

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JANUARY 2015

To: **General Purposes Committee**

Date: **12th March 2015**

From: **Chief Finance Officer**

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

Forward Plan ref: **N/A** *Key decision:* **N/A**

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

Recommendations: **General Purposes Committee is recommended to:**

- **Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.**

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1. PURPOSE

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

2. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's forecast performance at year end by value, RAG (Red, Amber, Green) status and direction of travel (DoT).

Area	Measure	Forecast Year End Position (Dec)	Forecast Year End Position (Jan)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	£1.0m	£0.2m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	43% (6 of 14)	43% (6 of 14) ¹	Amber	↔
Capital Programme	Variance (£m)	-£53.6m	-£61.0m	Amber	↓
Balance Sheet Health	Net borrowing activity (£m)	£374m	£368m	Green	↑

¹ The number of performance indicators on target reflects the current position.

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

- The overall revenue budget position is showing a forecast year end overspend of £0.2m (0.0%), which is a decrease in the forecast overspend of -£863k since last month. This is due to further savings being identified across Economy, Transport and Environment (ETE), Children, Families and Adults (CFA), Corporate Services and LGSS Managed. See section 3 for details.
- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 6 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£61.0m (-31.2%), which is an increase in the forecast underspend of -£7.3m since last month. This increase mainly relates to further slippage within ETE's (-£4.9m) and CFA's (-£1.8m) capital programmes. See section 6 for details.
- Balance Sheet Health; the original forecast net borrowing position for 31st March 2015, as set out in the Treasury Management Strategy Statement (TMSS), was £406m. This

projection has now fallen to £368m, largely as a result of changes in the net expenditure profile of the capital programme and expected cash flows, since the Business Plan was produced in February 2014. See section 7 for details.

3. REVENUE BUDGET

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

Key to abbreviations

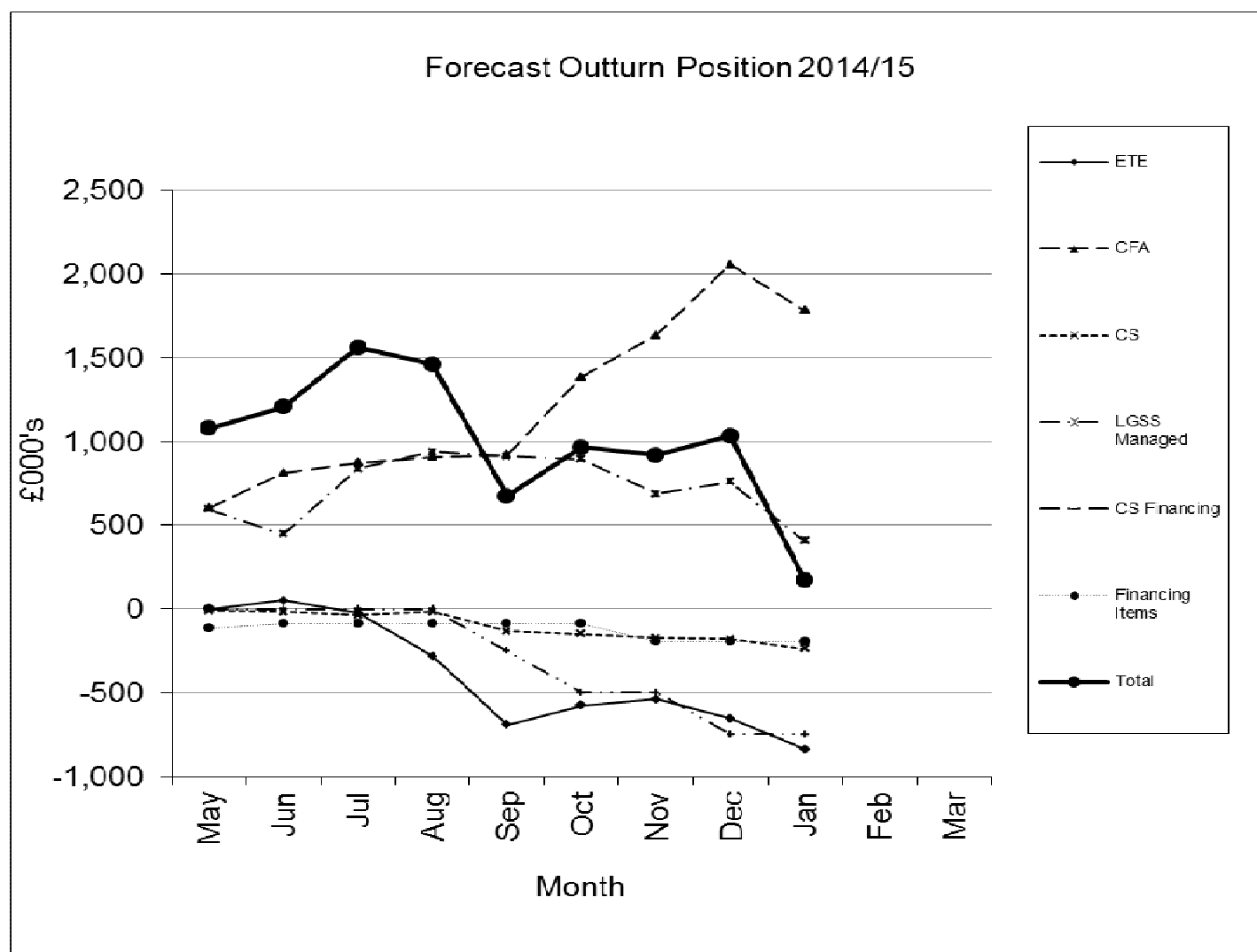
ETE – Economy, Transport and Environment
 CFA – Children, Families and Adults
 CS Financing – Corporate Services Financing
 DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP ¹ £000	Service	Current Budget for 2014/15 £000	Forecast Variance - Outturn (Dec) £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) %	Current Status	DoT
63,225	ETE ²	63,719	-656	-836	-1.3%	Green	↑
251,616	CFA	254,101	2,056	1,783	0.7%	Amber	↑
0	Public Health	0	0	0	0.0%	Green	↔
5,851	Corporate Services	6,625	-180	-236	-3.6%	Green	↑
9,670	LGSS Managed	9,432	760	405	4.3%	Red	↑
34,142	CS Financing	34,142	-750	-750	-2.2%	Green	↔
364,504	Service Net Spending	368,019	1,229	366	0.1%	Amber	↑
5,624	Financing Items	1,867	-195	-195	-10.5%	Green	↔
370,128	Net Spending	369,887 ³	1,034	171	0.0%	Amber	↑
	<i>Memorandum Items:</i>						
10,351	LGSS Operational	10,592	-165	-210	-2.0%	Green	↑
380,479	Total Net Spending 2014/15	380,479					

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

² ETE includes Winter Maintenance and the Waste PFI Contract, where specific arrangements for under / overspends exist. Excluding these the underlying forecast outturn position for ETE is a -£806k underspend.

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



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

3.2.1 **Economy, Transport and Environment:** -£0.836m (-1.3%) underspend is forecast at year end.

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

3.2.2 **Children, Families and Adults:** £1.783m (0.7%) overspend is forecast at year end.

- | | £m | % |
|---|--------|-------|
| <ul style="list-style-type: none"> • Older People and Adult Mental Health Directorate – the forecast underspend has increased by -£365k this month. The principal favourable changes this month stem from updated forecasts for block commissioning of care homes, including interim beds (-£210k), a net reduction in locality cost of care (-£55k), a decrease in the equipment service forecast (-£25k), continuing vacancy savings in Mental Health (-£30k) and an improved | -2.561 | (-3%) |

position on double-up savings amongst other smaller changes which offset (-£35k).

As previously reported:

Changes in the expected financial position during the final quarter of 2013/14 mean that the Older People & Mental Health directorate began 2014/15 with a one-off over allocation of budget.

