

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR YEAR ENDING 31<sup>ST</sup>  
MARCH 2012**

*To:* **Cabinet**

*Date:* **12<sup>th</sup> June 2012**

*From:* **Matt Bowmer, Section 151 Officer for Cambridgeshire County Council**

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

*Forward Plan ref:* **Key decision: Yes**

*Purpose:* **This report:**

- **Details the performance of the Council for the 2011/12 financial year.**
- **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.**

*Recommendations:* **That Cabinet:**

- a) Note the revenue expenditure of Services in 2011/12, and in particular the delivery of a better than break-even position (section 3.1).**
- b) approve the budget virement of £2.1m to transfer the 11/12 Waste PFI underspend to Corporate Reserves (which is in line with existing policy and is as reported in February's Integrated R&P Report) – (see section 3.2).**
- c) approve the use of the Council's -£2.1m underspend position in 2011/12 to partly offset the £2.3m Adult Social Care pressure in 11/12 (see section 2.1 and 3.2).**
- d) approve the budget virement of £1.2m from CS Financing to Corporate Services to establish a provision for liabilities in the new financial year (see section 3.2).**
- e) cabinet portfolio holders discuss the issues identified within the Performance section with their Directors to establish if action to improve performance or set appropriate targets can be identified during the next business planning round (see section 9).**

Name: Matt Bowmer	Name: Steve Count
Post: Section 151 Officer, Cambridgeshire CC	Portfolio: Resources and Performance
Email: <a href="mailto:MBowmer@northamptonshire.gov.uk">MBowmer@northamptonshire.gov.uk</a>	Email: <a href="mailto:Steve.Count@cambridgeshire.gov.uk">Steve.Count@cambridgeshire.gov.uk</a>
Tel:	Tel: 01223 699172

## 1. PURPOSE

To present financial and performance information for the financial year 2011/12.

## 2. OVERVIEW

The following table provides a snapshot of the Authority's performance for the financial year 2011/12.

Area	Measure	Year-End Position		DoT
Revenue Budget	Variance (£m)	-£2.1m	G	↓
Basket Key Performance Indicators	Number at target (%)	58% (7 of 12)	A	↓
Capital Programme	Number of projects to budget and time (%)	66% (114 of 172)	A	↓
Balance Sheet Health	Variance of net borrowing activity from plan (£m)	-£21.2m	G	↑

### 2.1 The key exceptions included in the summary analysis are:

- Revenue Budget; overall the outturn position is a -£2.1m underspend (-0.5%) for 2011/12. This is a tremendous achievement following the significant savings target the council was faced with this financial year (see section 12.1). Further information on the key exceptions is provided in section 3.2.

It is proposed to use the 11/12 underspend position to offset £2.1m of the Adult Social Care overspend (£2.3m), which Cabinet is asked to approve.

- Key Performance Indicators; there are 16 indicators within the Council's basket. Targets are available for 12 of these indicators currently, of which 7 were on target at year-end. See section 9 for further details.
- Capital Programme; 114 out of 172 current projects are on time and budget at year-end. The projects not to time and budget are mainly as a result of both slippage and schemes progressing quicker than anticipated. See section 10.2 for further details.
- Balance Sheet Health; end of year figure shows the variance of actual net borrowing (a positive figure represents additional borrowing than what was planned). This can vary considerably due to the profile of cashflows throughout the year. There were

investments of £46.3m at the end of the year. The budget has come in with an underspend of -£2.5m. See section 11.2 for further details.

