care leavers in EET	65.5% (Jan 10) <b>R</b>	Miss target	73%	↑
The continuing difficult economic environment remains challenging, but our performance is still above both our statistical neighbours and the national average. Work on the Cambridgeshire Apprenticeship Scheme is continuing and will provide potential employment and training opportunities (up to 30) for young people including care leavers. The "National Employability Scheme" now known as "Care 2 Work" is a new national initiative targeted at young people in and from care". A new working group is now formed to take forward Cambridgeshire's interest in this initiative.				
NI155 Number of affordable homes delivered	926 homes (actual 09/10) <b>A</b>	926 homes (actual)	960 homes	↑
The 2009/10 outturn was just short of (4% below) the 960 target. A couple of individual sites have experienced delays to completions so a number of affordable homes will complete in 2010/11 rather than 2009/10. This is a matter of timing rather than delivery and the homes will still be completed in the very near future, and we remain on-track to achieve the renegotiated 2010/11 LAA target of 1,146.				
NI169 Non principal roads where maintenance should be considered	7% (actual 09/10) <b>R</b>	7% (actual)	6%	↓
Subject to confirmation of the provisional 7% figure, the Council's challenging 2009/10 target of 6% was not achieved. As a result of the cold spell in February 2009 there was a marked deterioration of the non principal road network. However, in both absolute and relative terms our performance remains very good, and should still place us in the top quartile of all county councils.				
NI152 Working age people on out of work benefits in	13.4% (Jun 09) <b>R</b>	Miss target	11.5%	↓

Fenland (LAA)				
Increasing numbers on Jobseeker's Allowance and other benefits because of the recession mean that this target will not be achieved. Increases have been seen across the East of England and nationally. LAA target renegotiated for 2010/11 to one of maintaining 3.6% points between Fenland and regional average.				
NI163 Working age population qualified to at least Level 2	73.4% (08/09) <b>A</b>	Miss target	75%	Cannot be calculated because only measured annually
The recession (and particularly the drop off in apprenticeships) is the reason why rate has not continued to increase at pre-recession levels				
NI171 New business registration rate	89% (08/09) <b>R</b>	Miss target	101%	Cannot be calculated because only measured annually
Recently released figure for 2008 shows poor performance. Reduction in availability of finance for business has been a large factor in businesses' lack of growth - particularly in the high-tech sector. To reflect this the target for 2010/11 re-negotiated down to 98%.				
NI192 Household waste recycled and composted	51.31% (Dec 09) <b>R</b>	Miss target	55%	↑
This is an area where we perform very well. In 2008/09, Cambridgeshire was second performing County Council on this indicator - just 0.01% behind Leicestershire. Prevailing weather conditions over the summer saw lower than anticipated composting. Although the opening of the MBT plant will have a positive impact, as will the changes to kerbside collection by the City Council, it is doubtful whether the full effects of these will be enough to achieve the 2009/10 target. To put this in context, the target we set ourselves was 10% higher than the national target and is a sign of our ambition. Our performance continues to be high, as evidenced by our work on recycling (being the only green flag within the CAA assessment last year). The changes mentioned above should continue to keep us as lead authority.				
LI025 Sickness absence	7.67 days per staff member (Mar 10) <b>A</b>	7.67 days per staff member	7.4 days per staff member	↑
The Council's 2009/10 target excluding schools is unchanged at 7.4 days, which is ambitious, as the actual for each year since 2001/02 has been above this. In fact actual sickness to date this year is at its lowest since 2001/02, which is a direct result of proactive application of the absence management procedures by line managers (with support from HR), including return to work interviews following every period of absence, using trigger points to identify unacceptably high levels of absence, obtaining professional support via the Council's Occupational Health and Staff Counselling providers and timely use of management information to enable 'hot spots' or trends to be targeted for action.				
LI068 Overall satisfaction of website customers	39% (Feb 10) <b>A</b>	39%	40%	↑
Net satisfaction this month was 39%, well above the national average of 33%. The recent report "SOCITM Better connected 2010" shows that nation wide "levels of satisfaction with visiting council websites have dropped again, this time by over 11% on top of last year's 10%". By comparison we are doing very well. This rating is based on feedback from those customers who choose to submit comments on the pop-up questionnaire (on average about 600 responses/month). Whilst numbers are low, the comments are relevant and an action plan has been developed with the appropriate services to address the concerns raised. A wider Internet Improvement Project is taking place within Service Transformation to identify key website customer tasks and optimise the site to improve the quality of their user experience when completing these. Note that a net satisfaction of, for example 30% would not indicate 70% dissatisfaction: it is a net satisfaction rate of 30% better than "okay" achieved by subtracting the percent dissatisfied responses from positively satisfied responses, and disregarding those customers who felt their experience was "okay".				

## APPENDIX 2: Income & Expenditure Position by Service

### Environment Services (ES)

ES has underspent by -£409k in 2009/10. This represents -0.7% of net expenditure.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2009/10 £'000	2009/10 Outturn £'000	2009/10 Outturn %	Overall Status	D o T
-27	Executive Director		2,515	-27	-1.1%	G	↔
137	Highways & Access	i	28,752	137	0.5%	A	↔
-108	Growth & Infrastructure	i	1,942	-108	-5.6%	G	↔
-643	Environment & Regulation	i, ii	9,390	-643	-6.8%	G	↔
0	External Grants		-3,484	0	0.0%	G	↔
<b>-641</b>	<b>Total Office Funded Items</b>		<b>39,115</b>	<b>-641</b>	<b>-1.6%</b>	<b>G</b>	<b>↔</b>
311	Winter Maintenance	iii		311		A	↔
-79	Waste PFI	iv	15,529	-79	-0.5%	G	↔
<b>-409</b>	<b>Total</b>	<b>v</b>	<b>54,644</b>	<b>-409</b>	<b>-0.7%</b>	<b>G</b>	<b>↔</b>

The key issues for the 2009/10 financial year are:

#### Priority Investments

- i. Four of the priority investments that were agreed as part of the Integrated Planning Process (IPP) have not spent all the funding allocated in this financial year due to slippage of the schemes, in some cases due to delayed Government Guidance (Pitt and Economic Assessment). However, the funding is still required for all these schemes, Community Transport schemes within Highways and Access, the A14 Inquiry within Growth and Infrastructure and the Pitt Review (Floods and Water Bill work to be used for future pump priming) and Economic assessment both within Environment and Regulation. The unspent monies at year-end are -£88k, -£108k, -£165k and -£23k respectively. This unused funding has been carried forward to 2010/11 by the use of the Service operational savings fund.