The Older People's Service has a high volume of service users and continuing attention is required to demand management.

- **Special Educational Needs Placements** – the forecast overspend has increased by £310k this month. This is due to a reduction in income from recoupment and an increase in placement costs.

As previously reported:

+0.710 (9%)

The budget is under significant pressure due to numbers: whilst maintained Statement numbers are decreasing the level of need is escalating in early years with this age group requiring additional capacity in all of our Special Schools this year and in 2015/16. This additional need in early years has meant that the schools are at capacity.

- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

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

£m %

- **Earmarked Reserve** – an earmarked reserve has been set aside from non-recurrent underspends on 2013/14 and 2014/15 Public Health (PH) Grant, in order to ensure £400k non-recurrent PH funding is available to support falls prevention in 2015/16 and 2016/17.

-0.400 -

- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.4 **Corporate Services:** -£0.236m (-3.6%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.5 **LGSS Managed:** £0.405m (4.3%) overspend is forecast at year end.

£m %

- **Building Maintenance** – the forecast overspend has increased by £70k this month, resulting in it exceeding the reporting threshold of +/- £250k and being reported as an exception this month.

+0.252 (23%)

Reactive building maintenance spend across the property portfolio for the year to date has exceeded budgeted levels. Property Operations are working to minimise spend in future months.

- **Transformation Fund** – the Transformation Fund is currently showing £792k of costs as a result of Section 188 redundancies. Based on a straight line spend profile, the variance to date is showing an underspend of -£729k. It is therefore anticipated that there will be a year end underspend on this budget and an updated provisional figure of -£500k is now being declared. This is an increase of -£300k from the previously reported figure. Spending of this nature is difficult to predict and so the position will continue to be monitored and the outturn updated as required. -0.500 (-50%)
- Previously reported exceptions that are still applicable can be found in [appendix 2](#).

3.2.6 **CS Financing:** -£0.750m (-2.2%) underspend is forecast at year end.

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

3.2.7 **Financing Items:** -£0.195m (-11.1%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.8 **LGSS Operational:** -£0.210m (-2.0%) underspend is forecast at year end.

- There are no new exceptions to report this month.

Note: exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

4. KEY ACTIVITY DATA

- 4.1 The Actual Costs (weekly and annual) for all clients shown below are calculated based on all clients who have received a service, are receiving a service, or we think will receive a service. Some clients will have ceased receiving a service in previous months, or during this month, or we will have assumed an end date in the future. The Actual Average Weekly Cost of Care and the Annual Cost of Care relates to all clients, not just those in placement at the end of last month.

4.2 Looked After Children (LAC): January 2015

Service Type	BUDGET			ACTUAL (January)			VARIANCE
	Budgeted No. of Placements 2014/15	Budgeted Average Cost of Care (per week)	Annual Budget	Snapshot of No. of Placements at End of Jan 15	Current Average Cost of Care (per week)	Projected Spend	Net Variance to Budget
Independent Fostering	229	£771	£9,177k	245	£785	£9,594k	£417k
Independent Residential	42	£2,601	£5,680k	43	£2,716	£6,313k	£633k
Supported Accommodation/Living	33	£412	£707k	30	£675	£957k	£250k
External LAC Total	304		£15,564k	318		£16,864k	£1,300k
In-House Fostering (including placements with relatives or friends)	127	£464	£3,061k	106	£542	£2,990k	-£71k
In-House Residential	14	£2,196	£1,599k	12	£2,562	£1,599k	£0k
Internal LAC Total	141		£4,660k	118		£4,555k	-£105k
Total	445		£20,224k	436		£21,419k	£1,195k

There are also 9 LAC currently living at home subject to Care Orders and 29 LAC placed for adoption.

The majority of In House Residential costs are fixed. Expectation was all beds would be filled but if any beds remain empty average costs will increase.

4.3 Adult Social Care (ASC): January 2015

Service Type		BUDGET			ACTUAL (January)			VARIANCE
		Budgeted No. of Clients 2014/15	Budgeted Average Unit Cost (per week)	Annual Budget	Snapshot of No. of Clients at End of Jan 15	Current Average Unit Cost (per week)	Projected Spend	Net Variance to Budget
Physical Disability Services	Residential	41	£841	£1,793k	48	£673	£1,649k	-£144k
	Nursing	23	£751	£898k	28	£555	£793k	-£105k
	Community	604	£287	£9,015k	676	£235	£8,110k	-£905k
Physical Disability Services Total		668		£11,706k	752		£10,552k	-£1,154k
Learning Disability Services	Residential	295	£1,302	£19,974k	319	£1,207	£20,027k	£53k
	Nursing	21	£1,649	£1,801k	20	£1,563	£1,626k	-£175k
	Community	1,237	£610	£39,207k	1,318	£579	£39,683k	£476k
Learning Disability Service Total		1,553		£60,982k	1,657		£61,336k	£354k

It should be noted that the above unit costs are the net cost to the Local Authority and include any funding from income. For Physical Disability clients, the unit cost for nursing is lower than the unit cost for residential as health fund the free nursing care element in nursing placements.

4.4 Older People (OP): January 2015

	BUDGET					ACTUAL (Jan)					VARIANCE
<i>Service Type</i>	<i>Budgeted No. of clients 2014/15</i>	<i>Budgeted Average Cost (per week)</i>	<i>Gross Annual Budget</i>	<i>Client contributions</i>	<i>Net Annual Budget</i>	<i>Snapshot of No. of Clients at End of Jan 15</i>	<i>Current Average Cost (per week)</i>	<i>Gross Projected spend</i>	<i>Client contributions</i>	<i>Net Projected spend</i>	<i>Net Variance to Budget</i>
Residential	620	£403	£12,379k	-£4,319k	£8,049k	680	£409.35	£12,550k	-£4,530k	£8,019k	-£30k
Residential Dementia	359	£459	£8,163k	-£2,591k	£5,605k	369	£488.67	£8,228k	-£2,656k	£5,572k	-£33k
Nursing	390	£551	£10,650k	-£2,957k	£7,693k	381	£569.00	£10,451k	-£2,934k	£7,518k	-£175k
Nursing Dementia	31	£598	£952k	-£66k	£886k	17	£635.33	£769k	-£83k	£685k	-£201k
Spot Respite	141		£491k	-£382k	£109k	140		£524k	-£408k	£116k	£7k
Homecare arranged	1,768	£171	£14,970k	-£4,280k	£10,690k	2,014	£173.15	£15,590k	-£4,197k	£11,393k	£703k
Direct payments	357	£243	£4,291k	-£412k	£3,879k	315	£253.49	£4,404k	-£362k	£4,042k	£163k
Total	3,666		£51,876k		£36,911k	3,916		£52,517k		£37,345k	£434k

4.5 Older People Mental Health (OPMH): January 2015

	BUDGET					ACTUAL (Jan)					VARIANCE
<i>Service Type</i>	<i>Budgeted No. of clients 2014/15</i>	<i>Budgeted Average Cost (per week)</i>	<i>Gross Annual Budget</i>	<i>Client contributions</i>	<i>Net Annual Budget</i>	<i>Snapshot of No. of Clients at End of Jan 15</i>	<i>Current Average Cost (per week)</i>	<i>Gross Projected spend</i>	<i>Client contributions</i>	<i>Net Projected spend</i>	<i>Net Variance to Budget</i>
Residential	13	£459	£301k	-£58k	£243k	19	£453	£320k	-£58k	£262k	£19k
Residential Dementia	21	£453	£495k	-£91k	£404k	35	£449	£573k	-£115k	£458k	£54k
Nursing	14	£740	£525k	-£58k	£467k	21	£725	£590k	-£65k	£525k	£58k
Nursing Dementia	148	£615	£4,498k	-£1,083k	£3,415k	171	£621	£4,751k	-£1,101k	£3,650k	£235k
Spot Respite	13		£54k	-£26k	£28k	16		£64k	-£23k	£40k	£12k
Homecare arranged	80	£146	£611k	-£169k	£442k	121	£139	£642k	-£170k	£471k	£29k
Direct payments	14	£246	£176k	-£4k	£172k	12	£274	£167k	-£7k	£159k	-£13k
Total	302		£6,661k		£5,172k	395		£7,107k		£5,567k	£395k

5. PERFORMANCE TARGETS

- 5.1 The current performance indicators reported below were developed as part of the 2014/15 Business Planning (BP) process. The indicators were chosen according to criteria defined in previous scrutiny reports that suggested Cabinet monitor a small number of critical indicators that also reflected the breadth of the County Council's work being a selection from across the various services.