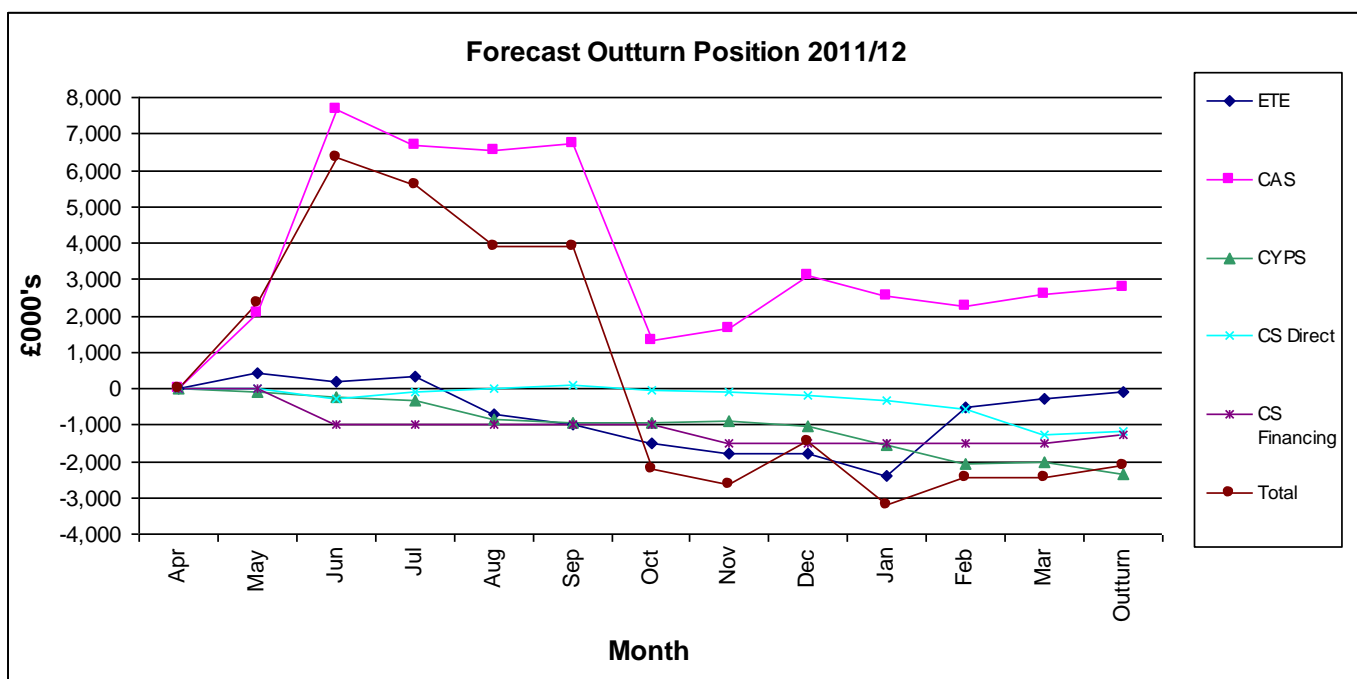
### 3. REVENUE BUDGET, ISSUES AND ACTIONS

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

(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 (-):-	
					£'000	%	Carry Forwards & Other Reserves £'000	General Balances £'000
Economy, Transport & Environment	60,318	4,407	64,725	64,608	-117	-0.2%	284	-167
Community & Adult Services	178,920	4,885	183,805	186,589	2,785	1.5%	-2,785	
Children & Young People's Services	122,113	-1,221	120,892	118,555	-2,337	-1.9%	2,337	
Corporate Services:								
- Direct & Support Services	5,439	924	6,363	5,170	-1,193	-18.7%	1,193	
- Financing & Debt Charges	30,190		30,190	28,922	-1,268	-4.2%		1,268
<b>Total Service Spending</b>	<b>396,980</b>	<b>8,995</b>	<b>405,975</b>	<b>403,844</b>	<b>-2,131</b>	<b>-0.5%</b>	<b>1,029</b>	<b>1,101</b>
Financing Items	-6,474		-6,474	-6,491	-17	0.3%	17	
<b>Total Spending 2011/12</b>	<b>390,506</b>	<b>8,995</b>	<b>399,501</b>	<b>397,353</b>	<b>-2,148</b>	<b>-0.5%</b>	<b>1,046</b>	<b>1,101</b>

#### Notes:-

1. Key to column 6: + signifies overspend or reduced income, - signifies underspend or increased income.
2. The Economy, Transport & Environment (ETE) variation in column 6 includes Winter Maintenance, where specific arrangements for over/under spends exist. Excluding this the underlying position for ETE is -£284k underspend.
3. Revised budgets include Corporate Allocations, which move "overhead" costs from Corporate Services to front-line services.



3.2 Key exceptions and emerging issues are identified below.

Service	Key Exceptions	Impacts and Actions
ETE	<p>A total Service underspend of -£117k (-0.2%) is being reported at year-end.</p> <p>The following issues have been identified as exceptions:</p> <p>Asset Management: £651k overspend (9%).</p> <p>Road Safety: -£602k underspend (-32%).</p>	<p>The reported outturn position includes Winter Maintenance, where specific arrangements for under/over spends exist. Excluding this the underlying outturn position for ETE is -£278k underspend.</p> <p>The overspend on Street Lighting is due to higher costs than budgeted in the first quarter of the financial year, this prior to the commencement of the PFI contract in July 2011. Energy costs are also higher than expected, partly due to high energy inflation than originally projected and further an increase in the number of lighting columns we manage. Additional costs were incurred this financial year as more funding is payable to the contractor than originally budgeted (this was a cash flow issue and does not impact on the total cost of the scheme).</p> <p>The underspend is partly due to increased efficiencies gained from within the Safety Camera Partnership budget and also due to project funding not being spent, as this is being reviewed due to changes in the Council's priorities. The current restructuring of Road Safety has also had an impact on officer time. A further increase in the</p>



Service	Key Exceptions	Impacts and Actions
	<p>Supporting People: -£985k underspend (-10%).</p> <p>Older People: £6.8m overspend (11%).</p> <p>Quality &amp; Transformation: -£1.4m underspend (-33%).</p>	<p>Foundation Trust are lower than expected due to the usual time taken to fill vacancies when staff leave.</p> <p>The Supporting People Team has been reviewing its strategy and financial plans and savings have been identified with contracts with providers having been successfully retendered.</p> <p>Supporting People is also benefiting from carry forward funds from the time the service was grant funded, to the extent of £1.5m.</p> <p>The combination of the innovative ways of working, and the allocation of the carry forward, means that Supporting People is reporting an underspend of just under -£1m for the year.</p> <p>The OP Pool overspent by £9.95m in 2011/12, with the Council's share being £6.8m.</p> <p>The pool figure above includes £1.7m for Pension costs following the TUPE of staff from CCC to NHS Cambridgeshire and subsequently to CCS. This represents the potential shortfall between the value of the Pension costs transferred to the Primary Care Trust (PCT) at the time and the value of the liability when CCS became an NHS Community Trust (April 2011). Agreement has been reached with the PCT and the costs will be shared CCC 62% / PCT 38%.</p> <p>In December 11, the Department for Health (DoH) allocated £1.5m extra funding for Winter Pressure. This funding has been utilised to offset cost arisen from a rise in discharge from acute hospitals in Cambridgeshire (mainly Addenbrookes) as well as an increase in domiciliary care demand since September 2011.</p> <p>The funding has been used to increase short-term and interim beds, capacity from home care agencies and live-in carers required to manage the extra demand.</p> <p>This service funds mainstream activities (Quality Assurance, safeguarding, training, workforce development) as well as transformation projects.</p> <p>Due to the financial position Adults Social Care faced during 2011/12, a review of potential</p>