#### Environment and Regulation

- ii. The Waste - Residual budget has underspent by -£286k. Budgets were set for District Council Recycling Credit payments based on forecasts of a continuing increase in the tonnage of dry recyclates collected. Tonnage has been significantly lower than predicted - Recycling Credit payments have reduced and the budget has underspent. Similarly, a significant drop in compost tonnages (likely linked to the dry growing season in late spring 2009), has resulted in reduced payments under the Marshalls (Huntingdonshire green waste) contract. Other factors have further contributed to the variance – for example, the service has received a business rate rebate on St. Neots Recycling Centre.

### Winter Maintenance

- iii. The Winter Maintenance budget has overspent by £311k due to the pro-longed cold weather this winter. This overspend is covered from the Council's General Reserve.

### Waste PFI

- iv. Waste PFI has underspent by -£79k in total. The Waste PFI contract has benefited from the actual indexation on the contract being less than that projected when the budget was set (with the recession having a substantial impact on the basket of indices used).

Agreement has been reached with the contractor in relation to the new Treasury legislation in September 2009 of charging landfill tax on (the 'oversize' compost used as) day cover for landfill. The cost of this has been absorbed by the Waste Residual budget in this financial year. The latest position on this pressure is that the contractor has made significant progress on reducing the quantity of 'oversize' material produced and there remains scope for still further improvement, with an associated further reduction in the landfill tax bill.

The PFI underspend is due to landfill diversion from the Mechanical Biological Treatment (MBT) plant during commissioning. Whilst commissioning has continued to proceed to programme, the exact landfill reduction factor is still difficult to pin down as demonstrated by the lower than budgeted diversion in the first months of operation (a temporary situation as the plant is optimised).

### Total

- v. If the Priority Investments and Waste PFI Contract forecast underspends are excluded (as the Priority Investments have been carried forward to 2010/11 and the Waste PFI saving is transferred to the Corporate Pressures and Developments Reserve), along with the exclusion of the forecast overspend on Winter Maintenance, as this is offset by the use of the Council's General Reserve, the 'true' Office forecast underspend is - £257k.

## Community and Adult Services (CAS)

CAS has overspent by £530k in 2009/10. This represents 0.3% of net expenditure.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2009/10 £'000	2009/10 Outturn £'000	2009/10 Outturn %	Overall Status	D o T
-139	Executive Director	i	330	-139	-42.1%	G	↔
306	Adult Social Services	ii, iii, iv	161,373	314	0.2%	A	↓
358	Community Learning & Development	v	12,831	356	2.8%	A	↑
-1	Community Engagement		5,386	-1	0.0%	G	↔
<b>524</b>	<b>Total Expenditure</b>		<b>179,920</b>	<b>530</b>	<b>0.3%</b>	<b>A</b>	↓
0	External Grants		-26,811	0	0.0%	G	↔
<b>524</b>	<b>Total</b>		<b>153,109</b>	<b>530</b>	<b>0.3%</b>	<b>A</b>	↓

The key issues for the 2009/10 financial year are:

### Executive Director

- i. The Executive Director – CAS has realised an underspend of -£139k at year-end. £132k of which is the Service's operational savings reserve brought forward from 2008/09, which has been applied in year in order to absorb some of the overspend within the Service.

### Adult Social Services

- ii. The Director of Adult Support Services has underspent by -£2.5m. Savings have been achieved on a budget set aside to cover potential redundancy costs during the restructuring of CAS, as this was delayed. £1.3m was also transferred from Corporate reserves to assist with the Older People's 2009/10 overspend.
- iii. Mental Health has underspent by -£151k. This is mainly due to slippage in staffing budget, with recruitment of social workers being more difficult than anticipated.
- iv. Older People Services has overspent by £3.2m. The final overspend for the Pool is £5.0m (5%) (with the council's share being £3.2m), due to overspending on Domiciliary Packages, Direct Payments and Residential Payments. The cost has increased by 6% from 2008/09 and has been predicted since the Autumn.

All partners have worked together to undertake a detailed analysis of the activity underlying the current overspend. This includes checks on any possible double-counting, the assumptions that have been made around attrition through the year and comparisons of the new demand in 2008/09 and 2009/10. An action plan to manage down the projected overspend was developed and officers from all partners have worked on the implementation of this action plan. The plan has only prevented the



overspend increasing. In addition, action is being taken across Adult Support Services to reduce expenditure wherever possible in order to contribute to offsetting the Council's responsibility in respect of the overspend.

#### Community Learning and Development

- v. Libraries have overspent by £273k. This is mainly due to the late opening of the Central Library, the general decline in income and the continued decline of the use of the School Library Service by County schools. This service was closed on the 1<sup>st</sup> April 2010. Following the dispute with Verry Construction Ltd (Central Library), a claim of c.£500k (current estimate) will be put forward to the adjudicator related to loss of income and extra storage costs. These costs currently sit on the balance sheet, so if in a future year the claim proves unsuccessful, this will become an additional pressure in that year.