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	30/09/14	%	81.1	77.5	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/12/14	%	94.2	95.8	Amber	↓
	The number of people starting as apprentices	ETE	High	2013/14 academic year	Number	3,780	4,000 (end of year target)	Red	↔
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	31/12/14	%	66.2	75	Red	↑
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/12/14	%	91.1	95	Amber	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/12/14	%	55.7	55	Green	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/12/14	Number per 100,000 of population	419	485	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	30/11/14	Number	1,364 year to date	2,060 year to date (3,600 annual)	Red	↔

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	31/12/14	Rate per 10,000	40.3	31.3 to 38.4	Amber	↓
	The proportion of children who are referred to social care within 12 months of a previous referral	CFA	Low	31/12/14	%	18.8	25	Green	↑
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/12/14	%	83.5	80 (new target for 2014/15)	Green	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+): April - December 2014 (new measure for 2014/15)	CFA	Low	30/11/14	Number	549 *	438	Red	↔
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CCC	High	31/12/14	%	88	90	Amber	↔
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	31/01/15	Days	6.6	7.8	Green	↓

* Updated performance data unavailable at time of reporting.

Notes:

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

A breakdown of performance by Service is provided as follows:

Service	What is good?	Date	Actual %	Target %	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	31/12/14	100	90	Green	↑
ETE	High	31/12/14	77	90	Red	↓
CST	High	31/12/14	100	90	Green	↑
LGSS	High	31/12/14	n/a	90	-	-

- CFA received 29 complaints in the reporting period, all of which met the target response time.
- ETE received 35 complaints in the reporting period, of which 27 met the target response time.
- CST received 1 complaint in the reporting period, which met the target response time.
- LGSS received 0 complaints in the reporting period.

5.2 Key exceptions are identified below.

- **The number of people starting as apprentices**

The County Apprenticeship starts for 2013/14 were 614 down on the previous year, which reflects the national picture. This represents a 14% reduction year-on-year, which compares favourably against a reduction of 18% in the Local Education Partnership. 500 of the County Apprenticeships were in adult apprenticeships and, predominantly, in retail and business administration. This correlates with the Government introducing 24+ Learning Loans as a vehicle to entering adult apprenticeships, which was seen as a barrier. This has now been rescinded, and expectations are that adult apprenticeships will recover. The good news is that Cambridgeshire saw an increase of 100 apprenticeships in the 16-18 age range, which suggests that our aim of Raising Participation in this cohort is moving in the right direction.

- **The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted**

The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted has been adversely affected by a number of the county's largest secondary academies slipping from 'good' to 'requires improvement'.

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

- 76% of the stop smoking target for 2013/14 was achieved, a drop from 92% in 2012/13. This is reflected in the national trend that is attributed at least in part to the use of e-cigarettes. The lower level of performance is continuing in 2014/15 in Cambridgeshire with the performance figures generally remaining static, at circa 65-70% of the monthly performance target. However, for the past two months this has been 58%.
- Performance in GP practices was especially poor and there is a consistent problem with recruiting smokers to make quit attempts. There is an ongoing programme to improve performance with CamQuit the core service providing increasingly higher levels of support to the other providers along with promotional activities. Practices are regularly visited with poor performers being targeted.
- A wide ranging intervention plan has been developed that will focus upon Fenland. This includes a mobile workplace service, a migrant worker Health Trainer post that will target these communities where smoking rates are high, a wide ranging promotional campaign and recruitment of an additional Stop Smoking Advisor to focus upon Fenland.
- Smoking rates in Cambridgeshire are also high amongst routine and manual workers and the programme of intervention also targets these groups.
- A recent update to the Public Health Outcomes Framework has shown a positive movement in smoking prevalence, with a statistically significant fall in the percentage of adults smoking across the County between 2012 and 2013. However, inequalities in smoking rates remain, with the prevalence in Fenland and

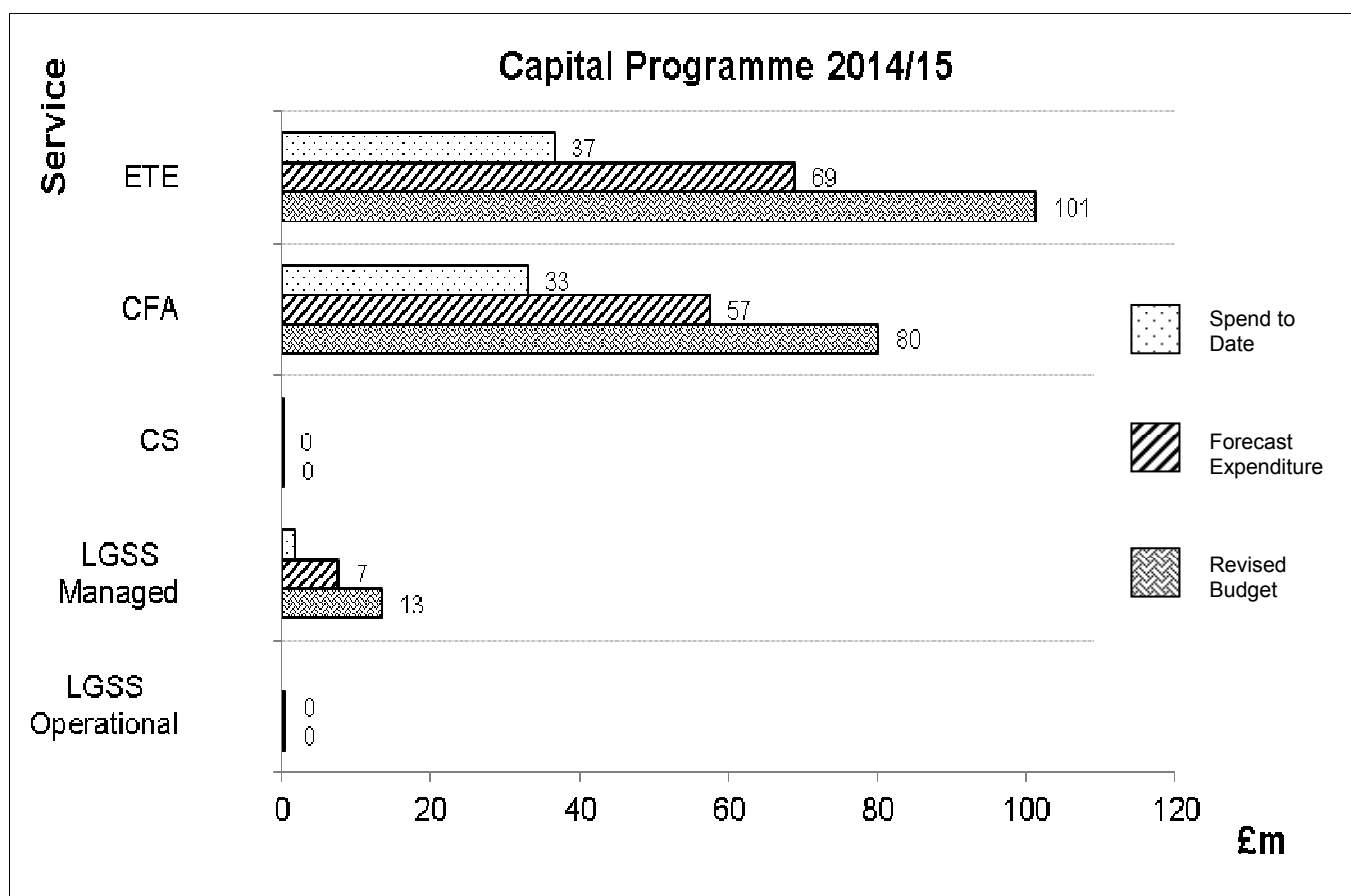
amongst manual workers being statistically significantly higher than the Cambridgeshire average.