Service	Key Exceptions	Impacts and Actions
	<p>Learning Disability &amp; Provider Services: £3.4m overspend (7%).</p> <p>See the CAS Finance and Performance Report for details of individual variances (link provided in section 13.1).</p>	<p>projects was undertaken and this identified the release of £650k. In addition, vacancies have been held and the training programme kept to what was strictly necessary, thus freeing another £350k for 11/12.</p> <p>The outturn for the Pooled budget is £4.7m overspend, with the Council's share being £3.4m. There have been general pressures to the pool within the year, including service users increasing eligible needs, seven new service users now receiving services that were previously unknown to the service, and therefore not included in budget planning. The service has also identified some financial risks where individual situations continue to be negotiated. The funding for those risks has been included without prejudice into the final outturn position.</p> <p><i>Actions taken:</i></p> <ul style="list-style-type: none"> <li>• Review &amp; scrutiny of packages.</li> <li>• Holding all but essential vacancies.</li> <li>• Ensure clients are supported in the best setting.</li> <li>• Restrict inflation uplift to providers.</li> <li>• Recovery of unspent direct payments.</li> <li>• Day Services (providers): tight management of capacity of service in line with staffing resource.</li> <li>• Review of out of county residents with a view to returning (where appropriate) service users to Cambridgeshire.</li> <li>• Review of ordinary residence criteria: all Local Authorities (LA's) have been requested to assume financial responsibility for former Cambridgeshire clients based within that LA's geographical area.</li> </ul>
CYPS	<p>A total Service underspend of -£2.3m (-2%) is being reported at year-end.</p> <p>The following issues have been</p>	

Service	Key Exceptions	Impacts and Actions
	<p>identified as exceptions:</p> <p>Learning Directorate: -£1.2m underspend (-9%).</p> <p>Home to School Transport - Special: £776k overspend (13%).</p> <p>See the CYPS Finance and Performance Report for details of individual variances (link provided in section 13.1).</p>	<p>This is largely as a result of the early delivery of 2012/13 planned savings from the Learning Directorate restructure, and underspends of costs related to projects funded on an academic year basis where the spend will not now be incurred until the summer term.</p> <p>This service had a pressure of £300k carried forward from last financial year and also a savings target of £1m in 2011/12. The ability to achieve a balanced budget assumed the full implementation of the new Special Educational Needs (SEN) Transport Policy and achievement of the identified savings of the TAS Review. The revised Transport Policy has now been in implementation since September 2011 and whilst some TAS savings have been realised, these have more than been offset by growth and unexpected high cost contract changes following the review. The TAS review has not delivered as expected with a number of the re-tendered contracts proving unsustainable in their suggested route form. These have had to be re-tendered, sometimes at a higher, but more realistic, price.</p> <p><i>Actions taken:</i></p> <ul style="list-style-type: none"> <li>• The pressures continue to be addressed by implementing policy changes which were agreed by Members and the new policy for new transport to maximise savings will continue to be rigorously applied.</li> <li>• A further review of all current transport routes will be undertaken with the aim of enhancing the information available and supporting the development of a system of enhanced integrity checks by the team procuring the transport. Use of the ONE IT system is also being investigated to provide improved forecasting capability. This work should help to develop enhanced data on routes for the commissioner and enhance integrity checking.</li> </ul>



Service	Key Exceptions	Impacts and Actions
CS	<p>A total Service underspend of -£2.5m is being reported at year-end.</p> <p><u>Corporate Services</u></p> <p>There are no individual issues that are deemed to be exceptional items that require further information being provided within this report.</p> <p><u>LGSS Cambridge Office</u></p> <p>There are no individual issues that are deemed to be exceptional items that require further information being provided within this report.</p> <p><u>LGSS Managed</u></p> <p>The following issues been identified as exceptions:</p> <p>Carbon Trading: -£558k underspend (-87%).</p> <p>Better Utilisation of Property Assets: £765k overspend (101%).</p>	<p>Subsequent to the completion of the Integrated Planning Process for 2011/12 the Department for Education determined that schools should pay for their carbon reduction commitment credits directly. Cambridgeshire Schools Forum agreed to a top-slice of the Dedicated Schools Grant to meet the cost of school credits.</p> <p>Current provisions within the scheme are such that at present the Authority does not now expect to purchase credits in respect of Street Lighting. It is anticipates that this position will be amended in future years, but has resulted in a further saving to the Authority.</p> <p>These two factors resulted in an underspend of -£558k on the Carbon Trading budget in 2011/12.</p> <p>This was primarily the result of making a £755k repayment against the outstanding Workwise Invest to Transform (ITT) loans, facilitated by the surplus across all LGSS Managed budgets.</p>

Service	Key Exceptions	Impacts and Actions
	<p><u>Financing</u></p> <p>Debt Charges &amp; Interest: -£1.3m underspend (-4%).</p> <p>See the CS Finance and Performance Report for details of individual variances (link provided in section 13.1).</p>	<p>Debt Charges has underspent by -£2.5m in 2011/12. Long-term interest rates were lower than expected during the year, as a result of high demand for UK gilts because of their perceived safe haven, and this depressed yields to record lows. Long-term loans were secured at peaks in gilt demand at lower levels of interest rates than budgeted. Net debt was lower than budgeted which also contributed to the underspend. A decision to continue to use short-term borrowing and internal resources meant that a proportion of financing costs were at levels close to base rate (0.5%).</p> <p>An element of this underspend (£1.2m) has been used to establish a provision for liabilities in the new financial year. The final position for CS Financing is therefore an underspend of -£1.3m for 2011/12.</p> <p><b>Cabinet is asked to approve the budget virement of £1.2m from CS Financing to Corporate Services for this provision.</b></p>

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

Note: material variances are considered to be in excess of either +/- 0.5% of the Services' overall net budget or +/- 0.1% of the Council's net budget (£400k), whichever is the greater.

#### 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 Schools Forum to decide the allocation of the DSG.

4.2 Total schools balances as at 31<sup>st</sup> March 2012 are as follows:

	<b>31<sup>st</sup> March 2011 £m (original published balances)</b>	<b>31<sup>st</sup> March 2011 £m (amended for in-year academy conversions)</b>	<b>31<sup>st</sup> March 2012 £m</b>	<b>Change £m</b>
Nursery Schools	0.4	0.4	0.4	0.0
Primary Schools	11.8	11.3	12.7	+1.4
Secondary Schools	3.4	0.5	1.6	+1.1
Special Schools	0.3	0.3	1.0	+0.7
<b>Sub Total</b>	<b>15.9</b>	<b>12.5</b>	<b>15.7</b>	<b>+3.2</b>
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	7.0	7.0	6.0	-1.0
<b>TOTAL</b>	<b>22.9</b>	<b>19.5</b>	<b>21.7</b>	<b>+2.2</b>

It should be noted that further to the DSG, schools balances include funding from the Education Funding Agency (formerly known as, Young Peoples Learning Agency – YPLA) for Post 16 funding, and in year funding for items such as pupils with statements. Schools that had converted to Academy status prior to 31<sup>st</sup> March 2012 are no longer reported by the Local Authority and therefore are not included within the figures.