## Children and Young People Services (CYPS)

CYPS has overspent by £146k in 2009/10. This represents 0.2% of net expenditure.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2009/10 £'000	2009/10 Outturn £'000	2009/10 Outturn %	Overall Status	D o T
-844	Executive Director	i, ii, iii	20,084	-941	-4.7%	G	↑
-242	Learning	iv, v, vi, vii	18,197	-245	-1.3%	G	↑
2,045	Strategy & Commissioning	viii, ix, x, xi, xii, xiii, xiv	63,954	2,056	3.2%	A	↓
-496	Children's Social Care	xv, xvi, xvii, xviii	34,976	-493	-1.4%	G	↓
-333	Children's Enhanced & Preventative Services	xix, xx, xxi	27,303	-231	-0.8%	G	↓
<b>130</b>	<b>Total Expenditure Including Grant Funded Spend</b>		<b>164,513</b>	<b>146</b>	<b>0.1%</b>	<b>A</b>	↓
0	Grant Funded Spend		-70,427	0	0.0%	G	↔
<b>130</b>	<b>Total</b>		<b>94,086</b>	<b>146</b>	<b>0.2%</b>	<b>A</b>	↓

The key issues for the 2009/10 financial year are:

### Executive Director

- i. At the beginning of the financial year, CYPS put in place a strategy to meet pressures arising across the Service. This strategy included the application of reserves and the identification of compensating savings. A key part of the strategy was to take all savings arising from unplanned vacancies. The following savings were removed from services as a result of unplanned vacancies: Director of Learning £254k; Director of Strategy and Commissioning £121k; Director of Children's Social Care £325k; and Director of Enhanced and Preventative Services £845k. These savings funded £512k of agreed pressures at the start of the year. The remaining balance shows as an underspend of -£1,033k on Central Financing, offsetting pressures in other areas of CYPS.

In addition, the removal of all amounts reserved at the end of 2008/09 which have not subsequently been needed released £195k, and £258k provided for inflation for salaries has been retained centrally to offset pressures. A further £131k of savings have been achieved mainly through the over recovery of contributions from grants (£55k) and savings on central legal, consultancy and other costs.

- ii. Teachers' Pensions has overspent by £765k. The number of pension payments made to individuals has increased slightly, but the main cause for the large overspend is that the size of these payments has more than doubled. In 2008/09 the average payout was £16,473 and in 2009/10 the average has increased to £40,542. This increase can be

attributed to the type of job role being made redundant and the amount of years service those employees have had. In 2009/10 there has been an unusually high number of senior teachers leaving on grounds of redundancy, plus posts being lost in Education other than at School (EOTAS). Actuarial costs for teaching posts are significantly higher than for support staff posts and as more schools move into deficit, it is anticipated that the costs will continue to rise.

A further £30k is attributed to an increase in the number of Health Checks being carried out, which is a result of more referrals being made to help reduce the number of staff on sick leave.

- iii. The Redundancy budget has underspent by -£94k. This budget is demand led with spend dependant on the level of redundancies in schools and central services. In 2009/10 less funding has been required than was available in the budget.

### Learning

- iv. Standards & Effectiveness 3-11 has underspent by -£101k. This saving has resulted from: a -£42k underspend arising as a result of a balance remaining after schools have made their last claim for NQT monies; a -£22k underspend as a result of the change in treatment of the Basic Skills funding and the transfer of the responsibility for this to schools; £28k of ABG funding for the extended schools programme not being spent due to delays in the roll out; and a -£17k underspend on intervention consultancy. Sundry minor overspends in other areas brings the total underspend to -£101k.
- v. Standards & Effectiveness 11-19 has underspent by -£172k at year-end. -£54k of this has arisen from the reduction in costs on Individual Learning Plans and -£6k from savings achieved on the procurement of the 14-19 prospectus. -£25k is from Ceblo, which is due to Ceblo partners not being able to increase the level of activity delivered in school, and -£77k is due to underspends on ABG Flexible Funding for 14-19. Sundry minor underspends make up the remaining balance of -£10k.
- vi. Grafham Water has closed the year with an outturn deficit of £163k mainly due to predicted income being significantly below expectations of extended centre capacity set out in feasibility studies prepared before the economic downturn. Bookings during the summer term of 2009 increased against previous bookings because of extra capacity (although not as much as had been projected). Bookings during the autumn and spring terms 2010 have been below previous years and have been affected by the disruption in booking patterns due to the closure in 2008/09.

It has been agreed that repayments of the Development Loan and Prudential borrowing will be delayed until 2011/12.

- vii. Professional Centre Services has underspent by -£54k. Having streamlined the service over the past 3-4 years, Professional Centre Services is now making a surplus. Also, given last year's economic climate the service maintained pressure on expenditure in case income targets were not reached; this resulted in a significant over-recovery in 2009/10. In view of the good performance over the past 3 years, Professional Centre Services will be reducing room prices to internal customers by 5% in the next financial year (2010/11), and will also cease charging internal customers for additional equipment such as multi-media projectors and lap-tops.

## Strategy & Commissioning

- viii. Strategic Management – Strategy and Commissioning has underspent by -£339k, which reflects the input of additional Standards Funds monies to meet related costs across the Directorate.
- ix. Catering and Cleaning Services (CCS) have ended the year with a deficit of £252k due to:
- Primary catering income falling short of budgeted sales targets for paid meals.
  - Supplying more free meals than planned, with no additional funding.
  - Secondary school Service Level Agreement (SLA) staffing and provision costs exceeding budgets. Management have re-negotiated the basis of a number of SLAs, which improved the contribution from September.

Cleaning Services achieved additional contribution above budget, which partially offset the Catering deficit.

- x. Groomfields has an outturn deficit of £96k for 2009/10. The current economic climate has impacted on projected income streams and costs of service provision have risen at above inflationary levels. The service is limited as to the extent that these costs can be passed on to customers. A fundamental review of the service has taken place and a consultation on the future of the Service has been undertaken. The Service has been absorbed within the management structure of CCS with the deletion of a number of management posts. A prerequisite of the review was that the ongoing elements of the service would at least break even.
- xi. Home to School Transport - Mainstream has underspent by -£549k. A significant part of this underspend relates to inflation assumptions for 2009/10 being higher than the 0.9% awarded to existing contractors. There have also been large increases in the amount of income generated by the team through the sale of spare seats (this is now assumed to be at maximum capacity).

£60k of the underspend is due to the taking back of the post-16 transport administration from Peterborough Regional College in September, saving the administration fee previously payable, and savings made on some of the tendering operations.

- xii. Placements – Education has overspent by £627k. £120k of this is as a result of 4 children not leaving placements at the end of the summer term as expected. A number of placements have had to be made in relatively expensive provision, compared to average assumptions of cost and along with unplanned changes in provision to budgeted pupils these have added further costs of £91k. Finally, the use of Support and Tuition centres for young people in Education other than at School (EOTAS) provision has been higher than anticipated.
- xiii. At the end of 2009/10 the Placements – Social Care budget, which funds placements in the voluntary and independent sectors, has overspent by £1.8m. 290 children were in such placements on 1<sup>st</sup> April 2010 compared to 223 children at the end of 2008/09 (an increase of 30%). This rapid growth has also been accompanied by growth in the complexity and associated costs of the placements needing to be made.