- **Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+): April - December 2014**
 - The Cambridgeshire health and social care system is experiencing a monthly average of 2,797 bed-day delays, which is 25% above the current Better Care Fund (BCF) target ceiling of 2,232. In November there were 3,354 bed-day delays, down 344 from the September peak, but still 1,122 above the monthly target.
 - Between April and November 2014 there were 22,374 bed-day delays across the whole of the Cambridgeshire system - representing a 22% increase against the same period in 2013.
 - Across this period NHS bed-day delays have increased from 10,278 (April - November 2013) to 15,473 (April - November 2014) an increase of 51%, while bed-day delays attributed to Adult Social Care have decreased from 7,300 (April - November 2013) to 5,454 (April - November 2014) an improvement of 25%.
 - This remains a challenging, whole system measure and is reliant on both health and social care commissioners and providers to work together to meet target.

6. CAPITAL PROGRAMME

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

2014/15						TOTAL SCHEME	
Original Budget as per BP £000	Service	Revised Budget £000	Forecast Variance - Outturn (Dec) £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) %	Total Scheme Revised Budget (Jan) £000	Total Scheme Forecast Variance (Jan) £000
90,999	ETE	101,055	-27,400	-32,262	-31.9%	470,539	-27,779
76,409	CFA	80,116	-20,984	-22,742	-28.4%	530,377	-43
-	Corporate Services	185	-67	-67	-36.2%	340	0
12,206	LGSS Managed	13,350	-5,178	-5,888	-44.1%	90,124	-7,811
-	LGSS Operational	412	0	0	0.0%	630	0
179,614	Total Spending	195,118	-53,628	-60,958	-31.2%	1,092,010	-35,633



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

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

6.2.1 **Economy, Transport and Environment:** -£32.3m (-31.9%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> Chesterton Busway – due to project delivery issues on the busway site, including statutory undertaking diversions and associated design considerations, there has been a reprogramme of the site works which is reflected in some of the delays to the spend. In addition work with local stakeholders has identified a potential improvement to the location of additional cycle facilities, however, this requires some further negotiation with a third party land owner. This will result in some delay in the finalisation of the cycling facilities, but if successful will ultimately provide a more effective cycling route to the new station. 	-2.6	(-44%)
<ul style="list-style-type: none"> Guided Busway – the forecast underspend has increased by -£1.4m this month. Following the successful negotiation of the purchase price for a number of significant land parcels acquired for the Busway, the forecast for the remaining land and compensation transactions has been revised to reflect the settlement values that have been achieved. 	-4.4	(-59%)

As previously reported:

This budget is expected to underspend as land deals, which were expected to be resolved in 2014/15, were resolved at the end of the last financial year.

- **Strategy & Development - Other Schemes** – the forecast underspend is due to the following schemes:
 - **Soham Station (-£450k)**
Network Rail (NR) are currently considering an upgrade of the track between Soham and Ely as part of their regional route strategy. Should this upgrade be agreed it will change the overall business for the station. The Council is budgeting to spend around £400k with consultants on developing the business case and, as such, it is prudent to wait until the NR strategy is finalised before letting any contracts to third parties to ensure that the scope of the analysis is well defined. -0.7 (-42%)
 - **Kings Dyke (-£243k)**
The budget was set based on an early land acquisition. However, whilst the land owner is still in agreement the heads of terms have not yet been reached. This is now expected to slip into the first quarter of 2015/16.
- **Waste Infrastructure** – this is due to new sites not being built until the completion of the recycling centre strategy. -0.6 (-76%)
- Previously reported exceptions that are still applicable can be found in [appendix 3](#)

6.2.2 **Children, Families and Adults:** -£22.7m (-28.4%) underspend is forecast at year end. £m %

- **Primary Schools - Demographic Pressures** – the forecast underspend has increased by -£529k this month. This is mainly due to a reduction of -£486k in the forecast expenditure for Hardwick Second Campus (Cambourne), as the scheme is progressing slower than expected with some delays attributed to weather conditions.

As previously reported (*updated for current month movements*):

-4.1 (-14%)

Slippage and accelerated progress (-£3,397k underspend)

This is due to significant slippage on: Isle of Ely Primary (-£2,633k), due to issues with the land acquisition; Orchards Primary (-£207k); Additional Places in March (-£100k); St Neots Love's Farm (-£49k); Swavesey Primary (-£147k); Huntingdon Primary School (-£238k); and Hardwick Second Campus (-£486k) – see above paragraph. This is balanced against

changes to the expenditure profiles for Kings Hedges Primary (£130k); Brampton Primary (£500k); and Fulbourn Primary School (£273k) where expenditure previously anticipated as falling in 2015/16 will now be spent in 2014/15.

Revision in costs (-£718k underspend)

The overall costs of the expansion at Fawcett Primary have been reduced by -£600k following receipt of a lower than anticipated Milestone (MS) 4 tender price. A saving of -£225k has also been achieved on the Hemingford Primary School due to employer's contingencies and risk register costs not being expended. A saving of -£43k has also been achieved on the Fulbourn Primary scheme again due to risks and contingencies not being expended. These savings have been offset by increased costs at Cavalry Primary School of £150k for re-roofing works.

- **Secondary Schools - New Communities** – the forecast underspend has increased by -£500k this month.

Construction works on site have slipped from September to October 2014 at the Southern Fringe Secondary. The forecast underspend as a result of this slippage has increased by a further -£0.5m to -£7.8m this month, accounting for nearly all of the overall underspend. The project is to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning condition delays.

-7.9 (-63%)

- **Schools - Scheme Final Payments** – final accounts for around 20 completed schemes have been settled, which has resulted in a net underspend of £627k.

The main savings relate to the following schemes that have closed:

- Gunhild Way Primary (-£292k)
- Green End Road Primary (-£130k)
- Thongsley Fields Primary (-£127k)
- Burrough Green Primary (-£112k)
- St John's Primary (-£106k)

-0.6 (-31%)

These savings have been offset by a £100k project cost increase on Jeavons Wood Primary due to anticipated final accounts settlement for risks and contingencies.

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

6.2.3 Corporate Services: -£0.1m (-36.2%) underspend is forecast at year end.

- There are no new exceptions to report this month.

6.2.4 **LGSS Managed:** -£5.9m (-44.1%) underspend is forecast at year end.

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

6.2.5 **LGSS Operational:** a balanced budget is forecast at year end.

- There are no new exceptions to report this month.

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

	£m	%
<u>Economy, Transport and Environment (ETE):</u> -£27.8m (-5.9%) total scheme underspend is forecast.		

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

Children, Families and Adults (CFA): -£0.04m (-0.0%) total scheme underspend is forecast.

- **Secondary Schools - New Communities** – the Southern Fringe Secondary scheme is due to complete in April 2016, instead of September 2015. The delay is due to contamination testing of imported fill, resulting in environmental pre-commencement planning conditions. This has resulted in the scheme's total costs increasing by £1.5m, which has been addressed as part of the 2015/16 Business Planning process.

	+1.5	(1%)
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- **Schools - Scheme Final Payments** – final accounts for around 20 completed schemes have been settled, which has resulted in a net total scheme underspend of £625k.