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

- Several of the remaining secondary schools have successfully reduced or cleared the level of deficit held.
- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Reduction in Devolved Formula Capital funding has also led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

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 revised Balance Control Mechanism any uncommitted balances in excess of 10% (secondary) or 16% (primary/special/nursery) of the school's budget share is considered excessive and will be subject to claw-back.

- 4.5 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 5% (secondary) or 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels. Any amounts clawed back would be re-allocated to the same school to use on agreed expenditure to raise attainment.
- 4.6 The balances can be further analysed in the tables below:

<b>Sector</b>	<b>Schools with Reported Deficit Balances as at 31<sup>st</sup> March 2012</b>	<b>% of Schools with Deficit Balances</b>
Nursery	0	0%
Primary	6	3%
Secondary	0	0%
Special	1	14%
<b>Total Schools</b>	<b>7</b>	<b>3.2%</b>

Value of revenue deficits as at 31<sup>st</sup> March 2012:

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

Value of surplus revenue balances held by schools as at 31<sup>st</sup> March 2012:

<b>Surplus</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
£0k - £10k	0	6	0	0	<b>6</b>
£10k - £20k	0	7	0	0	<b>7</b>
£20k - £60k	3	81	0	0	<b>84</b>
£60k - £100k	4	60	1	0	<b>65</b>
£100k - £150k	0	27	1	2	<b>30</b>
£150k - £200k	0	4	0	2	<b>6</b>
£200k - £300k	0	4	1	2	<b>7</b>
£300k+	0	0	3	0	<b>3</b>

Please note: the figures in 4.2 and 4.6 are based on the year-end returns from schools. However, following further validation of the Consistent Finance Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

## **5. GENERAL RESERVE BALANCES**

- 5.1 Balances on the general reserve as at 31<sup>st</sup> March 2012 are £5.7m as set out below:

<b>County Fund Balance</b>	<b>2011/12 Final Outturn £m</b>
<b>Balance as at 31<sup>st</sup> March 2011</b>	6.141
<b>Changes Arising:-</b>	
Funding for Pressures & Developments Reserve	-1.503
Winter Maintenance	-0.167
Debt Charges	1.268
Adult Social Care Pressure 11/12	-2,100
<b>Balance as at 31<sup>st</sup> March 2012</b>	<b>3.640</b>

- 5.2 As a minimum it is proposed that General Reserves should be no less than 1.5% of gross non-school expenditure of the Council. At present, General Reserves (including Service carry-forwards) are 2.2% of gross non-school expenditure. This has therefore been taken account of and dealt with as part of the Integrated Planning Process (IPP) process for 2012/13, so that this balance will be 1.5% in future years.

## 6. REVIEW OF OTHER RESERVES

- 6.1 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 1.

### Corporate Invest to Transform (ITT) Fund:

- 6.2 The 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 table below provides an overview of the current status of the corporate fund for this financial year and the next three years:

('+' = surplus, '-' = deficit)

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance b/f	1,477	1,623	2,291	3,483
Loan Advances	-1,619	-614	-	-
Loan Repayments	1,526	1,061	1,192	1,393
Other Adjustments <sup>1</sup>	238	221	-	-
<b>Balance c/f</b>	<b>1,623</b>	<b>2,291</b>	<b>3,483</b>	<b>4,876</b>

1. 'Other Adjustments' balances are made up of the following:-

- **2011/12** - £738k received via IPP to fund non-repayable loans.  
- £500k to fund the Library Trust (CAS).
- **2012/13** - £221k received via IPP to fund non-repayable loans.

- 6.3 A number of projects have progressed slightly differently than originally planned, but only the following project is deemed to be an 'exceptional' item:

Shared Services (CS)

A loan of £2.7m was approved in 2008/09, with advances due in the first three years of the project (08/09, 09/10 and 10/11) and repayments due in the following three years (11/12, 12/13 and 13/14). However, due to the project not progressing as originally planned the loan advances have not been drawn down as scheduled. As a result, the first repayment that was due in 2011/12 has been deferred for one year.

## 7. TREASURY MANAGEMENT ACTIVITY

- 7.1 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	14,935	13,350	-1,585
Interest receipts	-	-271	-271
Loan repayments	15,949	15,262	-687
Loan premiums/discount	165	165	0
Internal interest	232	274	42
Debt management exp.	100	130	30
	<b>31,381</b>	<b>28,910</b>	<b>-2,471</b>

- 7.2 Interest payments were considerably less than budgeted as a result of the decision to take finance in the form of short term loans (at 1.0%) rather than long term loans at approximately 4.5%. However, during the latter part of the year longer term loans were taken as gilt yields dropped to historical lows. Interest earned on cash surpluses also contributed to the underspend. Loan repayments were also less than anticipated and much of this came about at year-end.
- 7.3 The change in the authority's loan debt over the year was as follows:

	<b>1<sup>st</sup> April 2011 £'000</b>	<b>Loans Raised £'000</b>	<b>Loans Repaid £'000</b>	<b>31<sup>st</sup> March 2012 £'000</b>
Long-Term Debt	282,143	80,000	10,000	352,143
Temporary Debt	49,200	55,200	79,400	25,000
	331,343	135,200	89,400	377,143
Less Investments	19,700			46,330
<b>Net Debt</b>	<b>311,643</b>			<b>330,813</b>

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

- 7.4 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 4.30%. Temporary debt consists of loans for periods of less than one year, and interest paid on temporary debt was 0.73% over the year.
- 7.5 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 2011/12 compares with approved limits as follows:

	Approved £'000	Actual £'000
<b>Financing Costs</b>		
% of Net Revenue Expenditure	8.9%	8.2%
Authorised Limit for Debt	479,925	337,143
Operational Boundary for Debt	449,925	337,143
<b>Interest Rates Exposure (as % of total debt)</b>		
Fixed Rate	80 – 100%	97%
Variable Rate	0 – 20%	3%
<b>Debt Maturity (as % of total debt)</b>		
Under 1 year	0 – 40%	15%
1 – 2 years	0 – 20%	0%
2 – 5 years	0 – 20%	6%
5 – 10 years	0 – 20%	11%
Over 10 years	50 – 90%	68%

- 7.6 Financing costs are below the approved limit as a result of the underspend for debt charges, and all debt levels are within the approved limits.