Demography funding for 2009/10 was based on anticipated growth in costs of 14% across the year. At the end of March total placements were 290 compared to 247 budgeted places at this stage of the year (a further increase of 17%).

- xiv. Learning Difficulties and Disabilities Services has overspent by £204k, which is due to increased demand/costs for therapy for children with statements particularly in special schools.

#### Children's Social Care

- xv. Strategic Management - Children's Social Care has underspent by -£102k as a result of uncommitted Children Looked After, disability and employment opportunities funding. This has been held to offset the overspend on the Placements – Social Care budget.
- xvi. A -£264k underspend has arisen on Legal Proceedings due to internal income received in response to legal costs in relation to cases which have not yet reached their conclusion at year-end and for over recovery of legal costs. Changes to the system for charging legal costs are being considered for next year, so that costs are charged as they are incurred, reducing the need for year-end adjustments.
- xvii. 16+ and Leaving Care budget has underspend by -£133k. This is due partly to a reduction in client spend throughout the year. The level of National Asylum Support Service income received was higher than expected and increased the underspend position by -£30k. Unaccompanied Asylum Seeker Children Leaving Care grant received to date was also £28k more than budgeted.
- xviii. Children's Commissioning is £69k underspent at year-end. Service Development ended the year -£38k underspent as spending was reduced to absorb social care pressures during 2009/10. Supervised Contact team have maintained a consistent workload during 2009/10 resulting in higher than budgeted income and producing an underspend of -£11k. Other sundry underspends totalling -£20k have arisen in the Emergency Duty Team and Carers grant.

#### Children's Enhanced and Preventative Services

- xix. Strategic Management - Enhanced and Preventative Services has underspent by -£62k as a result of saving targets across the Directorate. Underspends in Standards Funds budgets and one-off salary savings were identified to offset overspends across the Directorate, specifically EOTAS. As EOTAS outturn overspend was less than previously forecast due to higher income generation in Pilgrim Pupil Referral Unit for non-Cambridgeshire students, the funding identified in Strategic Management now remains as an underspend.
- xx. Special Needs Support Services has underspent by -£89k in total. This is made up of: a -£55k underspend in the Fit for School budget due to an effort to keep children in school resulting in fewer specialist teachers from this service being needed; a -£20k underspend in Access to Learning as a result of the manager post being vacant and therefore the work being on hold; and similarly with the -£14k underspend in Communications and Learning where fewer training courses have been run.
- xxi. Education other than at School (EOTAS) has overspent by £85k. Overspends have arisen in ConnectEd online schooling (£32k), which has now closed. There is a short period of cover for the existing pupils to finish coursework with two staff retained to cover this period to the end of July 2010. After this schools will seek to contract themselves with a private IT supplier using devolved funds. The Fenland Learner Centre (FLC) overspend (£44k) is due to the centre being partly empty due to internal staffing

instability, which has reduced income. This has led to a number of FLC young people being educated at the Fenland Support and Tuition Centre. There have also been overspends at Hunts Pupil Referral Unit (PRU) (£39k) and Hartford Support and Tuition Centre. Both the PRU and Hartford are reducing their costs significantly with the restructuring of staffing following the consultation process with Head Teachers under the devolvement process in Huntingdonshire. There has been an overspend on central EOTAS management costs of £66k, which has absorbed additional staffing costs and one-off items. These overspends have been partially offset by significant underspends in Pilgrim PRU where larger numbers of children from outside of Cambridgeshire have been educated generating additional revenue above that anticipated.

## Corporate Directorates (CD)

CD has underspent by -£2.2m in 2009/10. This represents -6.9% of net expenditure.

Previous Month's Outturn (Provisional) £'000	Directorate	Note	Budget for 2009/10 £'000	2009/10 Outturn £'000	2009/10 Outturn %	Overall Status	D o T
-201	Customer Services & Transformation	i, ii, iii	4,061	-205	-5.1%	G	↑
-119	Finance, Property & Performance	iv	-377	-119	31.6%	G	↔
-108	People, Policy & Law	v, vi, vii, viii	4,439	-111	-2.5%	G	↑
<b>-428</b>	<b>Gross Expenditure</b>		<b>8,123</b>	<b>-436</b>	<b>-5.4%</b>	<b>G</b>	<b>↑</b>
0	External Grant Income		-2,214	0	0.0%	G	↔
<b>-428</b>	<b>Sub Total</b>		<b>5,909</b>	<b>-436</b>	<b>-7.4%</b>	<b>G</b>	<b>↑</b>
	Financing Costs:						
-1,813	Debt Charges and Interest	ix	26,561	-1,813	-6.8%	G	↔
0	Restructure Support Costs		151	0	0.0%	G	↔
<b>-2,241</b>	<b>Total</b>		<b>32,621</b>	<b>-2,248</b>	<b>-6.9%</b>	<b>G</b>	<b>↑</b>

The key issues for the 2009/10 financial year are:

### Customer Services & Transformation

- Corporate Communications has overspent by £53k. This is due to increased distribution costs of the residents' magazine and a delay in modernisation in the service that would have enabled greater income generation.
- Service Transformation has underspent by -£104k. This is due to increased traded activity in Business Development.
- IT Services has underspent by -£107k. This is due to an over-recovery of income resulting from increased traded activity across the Service.

### Finance, Property and Performance

- The Service facing Finance and Performance Teams (ES, CAS & CD and CYPS) have a joint underspend of -£70k, which is due to staffing vacancies within the Services.

### People, Policy and Law

- The HR – ES, CAS and CD budget has overspent by £86k. This is due to salary pressures as a result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs.

- vi. The HR – CYPS budget has overspent by £51k. This is due to salary pressures as a result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs.
- vii. The Corporate Development Service have underspent by -£81k. This is due to staffing vacancies within the Organisational Development (OD) and Learning team and general efficiencies across the Service. These have been partially offset by additional staffing within the Corporate Policy team.
- viii. The Corporate Directorates Redundancy, Pensions and Injury budget, which is managed within People, Policy and Law, has underspent by -£71k.