The main savings relate to the following schemes that have closed:

- | | | |
|-------------------------------------|------|-------|
| ○ Gunhild Way Primary (-£292k) | | |
| ○ Green End Road Primary (-£130k) | -0.6 | (-1%) |
| ○ Thongsley Fields Primary (-£127k) | | |
| ○ Burrough Green Primary (-£112k) | | |
| ○ St John's Primary (-£106k) | | |

These savings have been offset by a £100k project cost increase on Jeavons Wood Primary due to anticipated final accounts settlement for risks and contingencies.

- Previously reported exceptions that are still applicable can be found in [appendix 4](#)

Corporate Services (CS): a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

LGSS Managed: -£7.8m (-9%) total scheme underspend is forecast.

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

LGSS Operational: a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	26.2	1.6	0.0	2.5	30.3	30.3	0.0
Basic Need Grant	15.2	0.0	0.0	1.3	16.6	16.1	-0.5
Capital Maintenance Grant	6.3	0.0	0.0	0.0	6.3	6.3	0.0
Devolved Formula Capital	1.1	1.6	0.0	0.1	2.7	2.7	0.0
Specific Grants	11.9	0.6	0.0	0.7	13.2	4.7	-8.5
Section 106 Contributions	24.3	0.3	0.0	-0.9	23.6	14.2	-9.4
Capital Receipts	4.7	0.0	0.0	0.0	4.7	5.9	1.2
Other Contributions	8.0	1.6	0.0	1.1	10.7	9.1	-1.6
Prudential Borrowing	81.9	14.7	-6.2	-3.4	87.0	44.8	-42.2
Total	179.6	20.3	-6.2	1.4	195.1	134.1	61.0

¹ Reflects the difference between the anticipated 2013/14 year end position, as incorporated within the 2014/15 Business Plan, and the actual 2013/14 year end position.

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

- There are no new exceptions to report this month.

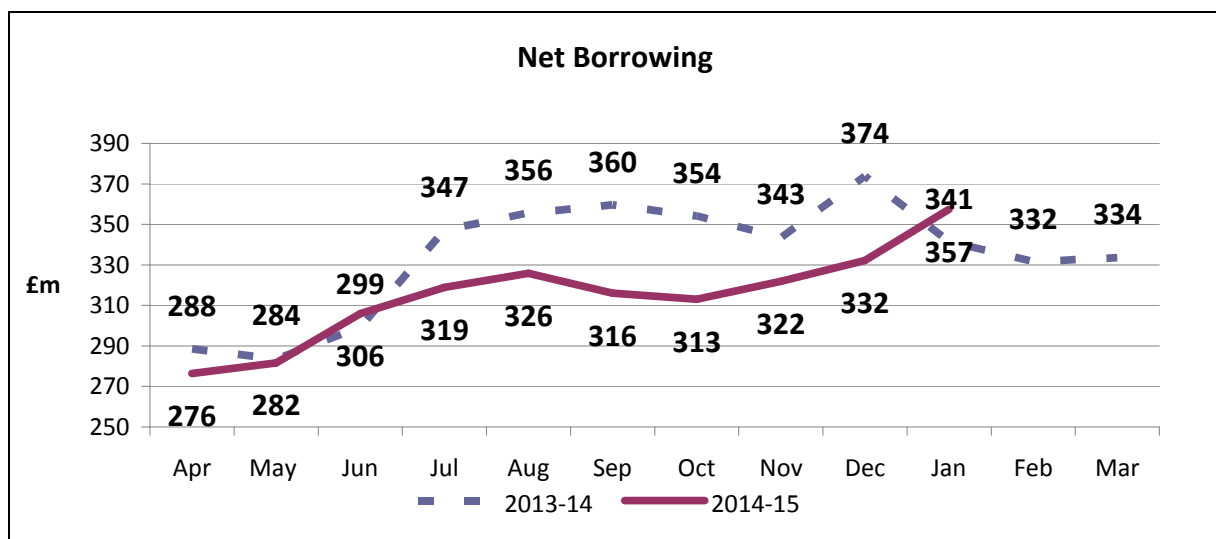
6.6 Previously reported key funding changes that are still applicable can be found in [appendix 5](#).

7. BALANCE SHEET

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

Measure	Target end of January	Actual end of January
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.6m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.1m
Invoices paid by due date (or sooner)	97.5%	99.6%

7.2 The graph below shows net borrowing (borrowing less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of January were £23.8m and gross borrowing was £381.1m, giving a net borrowing position of £357.3m.



7.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014/15 TMSS was set in February 2014, it was anticipated that net borrowing would be £406m at the end of this financial year. Net borrowing at the beginning of this year was lower than expected and the forecast for the end of this financial year is now £368m.

- 7.4 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.
- 7.5 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 7.6 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.6m. The actual net borrowing position at 31st January is £357.3m and the forecast for the end of the year is £368m.	<p>A £750k underspend is reported, which is largely due to cash balances being higher than forecast for the year to date. This has impacted on the timing of new long term borrowing, which will now be delayed until 2015/16, generating savings for the Council. The Council currently has sufficient cash balances to follow this strategy and avoid the need to take on additional long term borrowing.</p> <p>The Debt Charges budget was reduced by £1m when the Business Plan was approved in February 2014 in expectation of slippage in the capital programme; the underspend reported is in addition to that amount. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing is adopted.</p>

- 7.7 A schedule of the Council's reserves and provisions can be found in [appendix 6](#).

8. EXTERNAL AND CONTEXTUAL ISSUES

- 8.1 On 3 February 2015, the Local Government Minister Kris Hopkins announced the publication of the final 2015/16 settlement in a written statement to Parliament.
- The key change is an additional £515k of un-ringfenced Revenue Support Grant (RSG) for the Council 'to recognise that councils have asked for additional support, including to help them respond to local welfare needs and to improve social care provision'. The Council Tax referendum limit for 2015/16 has been confirmed as 2%.
- 8.2 On 27 January 2015 General Purposes Committee (GPC) considered the draft 2015/16 Business Plan and agreed to recommend it to Full Council without any amendments. Full Council will consider the Plan at its meeting on 17 February 2015.

9. FURTHER INFORMATION

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

http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports

10. ALIGNMENT WITH CORPORATE PRIORITIES

10.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

10.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

10.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

11. SIGNIFICANT IMPLICATIONS

11.1 Resource Implications

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

11.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

11.3 Equality and Diversity Implications

There are no significant implications within this category.

11.4 Engagement and Consultation Implications

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

11.5 Localism and Local Member Involvement

There are no significant implications within this category.

11.6 Public Health Implications

There are no significant implications within this category

Source Documents	Location
<p>ETE Finance & Performance Report (January 15)</p> <p>CFA Finance & Performance Report (January 15)</p> <p>PH Finance & Performance Report (January 15)</p> <p>CS and LGSS Cambridge Office Finance & Performance Report (January 15)</p> <p>Performance Management Report & Corporate Scorecard (January 15)</p> <p>Capital Monitoring Report (January 15)</p> <p>Report on Debt Outstanding (January 15)</p> <p>Payment Performance Report (January 15)</p>	<p>1st Floor, Octagon, Shire Hall, Cambridge</p>

APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)								
	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	251,616	0	63,225	34,142	5,851	9,670	10,351	5,624
Healthwatch from Corporate Services	429				-429			
We car annual cost						-10	10	
County Farms investment to team budget						-50	50	
Legionella testing			-13			13		
ETE Operational Savings – LEP funding			50					-50
ETE Operational Savings – Local Infrastructure and Street Management (LISM) tablets			26					-26
Leader's Personal Assistant (PA) salary budget					-30		30	
Replace annual recharge requirement for Registrars & Coroners Employer's and Public Liability Insurance			-14			14		
Budget realignment regarding County Farms staff						-85	85	
CS Operational Savings – various					772			-772
Transfer of funding for Chief Executive's budget 14/15					5			-5
CFA Operational Savings – Practice & Safeguarding	400							-400
CFA Operational Savings – Ordinary Residence	398							-398
Allocation of the Care Bill Implementation Grant	125							-125
Allocation of the Special Educational Needs (SEN) Grant and Adoption Reform Grant (Quarters 1 & 2)	695							-695
Health Watch to Corporate Services	-429				429			
ETE Operational Savings – A14 work			5					-5
ETE Operational Savings – Cambridgeshire Future Transport			60					-60
Cambridgeshire Community Services HR Support	-50						50	
Allocation of the Staying Put Implementation Grant (Quarter 1)	14							-14
Allocation of the Special Educational Needs and Disability (SEND) Implementation Grant (Quarters 1 & 2)	238							-238
Right-sizing Rural Estates staffing establishment						-119	119	
ETE Operational Savings – Cycling Legacy			19					-19

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ETE Operational Savings – SmartLife Business			100					-100
ETE Operational Savings – Cambridge Sub-Regional Model			110					-110
ETE Operational Savings – Archives Store			18					-18
Transfer of Catering and Cleaning Services (CCS) Finance Support	104						-104	
ETE Operational Savings – Cycling Legacy			-7					7
ETE Operational Savings – Flood Signing			30					-30
ETE Operational Savings – Busway Infrastructure Costs			7					-7
ETE Operational Savings – Flood Risk			73					-73
Allocation of: Special Educational Needs (SEN) Grant - Qtr 3; Special Educational Needs and Disability (SEND) Grant - Qtr 3; Adoption Reform Grant - Qtr 3; and Staying Put Grant - Qtr 2	480							-480
ETE Ops Savings - A14			9					-9
Public Health Adjustment - Changing behaviours	81	-135	27		27			
Allocation of reserves to fund Public Health – Changing behaviours		135						-135
Reversal of ETE Operational Savings – Busway Infrastructure Costs			-7					7
Current budget	254,101	0	63,719	34,142	6,625	9,432	10,592	1,867
<i>Rounding</i>	-	-	1	-	-	-1	1	-1

APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Local Infrastructure and Street Management (LISM) Other – the projected underspend was originally due to a Section 278 (of the Highways Act 1980) agreement fee, received for the North West Cambridge development, which was greater than the predicted budget for the year. Since this time, there have also been further Section 106 agreement fees received, which have contributed to the increased underspend now being reported (increased by -£9k from last month).	-0.398	(-13%)
	Park & Ride Sites – in the Business Plan, it was anticipated that parking fees would be introduced at Park & Ride sites by April 2014 and thus the budget reflects a full year's income. As the introduction of the fee only happened in July, there will be a shortfall in income, which will be covered in-year via the use of £270k from the on-street parking account. Since the fee was introduced, the usage of the Park & Ride sites has been less than expected. The situation is being closely monitored as the passenger numbers remain lower than predicted. Initiatives to promote Park and Ride use are being developed with a campaign being finalised to target Easter 2015.	0.261	(57%)
	Passenger Transport Other – a decision has been made by the Economy & Environment Committee to roll forward funding for Community Transport to future years, to enable the preservation of existing schemes for longer.	-0.418	(-15%)
CFA	Children's Social Care Directorate – the forecast overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making vacancy and agency savings targets difficult to deliver; and the number and cost of legal proceedings exceeding budget.	+1.887	(6%)

	<p>Home to School Transport - Special – Looked After Children (LAC) Transport costs have increased due to a higher number of children being transported and an increase in the distance travelled, following Ofsted and a movement to get children into their local schools. The single occupancy review has been carried out in conjunction with schools to find sustainable solutions to shared routes. The review is now complete and parents have been notified, with implementation after February half term.</p> <p>The other major contributor factors to the predicted outturn are:</p> <ul style="list-style-type: none"> ○ Fewer companies have the specialist vehicles or the number of specialist vehicles we require, which reduces the size of the tender pool and increases prices. We require an additional 11 tail lift vehicles compared to 2013/14; ○ Fewer companies have the required number of passenger assistants, even if they can supply the specialist vehicles, again reducing the tender pool and increasing prices. We require an additional 31 passenger assistants compared to 2013/14; ○ Companies winning the tenders are not based in Cambridge City (one used regularly is based in Haverhill), which increases the tender price as having to fund journey into the City and back as well as the school route. The current average daily price is £91.99, an increase of 3.09% on the April 2014 average; ○ Reduced number of providers interested in applying for contracts for primary school children due to legislation around child seats. Taxis would need to carry child seats for the day reducing public use of boot space e.g. for luggage. This again results in a smaller tender pool and increased prices; ○ More children with more complex needs have increased the use of single occupancy taxis; and ○ Closure of respite centres has resulted in children, often with the most acute needs, requiring high cost transport for increased distances. 	+1.500	(20%)
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	<p>Looked After Children (LAC) Placements (external) – the LAC Placements budget is forecasting an overspend of £1,050k. Pressure on costs has been seen for some time now, but actions have been taken to try and keep spend within budget. External placement numbers exceed those budgeted for and this is likely to continue to be the case for the remainder of the year.</p> <p>The 16+ Placements budget is forecasting an overspend of £250k. There has been an increase in the number of young people who are presenting as homeless, who are willing to be looked after and have nowhere else to go. A number of young people have had to move to supported accommodation that can offer additional support due to their complex needs and this is impacting on the average cost.</p>	+1.300	(8%)
	<p>Home to School Transport - Mainstream – the forecast outturn figure:</p> <ul style="list-style-type: none"> ○ Reflects the new prices for routes which have been the subject of re-tendering. The re-tender process only delivered £41k in savings. The assumed level of savings had been in the order of £350k based on experience of re-tendering contracts in 2012/13 and 2013/14; ○ Takes accounts of an inflationary uplift of 2.9% on all contracts; ○ Takes account of a decision to defer proceeding with a proposal to withdraw free transport on the route between Horningsea and Fen Ditton Primary School as a result of the delayed implementation of road safety improvements and with a proposal to withdraw free transport on the route between Gt and Little Shelford/Stapleford and Sawston Village College. A term's notice is required for changes to be implemented with effect from the start of the new academic year. Following a concern raised by the Road Safety Team about one aspect of the route, a reassessment of one section of the route was necessary to remove the risk of this preventing the withdrawal of free transport, should one or more of the families affected lodge an appeal. The timings of presenting proposals to withdraw transport meant the route review had to be delayed; ○ Takes account of the underspend on the 2013/14 budget of -£355k; ○ Reflects the fact that the underspend achieved in 2013/14 was £345k less than the forecast outturn saving, which informed the setting of the 2014/15 budget during the Business Planning process; ○ Reflects an increase in the number of post-16 students living in East Cambridgeshire being deemed to be entitled to subsidised and free transport into Cambridge as a result of changes made by City of Ely and Newmarket College to their curriculum offer to focus on vocational courses in place of an A Level programme of study; ○ Reflects a reconciliation of the commitment record against the information held in Capita ONE to 	+1.100	(13%)

	ensure all contracts had been appropriately end dated and there were no duplicate records.		
	Commissioning Services – this is due to longer timescales for children with statements moving from one school to another, adhering to the placement consultation process outlined by the Department for Education (DfE) Special Educational Needs (SEN) Code of Practice. In addition to this there has been a move to 25 hours per week provision, from 15 hours per week, which has created a pressure.	+0.330	(9%)
	Physical Disabilities – the forecast underspend has reduced by £120k this month, but the -£960k forecast underspend is due to the management of demand on services, particularly in the area of social inclusion. In addition to demand management some packages of support not materialised, several higher cost packages have ended, and a number of claw backs on direct payments have been made.	-0.960	(-8%)
	<p>Learning Disability (LD) – the following two policy lines for LD had previously been managed together as one overall budget. The projected expenditure was separated out last month for the two policy lines and the explanations for the variances are below.</p> <p>(1) LD - Head of Services – this is due to the following:</p> <ul style="list-style-type: none"> ○ Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) Service Level Agreement (SLA) forecast underspend of -£398k; ○ -£303k contract spend (Thera TUPE) is no longer required – this is a saving identified as part of the 2014/15 Business Plan, which has been over-achieved; ○ -£98k for social enterprises has been committed for on the LD localities, but will not be utilised this financial year. This budget can be transferred to offset pressures in team budgets; and ○ -£105k for a Team Manager and Service Manager post held to cover the recent restructures are not required for 2014/15. The Team Manager post in Huntingdon has been recruited to, but will not be in post in Huntingdon until mid-March 2015. The funding for the vacant Service Manager post will be used to offset costs of the service manager position in Learning Disability Partnership (LDP) Young Adults Team going forward. <p>(2) Learning Disability Localities – a review of all team commitment records is underway and improvements continue to the accuracy of forecasting between teams.</p>	-0.921	(-48%)
		+0.995	(2%)