## 8. DEBT MANAGEMENT

### 8.1 Summary:

Although over 90 day balances increased slightly in March (by £31k), both cash targets for medium and long term debt have been met for 2011/12. The medium term cash target for debt between 4 and 6 months was £410,000, with the final position being £373,304. The long term cash target for debt over 6 months old was £990,000, with the final position being £723,727.

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

Balances for CAS reduced by £82k in the last period, which resulted in them being £522k below their over 90 day cash target level of £1.26m.

Good progress has been made throughout the year using the debt recovery plan to identify specific areas, prioritise work and work with service colleagues to resolve outstanding items. A similar programme of work will continue in the next financial year.

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

Over 90 day balances reduced by £4k in the final period, which resulted in them being £31k below their over 90 day cash target level of £60k

#### 8.4 Economy, Transport and Environment (ETE):

Over 90 day balances remained around the same level to the previous month, with their year-end position being £158k over their over 90 day cash target level of £30k.

Outstanding developer debts have throughout the year adversely affected performance, with the difficult financial climate specifically affecting these types of organisations. The Council proactively seeks to recover these monies.

#### 8.5 Corporate Services (CS):

The over 90 day balance increased by £117k in the last period, which resulted in them being £93k over their over 90 day cash target of £50k. The main reason for the increase this month was non payment of a Capita Symonds debt of £116k, which is part of a series of invoices totalling £570k. These are currently with Legal for advice on recovery.

### 9. PERFORMANCE TARGETS, ISSUES AND ACTIONS

#### 9.1 On 27<sup>th</sup> September 2011 Cabinet approved a new list of Key Performance Indicators (KPIs) to help Cabinet and the public assess how well the Council is delivering services.

These revised indicators were intended to meet the following criteria:

- Monitor a small number of indicators that are described in Plain English (10-15 indicators overall was suggested as an ideal amount).
- The majority of indicators should be tailored to the Council's own services.
- Indicators should reflect those areas of most interest to residents, focusing on satisfaction, treatment and outcomes.
- Indicators should be quantitative wherever possible.
- Red (used in Red / Amber / Green system) should be consistently applied and calibrated to reflect real problems.
- Performance reporting should not be an end in itself.
- Performance measures have two main audiences, internal and external.
- Measures should be simple and easy to understand.
- Measures for an external audience should focus on outcomes and issues the public had an interest in, and should be an opportunity to improve communications with residents.
- Cambridgeshire should focus primarily on its own performance rather than comparison with neighbours.

This paper presents the end of year performance for 2011/12 of the Council across these 16 KPIs.



## 9.2 Performance Summary

The table below summarises all sixteen indicators and their end of year RAG (Red / Amber / Green) status. Red means that the Council's performance has missed the target, Amber is narrowly missed.

Service	Indicator	Status
Children and Young People's Services	The number of young people starting as apprentices in the county	GREEN
Children and Young People's Services	The proportion of 16 - 19 year olds in education, employment or training	GREEN
Economy, Transport and Environment	The number of people completing courses to improve their chances of employment or progression in work	No Target Set <sup>1</sup>
Economy, Transport and Environment	The proportion of streetlights that are currently working	GREEN
Economy, Transport and Environment	The proportion of household waste collected in the last 12 months that was sent to landfill	GREEN
Economy, Transport and Environment	The number of people killed or seriously injured in road traffic accidents in previous 12 months	RED
Adult Social Care	The proportion of people who are independent following short-term support to help them be self-sufficient	GREEN
Adult Social Care	The proportion of older people still at home after three months following discharge from hospital and support to regain independence	GREEN
Adult Social Care	The proportion of people using social care services who have chosen how their support is provided	RED
Customer Service and Transformation	The proportion of people living in Cambridgeshire who actively use a library service	No Target Set <sup>1</sup>
Children and Young People's Services / NHS	The number of children admitted to hospital as a result of injury, per 10,000 children	No Target Set <sup>2</sup>
Children and Young People's Services	The proportion of looked after children aged between 10 and 16 who are placed in foster care or adopted	AMBER
Children and Young People's Services / Community Engagement	Repeat incidents of domestic violence in supported cases	RED
Adult Social Care	Overall satisfaction of users with adult social care services	No Target Set <sup>1</sup>
Economy, Transport and Environment	The number of bus journeys in Cambridgeshire	AMBER <sup>3</sup>

<sup>1</sup> New indicator in 2011/12, baseline for target in 2012/13.

<sup>2</sup> No target has been set following the end of Local Area Agreements.