#### Financing

- ix. Debt Charges and Interest has underspent by -£1.8m. This is due to lower than expected levels of borrowing and interest rates. Although the underspend increased by -£113k at year-end, the overall reduction to the forecast reported in previous months reflects the deliberate decision to convert some loans from short term rates to medium term rates to protect the long term interests of the authority if interest rates rise in future years.



### APPENDIX 3.1: Additional Income

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

Grant	Awarding Body	Directorate	Budget Book 2009/10 £'000	Balance at 31 March 2010 £'000	Change £'000
<b>Non ABG Grants</b>					
14-19 Provision	Learning Skills Council (LSC) / Department for Children, Schools and Families (DCSF) / East of England Development Agency (EEDA)	Learning	868	257	-611
CEBLO		Learning	0	177	177
Consortia Support Grant	DCSF	Learning	0	569	569
Dedicated Schools Grant (DSG)	DCSF	Schools	306,591	306,375	-216
Diploma Formula Grant	DCSF	Learning	0	652	652
Fair Play Pathfinder Revenue Grant	DCSF	Learning	0	214	214
Instrument Fund	Federation of Music Services (FMS)	Learning	0	80	80
Intensive Fostering	Youth Justice Board (YJB)	Social Care	0	200	200
Multi Dimensional Treatment Foster Care	DCSF	Social Care	0	229	229
Post 16 Partnership	DCSF	S&C	0	129	129
Practical Learning and Collaboration	LSC	Learning	0	80	80
Rural Access	DCSF	S&C	0	50	50
<b>Standards Fund</b>					
Aim Higher	DCSF	Learning	0	99	99
Early Years: extension of free entitlement	DCSF	S&C	1,068	1,149	81
Extended Schools - subsidy	DCSF	Schools	0	237	237
KS4 Engagement	DCSF	Learning	0	200	200
Targeted Improvement Grant	DCSF	Schools	300	510	210
National Challenge	DCSF	Learning	0	382	382
Primary Strategy – Targeted	DCSF	Learning	1,917	2,139	222
Secondary Strategy - Targeted	DCSF	Learning	551	1,147	596
<b>Sure Start Grant</b>					
Main Revenue (incl. Graduate Leader Fund, Children's Centres, Outcomes, Quality & Inclusion and Sufficiency & Access	DCSF	Learning / S&C / E&P	10,448	10,709	261
2 Year Old Offer Early Learning & Childcare	DCSF	S&C	0	102	102
Think Family	DCSF	E&P	0	295	295
Unaccompanied Asylum Seekers	UK Border Agency (UKBA)	Social Care	1,300	1,597	297
Workforce in Schools Modernisation & Development	Teacher Development Agency (TDA)	Learning	0	173	173

Grant	Awarding Body	Directorate	Budget Book 2009/10 £'000	Balance at 31 March 2010 £'000	Change £'000
Young Apprenticeship Fund	LSC	Learning	0	83	83
Youth Offending Grants	YJB	E&P	916	1,013	97

## APPENDIX 3.2: Virements

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

	£000	Notes	Month
Corporate Leadership Team (CLT) Restructure	3,421	Transfers between ES, CAS, CYPS and CD following the CLT Restructure.	May 09
Transfer of Environmental Education funding to CYPS	60	Delivering environmental education at a local community level - transferred from ES to CYPS.	May 09
Funding for the Teens & Toddlers Scheme (CYPS)	59	Use of Corporate Reserve to fund the Teens & Toddlers Scheme within CYPS.	Jun 09
Director of Strategy and Commissioning	226	Transfer of funding balance for the Building Schools for the Future (BSF) Project.	Jul 09
Pay Inflation Adjustment	2,075	Removal of pay inflation budgets from the Services back into the Corporate Centre.	Aug 09
Invest To Transform Loan Advances	874	Transfer of 2009/10's Invest to Transform Loan Advances to the Services.	Sep 09
Pay Inflation Adjustment	-224	Reversal of Mental Health and Learning Disability Partnership pay inflation budgets.	Sep 09
Transfer of SLA's	132	Transfer of SLA's to CYPS Finance.	Sep 09
Transfer of Postal Franking Budget	68	Transfer of Postal Franking Budget from CD to CYPS.	Oct 09
Recruitment and Retention Work with Social Workers	485	Transfer of funding from Corporate Reserves to CYPS for Recruitment and Retention Work with Social Workers.	Nov 09
Restructure Costs	50	Transfer of funding from Corporate Reserves to CYPS for Restructure Costs.	Nov 09
Invest to Transform Loan Repayments	1,133	Transfer of 2009/10's Invest to Transform Loan Repayments from the Services.	Nov 09
Allocation of budget for Insurance Charges	2,333	Allocation of budget for Insurance Charges from the central budget in CD to the Services.	Dec 09
Pay Inflation Adjustment	546	Transfer of 2009/10's 1% LGE pay inflation rise from the Corporate Centre to the Services.	Jan 10
Reversal of Invest to Transform Loan Advance	60	Reversal of an ES Invest to Transform Loan Advance, as no longer required in this financial year.	Feb 10
Transfer of Funding from Pressures & Developments Reserve	1,000	Transfer of funding to assist with the Older People Services pressure in 2009/10 (CAS).	Feb 10
Additional Transfer of Funding from Pressures & Developments Reserve	300	Additional transfer of funding to assist with the Older People Services pressure in 2009/10 (CAS).	Mar 10
Further Invest to Transform Loan Advances / Repayments	663	Further Invest to Transform Loan Advances and Repayments.	Mar 10
Transfer of Building Maintenance Budgets	203	Transfer of Building Maintenance budgets from CD to ES, CAS and CYPS.	Mar 10
Transfer of Corporate Allocations.	27,206	Transfer of 2009/10's Corporate Allocations from CD to ES, CAS and CYPS.	Mar 10