	<p>Central Financing and Financing Dedicated Schools Grant (DSG) – within CFA, spend of £20.6m is funded by the ring fenced DSG. The budgets for Education Placements (£710k), Commissioning Services (£330k), Early Years Specialist Support (£75k), Strategic Management – Strategy & Commissioning (-£30k), East Cambs & Fenland Localities (-£14k), South Cambs & City Localities (-£2k) and 0-19 Organisation & Planning (-£2k) are forecast to overspend this year by a total of £1,066k.</p> <p>Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. It is estimated that for this financial year vacancy savings of £500k will be taken in relation to DSG funded posts and DSG carry forward within Schools Financing of £566k will be applied, both of these will be combined and used to offset the pressures on DSG funded budgets.</p> <p><i>(The ‘Central Financing’ and ‘Financing Dedicated Schools Grant (DSG)’ notes were reported separately in previous months, but have been combined this month).</i></p>	-1.066	(-5%)
Public Health	Health Improvement – the £500k earmarked from known underspends to pump prime a Healthy Fenland Fund has been transferred to an earmarked reserve.	-0.500	-
CS	N/A	-	-
LGSS Managed	County Offices – a savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council’s property portfolio. Delivery of this saving is being led by the Property Rationalisation Project, under the Property Asset Board, and although some savings have been achieved in previous years, the reported pressure reflects the balance of savings still to be identified. The position is being monitored and the forecast outturn will be updated as savings are secured.	+0.654	(12%)
	IT Managed – the 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £300k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire. It is anticipated that the recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target and work is on-going to identify the part-year value applicable for 2014/15. Once this has been determined, the forecast outturn will be updated accordingly.	+0.300	(17%)

CS Financing	N/A	-	-
Financing Items	<p>Debt Charges – this is largely due to cash balances being higher than forecast for the year to date, in part due to slippage on the capital programme. This has impacted on the timing of new long term borrowing, which will now be delayed until 2015/16, generating savings for the Council. The Council currently has sufficient cash balances to follow this strategy and avoid the need to take on additional long term borrowing.</p> <p>This saving is in addition to the £1m reduction in the Debt Charges budget approved in the Business Plan in the expectation of slippage in the capital programme. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing continues to be adopted.</p>	-0.750	(-2%)
LGSS Operational	N/A	-	-

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

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that it would provide the funding for this scheme.	-11.3	(-97%)
	<p>Connecting Cambridgeshire – the Superfast broadband rollout contractor for Connecting Cambridgeshire is delivering the infrastructure within agreed milestones, however, the payment profile is lagging behind the delivery, increasing the delayed spend figure to £2,546k. This does not represent a total scheme underspend as the funding will be required in 2015/16.</p> <p>The underspend on Super Connected Cities is predicted to be £4,102k. The original grant was to support 2,220 vouchers, but due to a slower take-up rate nationally than the Government first anticipated, this has now been revised down to 160 vouchers. The scheme has now been extended until March 2016 and we are currently seeking approval from the Department for Culture, Media & Sport for the scheme to be extended to the whole of Cambridgeshire, including Peterborough (rather than just Cambridge City and South Cambridgeshire).</p>	-6.6	(-32%)
	Huntingdon - West of Town Centre Link Road – the resolution of land costs is now unlikely to be completed in this financial year, causing the scheme to slip into 2015/16.	-1.7	(-44%)
	<p>Cycling Schemes – spend on the Cycling City Ambition grant funded schemes will now roll into 2015/16 as the Department for Transport has extended the use of this funding until September 2015. This will include the following schemes:</p> <ul style="list-style-type: none"> ○ Huntingdon Road (start date 5th January) ○ Hills Road (start date 26th January) ○ Trumpington Road (start date 11th May) 	-1.7	(-48%)

	Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.0	(-100%)
	Promoting Economic Growth - Delivering Strategic Aims – this is mainly as a result of the following: <ul style="list-style-type: none"> ○ £200k relates to a scheme in St. Ives, which requires substantial public consultation, which is no longer expected to be resolved this financial year; ○ £116k relates to a scheme in March, which requires access to land adjacent to the carriageway – negotiations with the landowner are not expected to be resolved within this financial year; ○ £178k relates to a scheme from St. Ives to Bluntisham, where legal permissions have not yet been agreed. Potentially, if this is resolved, the budget could be fully spent but, at present, this is not expected to be the case; and ○ £100k relates to two cycling schemes in St. Neots, which are currently being reviewed, following which the forecast will be updated accordingly. 	-0.6	(-21%)
	Community & Cultural Services – this scheme is projected to underspend this year, as expenditure has been delayed due to the impending Library Service review.	-0.7	(-42%)
CFA	<p>Primary Schools – New Communities – -£3.320m of the predicted underspend relates entirely to Northstowe. The start on site date has now been put back to March 2015 from November 2014; the school is now not required to open until September 2016, as the first houses on the development are not expected to be ready for occupation until the Summer of 2016. Latest slippage of -£70k results from further delays on design. The overall costs of the project remain on budget.</p> <p>There is a -£150k total scheme reduction to Trumpington Meadows Primary School, due to savings made on compensation events, risk register and contingencies.</p> <p>At North West Cambridge (NIAB) Primary there is a -£110k reduction in 2014/15 due to works taking longer than originally anticipated.</p> <p>Bearscroft is forecasting a -£350k underspend in 2014/15, an increase of -£100k from last month. This</p>	-3.9	(-73%)

<p>is due to continued delays with the design processes and finalisation of acceptable land agreements with developers. The overall costs of the project remain on budget.</p>		
<p>Secondary Schools - Demographic Pressures – the Littleport Secondary scheme is forecast to underspend by -£3.6m in 2014/15, primarily due to a delay in acquiring the land the school will be built on. The start on site date has consequently slipped from Summer to Autumn 2015.</p> <p>Projected expenditure on North Cambridgeshire Secondary in 2014/15 is anticipated to be slow, increasing the overall forecast underspend for the year by -£70k. Anticipated costs for Ely College have reduced by -£80k.</p> <p>The Swavesey Village College scheme is progressing more quickly than originally anticipated. This project is funded significantly by Targeted Basic Need funding. The funding has been advanced to offset the acceleration in the programme. The cost of this scheme has increased by £350k over the lifetime of the project due to higher than anticipated tender costs.</p> <p>The Coleridge Secondary extension scheme has advanced more quickly than anticipated. Funding of £598k is required to be advanced to offset the acceleration of the programme. The overall cost of the project remains on budget.</p>	<p>-3.1</p>	<p>(-34%)</p>
<p>Adult Social Care (ASC) – this relates to previously accumulated grant funding, which will be required in 2015/16. Plans are developed to ensure the sustainability of future ASC capital investments, which are incorporated in the 2015/16 Business Plan.</p>	<p>-2.5</p>	<p>(-54%)</p>
<p>Children Support Services – increased certainty over the timings of projects related to Early Years basic need placements means that costs previously anticipated for 2014/15 will now be incurred in 2015/16. This accounts for -£124k of the overall underspend. Projects envisaged for later years will, however, be brought forward into 2015/16 in the Business Planning process.</p> <p>The remaining -£1.5m is due to slippage on the Trinity School where delays in the acquisition of land led to the appointment of contractors being put on hold until such time as there was greater certainty that the project would proceed.</p>	<p>-1.6</p>	<p>(-44%)</p>
<p>Condition, Maintenance and Suitability – tenders have come in higher than anticipated, which is a reflection of the impact the upturn in the housing market is having on building costs.</p>	<p>+1.2</p>	<p>(23%)</p>