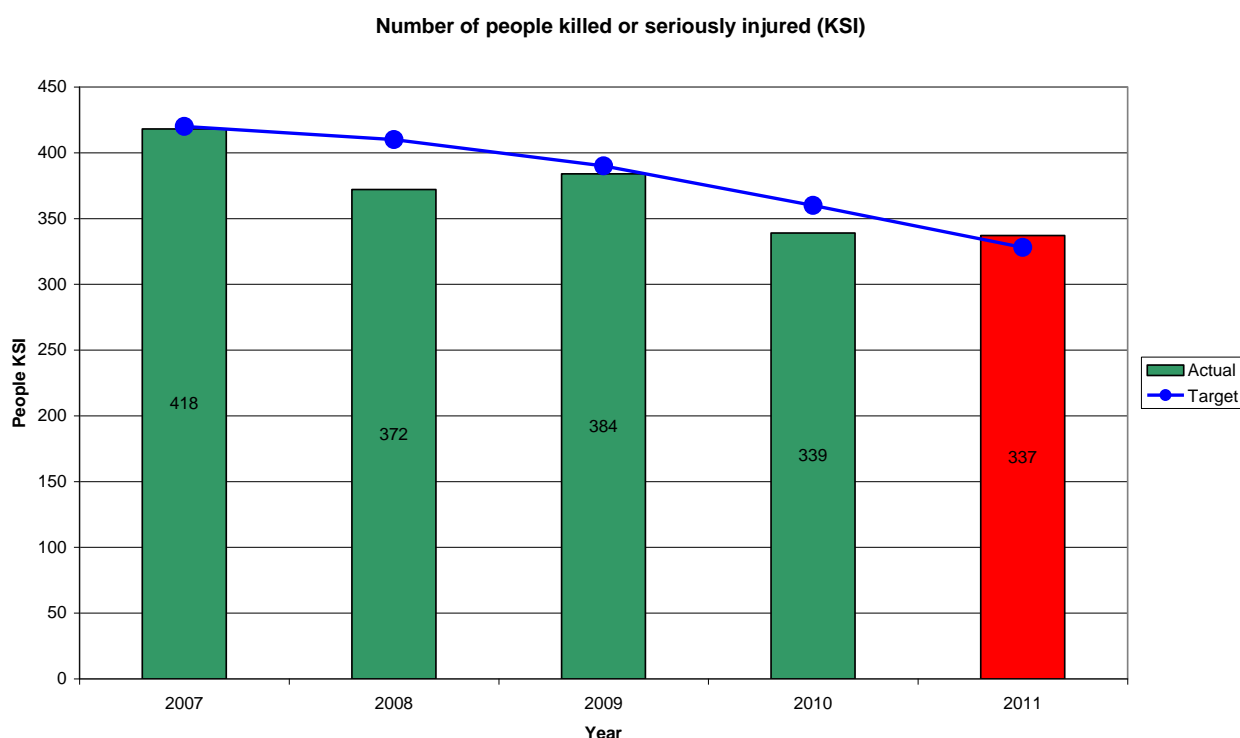
<sup>3</sup> This refers to 2010/11, data for 2011/12 will be available at the end of May 2012

Service	Indicator	Status
Economy, Transport and Environment	The proportion of minor classified roads in the county that are in good condition	GREEN

### 9.3 Red Indicators

#### **The number of people killed or seriously injured in road traffic accidents in previous 12 months**

Target	Actual	RAG Status	Date of Actual
328	337	RED	Total for Jan – Dec 2011



Although the number of people killed or seriously injured on Cambridgeshire's roads was slightly lower in 2011, it did not reduce as much as was targeted. The target was missed largely due to an increase in pedal cyclist casualties. This is related to an increase in cycling across the county – in 2011 the number of cycle trips in Cambridgeshire increased by 8%, with growth of 14% in Cambridge particularly.

In response to the high number of cycle accidents in Cambridge, improving cycle safety through engineering, education and training is a key objective for the Council's Road Safety Team for 2012/13, working in partnership with local community groups and other agencies.

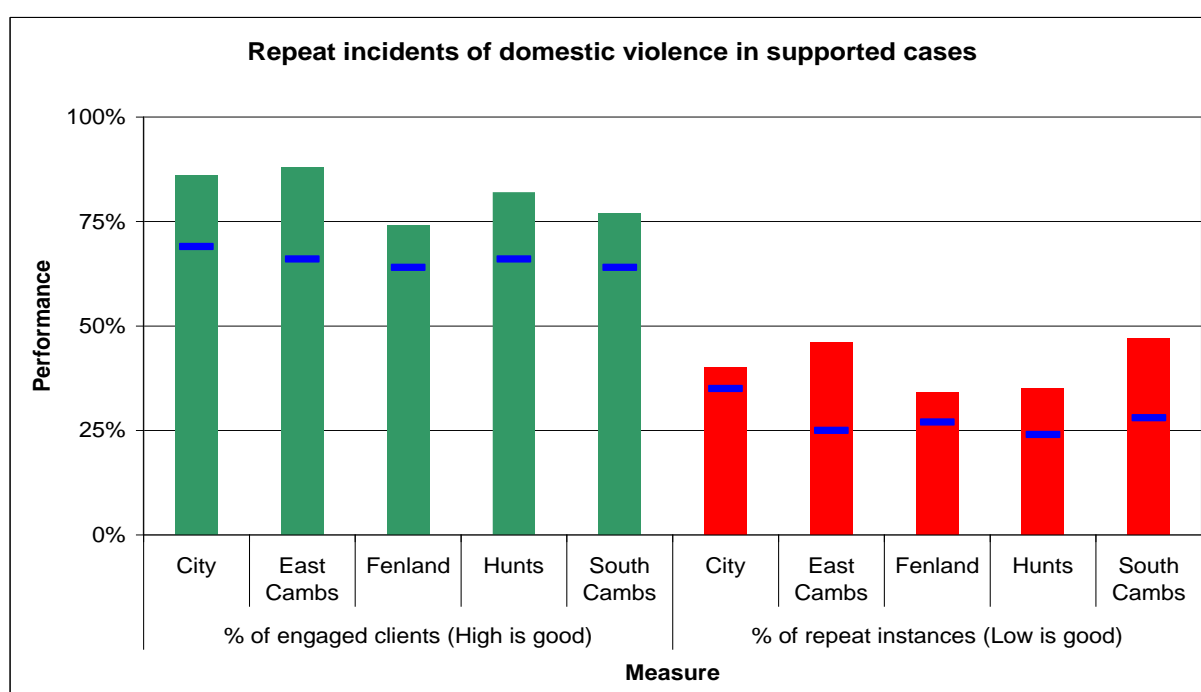
Following a successful bid for central Government funding, from September 2012 Bikeability cycle training for school pupils will be provided free of charge. Funding from the County Council and the grant from the Department for Transport will provide 4,000 training places during 2012/13, increasing to 4,500 in 2013/14 and 5,000 in the 2014/15 (subject to continuing funding). The funding will be used to provide Bikeability

on-road cycle training, delivered in partnership with School Games Organiser Host Schools (formally known as School Sports Partnerships).