### Operational Savings - movements from Operational Savings into revenue

Notes	£000	Month
P&AM Project Support (CD)	12	Jul 09
Corporate Project Office (CD)	42	Jul 09
Members IT (CD)	24.5	Jul 09
Building Maintenance (CD)	325	Jul 09
Head of IT (CD)	70	Jul 09
Research Group (CD)	24	Jul 09
St Benedict's Court, Huntingdon (CD)	30	Jul 09
Speke House (CD)	45	Jul 09
Shire Hall Area (CD)	25	Jul 09
Direct Channel Strategy (CD)	41	Jul 09
Head of Performance Management (CD)	43	Jul 09
Internal Audit and Risk Management Service (CD)	42	Jul 09
HR – Policy & Business Services (CD)	150	Jul 09
Corporate Development (CD)	264	Jul 09
Corporate Director – People, Policy & Law (CD)	150	Jul 09
Community Learning (CAS)	50	Jul 09
Corporate Directors – Customer Services & Transformation and Finance, Property & Performance (CD)	74	Sep 09
Internal Audit & Risk Management - slippage on the initial recruitment to the Value For Money (VFM) post will require funding to be rolled into 2010/11 (CD)	-20	Jan 10
Cultural Change Work (CD)	-100	Feb 10
Funding carried forward to 2010/11 to fund ongoing programmes	-363.5	Mar 10
<b>TOTAL</b>	<b>928</b>	

## APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2009	2009-10		Notes
		Movements in 2009-10	Balance at 31 Mar 2010	
	£000s	£000s	£000s	
<b>General Reserves</b>				
- County Fund Balance	9,453	-759	8,694	
- Services				
1CYPS	766	-733	33	Includes Service outturn position.
2ES	427	633	1,061	Includes Service outturn position and Priority Investment balances.
3CAS	132	-662	-530	Includes Service outturn position.
4CD	449	470	919	Includes Service outturn position.
subtotal	11,227	-1,050	10,177	
<b>Earmarked</b>				
- Specific Reserves				
5Insurance	5,938	1,156	7,093	
6Invest to Transform - Corporate	2,470	-147	2,323	
7Invest to Transform - Offices	506	86	592	
8Traded services provision	428	-428	0	
9Pressures & Developments Reserve	3,898	-864	3,033	
subtotal	13,239	-197	13,042	
<b>Trading Units</b>				
10CYPS	-726	431	-295	Plans are in place to eradicate this deficit over 3 years.
11CAS	0	0	0	
12CD	112	-42	70	
subtotal	-614	389	-225	
<b>Equipment Reserves</b>				
13CYPS	59	84	143	
14ES	423	-35	388	
15CAS	59	65	124	
16CD	548	234	782	
Subtotal	1,089	348	1,436	
<b>Other Earmarked Funds</b>				
17CYPS	804	254	1,058	
18ES	2,276	3,468	5,744	Includes delayed damages in respect of the Guided Busway.
19CAS	503	502	1,005	
20CD	1,029	-568	461	
Subtotal	4,612	3,655	8,268	
<b>SMLs (LMS etc)</b>				

21LMS Schools	19,347	-1,517	17,830	3 to 5 year loans made to schools using their balances
22SIPF	-122	121	-1	
Subtotal	19,225	-1,396	17,829	
<b>Grand Total</b>	<b>48,778</b>	<b>1,748</b>	<b>50,527</b>	

## APPENDIX 5: Capital

### Capital Expenditure 2009/10

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

Revised Budget £m	Capital Expenditure	Actual Outturn £m	Outturn Variance £m
76.3	Children & Young People (CYPS)	58.2	(18.1)
62.6	Environment Services (ES)	77.1	14.5
8.7	Community & Adult Services (CAS)	4.0	(4.7)
16.0	Corporate Directorates (CD)	4.7	(11.3)
<b>163.6</b>	<b>Total Capital Spending</b>	<b>144.0</b>	<b>(19.6)</b>

- The 2009/10 CYPS capital programme was underspent by £18.1m at year-end. The variance is mainly a result of programme delays as detailed below. The £19m underspend against profile represents the capital funding and expenditure that will be carried forward to 2010/11.

Gross Budget	Slippage	Net Budget	Revised Net Budget		ACTUAL SPEND MARCH 2010	VARIANCE at MARCH 2010
£k	£k	£k	£k		£k	£k
<b>70,857</b>	<b>-840</b>	<b>70,017</b>	<b>67,083</b>	<b>Schools</b>	<b>54,250</b>	<b>-12,833</b>
			16,592	Primary	13,900	-2,692
			3,791	Primary New Communities	1,796	-1,995
			1,021	Primary Capital Programme	486	-535
			22,453	Secondary	16,720	-5,733
			970	Secondary New Communities	145	-825
			423	Special	348	-75
			21,833	Mixed	20,855	-979
			<b>10,096</b>	<b>Non Schools</b>	<b>3,911</b>	<b>-6,185</b>
			6,073	Children's Centres	2,581	-3,492
			685	Other Schemes	204	-481
			1,836	Youth Service	484	-1,352
			1,502	Social Care	643	-859
			0	IT Enhancements	0	0
			-840	CYPS Programme Slippage	0	840
<b>70,857</b>	<b>-840</b>	<b>70,017</b>	<b>76,339</b>	<b>Total Capital Spending</b>	<b>58,161</b>	<b>-18,178</b>

The main schemes contributing to the outturn underspend are summarised below:

- Primary (£2.7m)

Shirley (Cambridge) – replacement 420 place school is subject to delays due to the structural integrity of the building resulting in an underspend of £2.2m. There are also delays at Burrough Green, which is still at the design stage, resulting in a £1m underspend.

- Primary New Communities (£2m)  
The Fawcett Primary extension is now expected to start on site in April 2011. The original anticipated start date was January 2009. The delay is the result of the housing slow down and the developers' decision to lodge an appeal against various aspects of the City and County Council's S106 capital and revenue requirements leading to a lengthy public inquiry.

All other budgeted schemes (North West Cambridge, Northstowe and Trumpington Meadows) are delayed due to the current economic climate.

- Secondary (£5.7m)  
Linton Village College has been delayed due to archaeology work prior to starting on site and currently shows an underspend of £1.3m. Phase 1 of this scheme is now complete.

The Swavesey Village College programme is also deferred resulting in delays of £627k.

The Cambridge Centre for Applied Learning 14-19 strategy is budgeted at £3m, but only £14k has been spent in 2009/10. The work is now re-phased following the confirmation of the project management and governance arrangements. This budget is funded by the Department for Children, Schools and Families (DCSF) Exemplar Specific Financing (SF) Grant and the project is targeted for completion in September 2011.