	Temporary Accommodation – more mobiles have been needed due to rising class numbers at primary schools around the County, coupled with increased site works and rising building and transportation costs.	+0.5	(50%)
CS	N/A	-	-
LGSS Managed	Effective Property Asset Management (EPAM) - County Farms Viability – delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement work, has resulted in fewer business cases coming forward against the available funding for 2014/15.	-0.6	(-57%)
	EPAM - Sawston Community Hub – the forecast underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-0.6	(-90%)
	EPAM - East Barnwell Community Hub – the forecast underspend is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Plan. This does not reflect a reduction in total scheme costs.	-1.0	(-83%)
	EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in an underspend of -£1.0m. Going forward, it is anticipated that the project will be incorporated within the wider City Deal schemes currently under development as part of the Economy, Transport and Environment (ETE) Business Planning capital programme.	-1.0	(-100%)
	EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years, as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget is expected to be adjusted as part of the 2015/16 Business Planning process.	-1.0	(-100%)

	Optimising IT for Smarter Business Working – this reflects an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.	-0.5	(-45%)
LGSS Operational	N/A	-	-

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

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme.	-26.3	(-88%)
	Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.5	(-19%)
CFA	<p>Primary Schools - Demographic Pressures – this consists of the following:</p> <ul style="list-style-type: none"> ○ £0.6m saving has resulted from a better than expected tender cost at Fawcett Primary School; ○ A review of the build at Cavalry Primary School has resulted in a reduction in the anticipated costs by £0.6m, as the contractor has identified a means to be able to deliver to the specification, but more efficiently; ○ A saving of £225k has been achieved on the Hemingford Grey Primary School due to employer’s contingencies and risk register not being expended; ○ A saving of £476k to the overall project costs for Huntingdon Primary due to a favourable tender price at Milestone (MS) 4 stage; ○ A saving of £43k has been achieved on the Fulbourn Primary scheme due to risks and contingencies not being expended; ○ The scope of the work at Swavesey Primary School has been increased by £535k to take account of the pre-school needs identified to meet the funded 2’s agenda; and ○ The scope of the works at Millfield Primary has been increased by £180k due to the inclusion of work on the pre-school in the scheme. 	-1.3	(-1%)

LGSS Managed	Effective Property Asset Management (EPAM) - Fenland – residual work on the Awdry House site will be completed in 2014/15. It remains the expectation that the total scheme will underspend by -£0.9m.	-0.9	(-14%)
	EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in a total scheme underspend of -£1.0m. Going forward, it is anticipated that the project will be incorporated within the wider City Deal schemes currently under development as part of the Economy, Transport and Environment (ETE) Business Planning capital programme.	-1.0	(-100%)
	EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£1.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget is expected to be adjusted as part of the 2015/16 Business Planning process.	-5.2	(-75%)

APPENDIX 5 – previously reported key capital funding changes that are still applicable

Funding	Service	Amount (£m)	Reason for Change
Rolled Forward Funding	All Services	20.3	This reflects slippage or rephasing of the 2013/14 capital programme – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	0.6	Severe Weather Funding – as reported in February and approved by Cabinet on 15 th April 2014.
Additional / Reduction in Funding (DfT Grant)	ETE	1.9	Pothole Funding – as reported in July and approved by the General Purposes Committee on 9th September 2014.
Additional / Reduction in Funding (Prudential Borrowing)	ETE	-4.0	Highways Maintenance programme – as reported in August, and was approved by the Highways and Community Infrastructure Committee on 19th August 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.8	Orchard Park Primary (-£0.340m) and Soham (-£0.420m) - as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-0.7	Sundry 'Schools - Scheme Final Payments' – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	-5.5	Rephasing of various schemes – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Universal Infant Free School Meals)	CFA	1.3	Department for Education (DfE) for Universal Infant Free School Meals – as reported in May and approved by the General Purposes Committee on 1st July 2014.
Additional / Reduction in Funding (Basic Need Grant)	CFA	1.3	Swavesey Village College – as reported in July and approved by the General Purposes Committee on 9th September 2014.

Additional / Reduction in Funding (Section 106)	CFA	-1.3	Hauxton Hall (-£0.4m) and Southern Fringe (-£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.
Additional / Reduction in Funding (Prudential Borrowing)	CFA	1.3	As above, Hauxton Hall (£0.4m) and Southern Fringe (£0.9m) – as reported in September and approved by the General Purposes Committee on 4th November 2014.

APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31 Jan 15		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,337	3,469	15,806	16,538	
- Services					
1 CFA	6,760	-1,553	5,207	0	Includes Service Forecast Outturn (FO) position. See note 1.
2 PH	749	20	769	904	
3 ETE	2,796	-597	2,199	2,479	Includes Service FO position.
4 CS	1,314	-937	377	613	Includes Service FO position.
5 LGSS Operational	1,116	-18	1,098	837	Includes Service FO position.
Subtotal	25,073	383	25,456	21,371	
Earmarked					
- Specific Reserves					
6 Insurance	4,105	0	4,105	4,105	
7 Connecting Cambridgeshire	3,485	0	3,485	0	
Subtotal	7,590	0	7,590	4,105	
Equipment Reserves					
8 CFA	453	387	840	588	
9 ETE	567	0	567	854	
10 CS	50	0	50	50	
11 LGSS Managed	559	0	559	419	
12 LGSS Operational	85	0	85	0	
Subtotal	1,715	386	2,101	1,911	
Other Earmarked Funds					
13 CFA	3,443	-564	2,879	5,444	See note 1.
14 PH	0	900	900	1,120	
15 ETE	8,975	-868	8,107	5,354	Includes liquidated damages in respect of the Guided Busway.
16 CS	336	9	345	498	
17 LGSS Operational	0	0	0	0	
Subtotal	12,754	-523	12,231	12,416	
SUB TOTAL	47,132	246	47,378	39,804	
Capital Reserves					
- Services					
18 CFA	4,180	23,883	28,060	3,137	
19 ETE	7,041	26,781	33,822	6,658	
20 LGSS Managed	481	5,034	5,515	481	
21 LGSS Operational	30	0	30	0	
22 Corporate	22,594	7,715	30,309	19,164	Section 106 balances.
subtotal	34,326	63,410	97,736	29,440	
GRAND TOTAL	81,458	63,656	145,114	69,244	

Note 1 – CFA have undertaken an exercise to review their Service reserve balance to identify funds for future specific use, reporting these funds within their 'Other Earmarked Funds' forecast balance at 31 March 2015. ETE and CS & LGSS will undertake a similar exercise at year end.

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31 Jan 15		
	£000s	£000s	£000s	£000s	
<u>Short Term Provisions</u>					
1 ETE	669	0	669	669	
2 CS	1,000	0	1,000	1,000	
3 LGSS Managed	2,866	-1,653	1,213	1,180	
subtotal	4,535	-1,653	2,882	2,849	
<u>Long Term Provisions</u>					
4 LGSS Managed	4,721	0	4,721	4,721	
subtotal	4,721	0	4,721	4,721	
GRAND TOTAL	9,256	-1,653	7,603	7,570	