We are working with our partners on re-invigorating the Road Safety Partnership and have a significant programme of road safety measures planned in response to particular problems. We have moved away from delivering major safety schemes and now focus on smaller schemes that give significant local safety benefits and targeting campaigns at particularly vulnerable groups. This approach allows us to respond where possible to specific issues. We will continue to monitor the accident statistics and will use those to shape our capital programme on an annual basis.

### Repeat incidents of domestic violence in supported cases

Target	Actual	RAG Status	Date of Actual
Target set at district level	No district met target	RED	Final quarter 2011-12 (March 2012)



In the chart above the blue lines on each column represent the target for each district. In all districts the percentage of clients who are engaged with the service is better than target (the green columns). However, the proportion of supported clients who suffer repeat incidents of domestic violence (the indicator on the scorecard) is worse than the target in all districts (the red columns).

This means that a significant proportion (between a third and a half depending on the district) of the referrals to the Independent Domestic Violence Advisor Service (IDVAS) are 'repeat' referrals i.e. where a victim of violence has been supported by the service but have subsequently report another incident to the police. This means that in these cases the intended outcome of freedom from domestic violence has not been achieved.

This indicator is not simple to interpret and only covers a part of the challenge of tackling domestic violence, as increasing reporting is also a major challenge which is not directly covered by this indicator, but that our services are aiming to address.

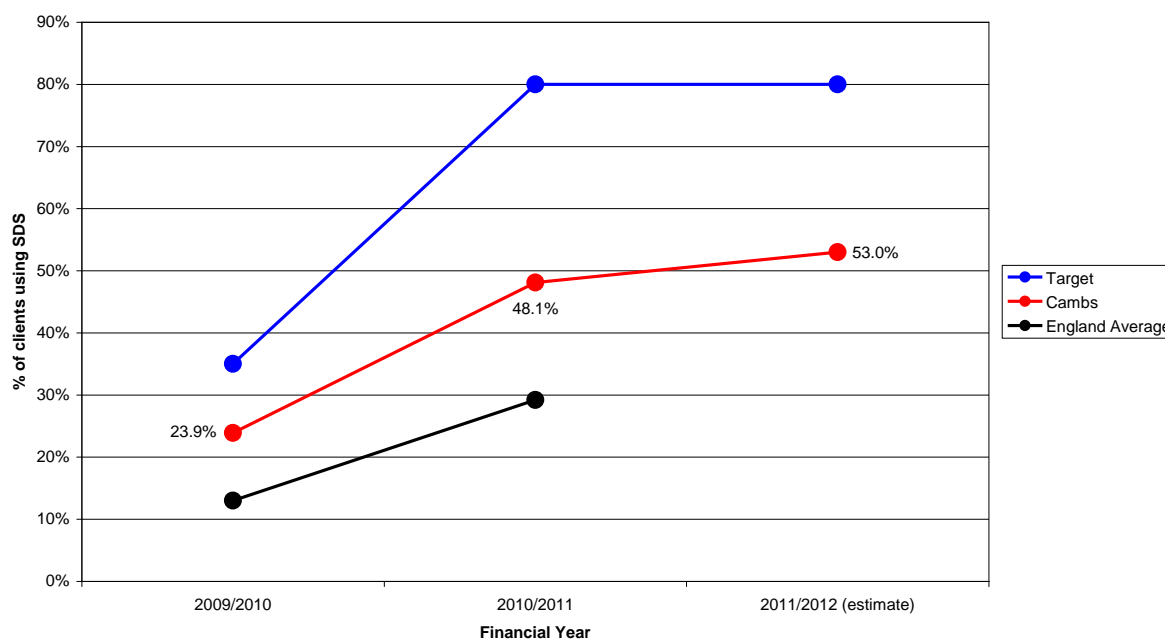
Next year, the way the data is collected is being changed. This will allow a more complete picture of the service's work to be presented and show how the service works in reducing the number of incidents for clients who are positively engaging, and the focus on trying to engage clients who are suffering repeat incidents of domestic violence but who are not currently engaging with the service.

It should also be noted that in response to a staffing reduction at the end of Q1, the threshold for police referrals to IDVAS was raised from a score of 10 to 14. This change resulted in a reduction in the overall number of referrals to the IDVAS, but those that are referred on are higher-risk clients who are more at risk of a repeat incident. These clients now constitute a larger proportion of the total IDVAS caseload. It should also be noted that the change to threshold did not result in a loss of service to those scoring 10-14, as these referrals were passed onto outreach services at Cambridge Women's Aid / Refuge for support.

### The proportion of people using social care services who have chosen how their support is provided

Target	Actual	RAG Status	Date of Actual
80%	53%	RED	Total for the Financial Year 2011/2012

The proportion of people using social care services who have chosen how their support is provided



This indicator measures the proportion of social care users who go through the Self-Directed Support (SDS) process. 53% is an estimated figure, calculated by the Regulation, Performance and Business Support Team in Adult Social Care.

The overall number of clients receiving SDS in 2011/12 was 8,038 compared to a total number of community based clients and carers of clients of 15,252.

Although the national definition of this indicator measures all groups of clients receiving support in the community, for some groups of clients in Cambridgeshire, current practice is not to offer SDS as the default option. The groups are clients of the Occupational Therapy, Assisted Technology Team, Sensory Services and Hospital Discharge teams. At the end of March these teams account for 4,749 clients. Removing these from the equation would put performance at 73%, so nearly three-quarters of community based clients and carers for whom SDS is the default option receive it.