- Secondary New Communities (£0.8m)  
The North West fringe Cambridge and Northstowe schemes have been deferred due to the current economic climate. Cambourne is on hold pending the outcome of a review of secondary provision in South West Cambridgeshire.
- Mixed (£1m)  
The school condition / emergency capital funding is currently forecast to overspend by £3.5m. Work is ongoing to identify savings in other schemes to offset this overspend. Also within this category there are underspends of £3m on the BSF 14-19 provision in Wisbech, the expenditure for which will be incurred once the BSF procurement is complete, and £1.6m on the Early Years capital grant due to scheme delays.
- Children's Centres (£3.4m)  
Delayed spend for the phase 3 schemes and extended school projects means that the majority of the funding will be spent in 2010/11, with all expenditure completed by 31<sup>st</sup> March 2011, in line with the Sure Start grant conditions.
- Youth Service (£1.3m)  
Delayed spend for the St Neots youth centre and for the Integrated Bargroves Youth Service project.

- Social Care (£0.9m)  
Delayed spend on the disabled facilities grant, social care adaptations, integrated children's ICT systems and the Aiming Higher for disabled children grant. These reflect timing delays only.
- Within ES, the largest variance being reported in the capital programme is on the Guided Busway. Total spend on the Busway, including reimbursements of contractor costs, is running ahead of overall budget at present. In the short-term this will be funded from prudential borrowing until Section 106 income and a refund of costs from the contractor, as part of the pain/gain mechanism, is received. It is still expected that the overall cost of the scheme will broadly be within the cash envelope currently available for it, with the current forecast outturn being +£1.5m. A £1m per annum provision is being made from Local Transportation Plan (LTP) funds to cover this.

On Environment and Regulation, more specifically, Waste Management Infrastructure projects, a delay in the planning application submission for Witchford Recycling Centre is likely to result in the completion of this project taking place in 2010/11. More funding than originally anticipated will therefore need to be carried forward into 2010/11 to meet the costs of the project.

Work on a number of the Housing Growth Fund schemes has been delayed and the funding for these have been rolled forward into 2010/11 to fund this work.

Elsewhere work on schemes has been delayed due to contractors concentrating in remedying potholes because of the bad winter weather. Funding these schemes has been rolled forward to 2010/11 when the work is expected to be completed.

<b>Environment Services Capital Programme</b>	<b>Revised budget</b>	<b>Actual expenditure to the end Closedown</b>	<b>Actual variance at the end Closedown</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Integrated Transport	11,269	10,598	-671
Operating the Network	11,371	11,044	-327
Highways and Access	4,480	3,930	-550
Environment & Regulation	11,429	6,956	-4,473
Housing Growth / Community Infrastructure funding	8,501	5,348	-3,153
Cambridgeshire Guided Busway	15,550	39,248	23,698
	<b>62,600</b>	<b>77,124</b>	<b>14,524</b>

- Within CAS, almost 60% of the capital allocation for 2009/10 is to be spent on Libraries and the amalgamation of the Croylands and Larkfield centres used by Mental Health Service users. It is envisaged at this point that the Library programme will be delivered on time; there will be some delay on the Larkfield and Croylands projects, due to the delay of the sale of the Croylands site.

<b>Community &amp; Adult Services</b>	<b>Original budget £'000</b>	<b>Budget Mvts £'000</b>	<b>Revised Budget</b>	<b>Actual expenditure March £'000</b>	<b>Outturn variance March £'000</b>
Development of Heritage Centre Premises	258	-.	258	134	-124
ICT at Historical Resource and Cultural Centre	100	-.	100	-.	-100
Library Improvements	-.	100	100	100	-.
Redevelopment of Wisbech Library	2,011	-.	2,011	1,761	-250
Ramsey Library Re-location	400	222	622	152	-470
Cambridge Central Library Refurbishment	10	1,446	1,456	1,456	-.
<b>Total Community Learning &amp; Development</b>	<b>2,779</b>	<b>1,768</b>	<b>4,547</b>	<b>3,603</b>	<b>-944</b>
Croylands/Larkfield amalgamation	1,281	-.	1,281	49	-1,232
Mental Health Schemes	547	-25	522	293	-229
Adult Social Services	577	-.	577	-.	-577
Maintenance Programme (adult social care)	300	-.	300	-.	-300
Adult Social Care IT Infrastructure Grant	144	155	299	35	-264
Day Services Modernisation	320	-.	320	8	-312
ICT Developments	50	-.	50	-.	-50
Minor Works	184	25	209	50	-159
Older Peoples Integration	399	-.	399	-.	-399
Physical Disability Grant - AIDS / HV	40	-.	40	12	-28
<b>Total Adult Social Care</b>	<b>3,842</b>	<b>155</b>	<b>3,997</b>	<b>447</b>	<b>-3,550</b>
Safer Stronger Communities Fund	-.	172	172	-.	-172
<b>Total Community Engagement &amp; Fenland</b>	<b>-.</b>	<b>172</b>	<b>172</b>	<b>-.</b>	<b>-172</b>
<b>Total Community &amp; Adult Services</b>	<b>6,621</b>	<b>2,095</b>	<b>8,716</b>	<b>4,050</b>	<b>-4,666</b>

- CD had a capital budget for 2009/10 of £16m and spend during the course of the year was £4.672m. This represents an overall programme underspend of £11.3m. This was largely due to deliberate re-phasing of the Better Utilisation of Property Assets (BUPA)



programme activity, against that originally detailed in the Integrated Plan, in response to changing economic conditions.

Spend has also been delayed on the General Protection and Response to Economic Uncertainty programme and the Investment in Carbon Reduction and Improved Efficiency programme. This resulted in year-end underspends of £2m for each scheme.

The 2009/10 underspends were partially offset by an overspend on Huntingdon Office Rationalisation (£0.3m).

The Workwise scheme is expected to have a final overspend of £0.672m, with £0.636m already incurred in 2009/10 and a further £0.036m due in 2010/11. The Corporate Director: Finance, Property and Performance has agreed in principle that this should be covered by the BUPA programme. Cabinet are therefore asked to approve the proposed capital virement of £0.672m from BUPA to the Workwise scheme. Subsequently, the remaining £0.036m budget will carry forward to 2010/11.

CD Capital Programme	Total Scheme Budget	2009/10 Capital Budget	Actual expenditure to end of March 10	Forecast outturn as at end of March 10	Outturn variance at the end of March 10
Corporate Accomodation	650	365	66	66	(299)
Huntingdon Office Rationalisation	15,740	566	866	866	300
Huntingdon Training Centre	200	-	-	-	-
Workwise	1,559	672	636	636	(36)
Other Schemes	9,645	4,741	1,423	1,423	(3,318)
Better Utilisation of Property Assests	59,589	9,682	1,681	1,681	(8,001)
	<b>87,383</b>	<b>16,026</b>	<b>4,672</b>	<b>4,672</b>	<b>(11,354)</b>

## Capital Financing 2009/10

The following table shows the budgeted use of capital resources, split by general and project specific funding:

<b>General Funding resources (GFR) (Non Project Specific)</b>			
<b>£m</b>		<b>£m</b>	<b>£m</b>
29.6	Supported Capital Expenditure (Revenue)	24.8	(4.8)
14.8	Capital Receipts (General)	7.5	(7.3)
<b>44.4</b>	<b>Total General Financing</b>	<b>32.3</b>	<b>(12.1)</b>
<b>Project Specific Finances (PSF) (Ring-Fenced)</b>			
7.9	Supported Capital Expenditure (Capital)	0.0	(7.9)
46.3	Specific Grants	46.0	(0.3)
2.5	Ring-Fenced Capital Receipts	4.1	1.6
14.1	Developer and Other Contributions	8.3	(5.8)
48.4	Prudential Borrowing	53.3	4.9
<b>119.2</b>	<b>Total Specific Financing</b>	<b>111.9</b>	<b>(7.5)</b>
	Funding Difference	0.0	0.0
<b>163.6</b>	<b>Total</b>	<b>144.0</b>	<b>(19.6)</b>

- Spending on the council's capital programme is currently proceeding slower than estimated.
- The variance of -£20.5m represents changes in the timing of payments, as many projects involve spending across a number of years. It does not represent an underspend on the total scheme value.
- The cost of Prudential Borrowing has been factored into the 2009/10 revenue Debt Charges outturn, as well as being accounted for within the 2009/10 Integrated Planning Process.

## APPENDIX 6: Efficiency

Service	Achieved Efficiency £'000	Efficiencies
ES	874	<ul style="list-style-type: none"> <li>Office Wide Savings – including Office wide Admin review and reductions in stationery, postage and training (£186k).</li> <li>Full Year Effect of Previous Decisions – contract terminated 31/10/2008 (£215k).</li> <li>Highways &amp; Access Savings – reductions in general overheads including training, publicity and advertising budgets (£221k).</li> <li>Smaller Savings (&lt;£100k each) total £157k.</li> </ul>
CAS	5,710	<ul style="list-style-type: none"> <li>Pass on need for efficiency savings to Independent Sector Providers by top-slicing inflation – efficiencies achieved through contracting (£2,361k).</li> <li>Service Developments in Disability Services – a) Repatriation of Learning Disability clients who are out of county. 30 people (a third of people in out of county placements) identified for whom a move is appropriate and could release savings (average £10k each). b) 2009/10 Achieve equitable and cost effective unit costs across in-house day opportunities. 2010/11 Alternative approach to promoting employment opportunities - replacing contract with worker in CCC to support employment within CCC. c) 2010/11 Adult Placement to be developed to provide more flexible respite, to include potential for over night stays (£150k).</li> <li>Disability Service – renegotiation (or decommissioning) of current contracts and stimulation of the market place to provide wider choice and support the transformation of social care and deliver better value for money (£2,665k).</li> <li>Mental Health – efficiencies to be gained through more innovative approaches to service delivery (£100k).</li> <li>Centralise “back office” administrative and stock support functions – efficiencies achieved through business process re-engineering and associated staffing changes in CLD and Library Service back office, administrative and stock supply support functions (£111k).</li> <li>Smaller Savings (&lt;£100k each) total £323k.</li> </ul>
CYPS	3,703	<ul style="list-style-type: none"> <li>Home to School Transport (mainstream and special) – savings mainly result from improved procurement, reducing contract costs and sale of a higher percentage of spare seats available on school bus routes (£1,261k).</li> <li>Agency Placements – savings result from holding inflationary increases in placement fees below the expected level (£792k).</li> <li>Fostering and Adoption – restructure of the service (£183k).</li> </ul>

		<ul style="list-style-type: none"> <li>• Withstanding the Impact of Inflation – savings represents not funding inflation on purchased services (training, utilities and office expenses) in the expectation that improved procurement could reduce costs (£385k).</li> <li>• Social Care Legal Proceedings – reduced rates for legal services (£107k).</li> <li>• Vacancy Savings – there were roughly £1.5m of vacancy savings within CYPS during the year. These have been analysed according to whether they derive from front-line or back office staff and only the element relating to back office staff has been included as an efficiency (£371k).</li> <li>• Smaller Savings (&lt;£100k each) total £604k.</li> </ul>
CD	2,038	<ul style="list-style-type: none"> <li>• Good Housekeeping Loan (Reshaping) – the Reshaping loan has been fully repaid so the funding for these payments is no longer required (£101k).</li> <li>• Insurance Savings – re-tendering the Council's insurance policies (£300k).</li> <li>• Customer Services &amp; Transformation – efficiency measures across the Directorate, including restructuring and remodelling service provision (£103k).</li> <li>• IT Services Invest to Transform Loan – cash limit reduction following repayment of loan (£196k).</li> <li>• Finance, Property &amp; Performance – Directorate staff restructuring (£146k).</li> <li>• Service Transformation – saving reflects an increase in Business Development traded activity (£104k).</li> <li>• IT Services – savings is due to an increase in traded activity (£107k).</li> <li>• Smaller Savings (&lt;£100k each) total £981k.</li> </ul>
<b>TOTAL</b>	<b>12,325</b>	

(The full list of efficiencies is available within the Services' final closedown reports).