#### 9.4 Green Indicators (performance at least 10% better than target)

##### **The number of young people starting as apprentices in the county**

Target	Actual	RAG Status	Date of Actual
1,400	2,191	GREEN	Total for the Academic Year 2011/2012

In the first six months of the academic year 2011/12 there were 2,191 apprenticeship starts bettering the target of 1,400.

Apprenticeship starts for all ages in Cambridgeshire are up by 49.1% compared to the same period last year. This is better than regionally (28.8%) and nationally (24.8%).

The percentage change for each age group is shown in the table below:

% Change	Cambridgeshire	Statistical Neighbours	Regional	National
<b>16-18 year olds</b>	23.4%	2.4%	5.5%	4.3%
<b>19-24 year olds</b>	35.3%	25.0%	25.1%	20.1%
<b>25+ year</b>	97.4%	55.3%	65.2%	53.1%

Year on year the number of apprenticeships has increased from 1,086 two years ago to 1,469 last year and then to 2,191 this year.

A new apprenticeship strategy was adopted by Cabinet in April 2012. The strategy sets out a target of 4,000 new apprentice starts in 2012/13. The Council has set out an ambition to generate 1,000 new apprenticeships directly through its own activity over the period.

#### 9.5 **It is recommended that Cabinet Portfolio Holders discuss the issues identified here with their Directors to establish if action to improve performance or set appropriate targets can be identified during the next business planning round.**

### **10. CAPITAL PROGRAMME, ISSUES AND ACTIONS**

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

Service	No. of Programmes	No. on Budget	No. on Time	Year-End Target	Year-End Actual
ETE	58	50	55	49 schemes to budget and time.	49 schemes to budget and time.
CAS	22	22	6	6 schemes to budget and time.	6 schemes to budget and time.
CYPS	65	39	64	38 schemes to budget and time.	38 schemes to budget and time.
CS	27	21	21	21 schemes to budget and time.	21 schemes to budget and time.

10.2 Key exceptions and emerging issues are identified below:

Service	Key Exceptions	Impacts and Actions
ETE	<p>ETE's capital programme is reporting a year-end underspend of -£2.2m (-5%).</p> <p>The following scheme has been identified as an exception:</p> <p>Infrastructure Management &amp; Operations: -£2.1m underspend (-23%).</p> <p>See the ETE Finance and Performance Report for further details (link provided in section 13.1).</p>	<p>It should be stressed that this reported underspend represents changes in the timing of payments and not underspends on the total scheme value, as many projects involve spending across a number of years.</p> <p>This underspend relates to the Waste Infrastructure schemes, which are currently being reviewed. Following on from reductions to the 2011/12 Capital Programme, the programme is being reviewed in order to ensure it fits in with the priorities of the service. This spend will be rolled into the next financial year.</p>
CAS	<p>CAS' capital programme is reporting a year-end underspend of -£3.6m (-72%).</p> <p>The following scheme has been identified as an exception:</p> <p>Transformation Initiatives: -£1.2m underspend (-100%).</p>	<p>It should be stressed that this reported underspend represents changes in the timing of payments and not underspends on the total scheme value, as many projects involve spending across a number of years.</p> <p>The Department of Health (DoH) allocated this grant to support personalisation, reform and</p>

Service	Key Exceptions	Impacts and Actions
	<p>See the CAS Finance and Performance Report for further details (link provided in section 13.1).</p>	<p>efficiency. The plan for expenditure will be developed in line with plans for preventative activities.</p>
CYPS	<p>CYPS' capital programme is reporting a year-end underspend of -£14.3m (-14%).</p> <p>The following schemes have been identified as exceptions:</p> <p>Primary Schools – New Communities: -£5m underspend (-89%).</p> <p>Primary Schools – Demographic Pressures: £1.7m underspend (8%).</p> <p>Secondary Schools – Demographic Pressure: -£1.3m underspend (-70%).</p> <p>Building Schools for the Future: -£5.3m underspend (-16%).</p> <p>Devolved Formula Capital: -£3.7m underspend (-43%).</p> <p>Short Breaks, Youth Service and Children's Support Services: -£1.1m underspend (-16%).</p>	<p>It should be stressed that this reported underspend represents changes in the timing of payments and not underspends on the total scheme value, as many projects involve spending across a number of years.</p> <p>This underspend mainly relates to the Trumpington Meadows project, which did not start during the financial year due to land transfer issues.</p> <p>Three schemes have progressed quicker than expected, resulting in an in-year overspend of £1.4m. At the same time, two other schemes have progressed slower than expected, or the phasing of payments has been altered in order to achieve an in-year underspend of -£1.2m. There has been a £1m overspend on Queen Emma Primary School due to additional works required to rectify design errors. A claim against the designer is being prepared and the balance of this in-year overspend will be met from 2012/13 forecast spend.</p> <p>Cambourne 5 Form Entry (5FE) Secondary underspent this year as the land purchase will not now take place until the next financial year.</p> <p>The phasing of spend has now been revised from 2011/12 to 2012/13 and 2013/14.</p> <p>This is a three-year rolling fund for schools. Unused funds will be carried forward to 2012/13 as part of the rolling three-year plan.</p> <p>Underspends on Short Breaks for Disabled Children, St Neots Youth Centre and general CYPS capital expenditure occurred during 2011/12, due to expenditure incurred not being</p>

Service	Key Exceptions	Impacts and Actions
	See the CYPS Finance and Performance Report for further details (link provided in section 13.1).	allowable under capital funding terms and conditions, and the allowance of grant carry forwards into future financial years.
CS	<p>CS's capital programme is reporting a year-end underspend of -£10.7m (-65%).</p> <p><u>Corporate Services</u></p> <p>There are no individual issues that are deemed to be exceptional items that require further information being provided within this report.</p> <p><u>LGSS Cambridge Office Managed</u></p> <p>The following schemes have been identified as exceptions:</p> <p>Cambridgeshire Community Network Refresh: -£3.2m underspend (-71%).</p> <p>Better Utilisation of Property Assets (BUPA) College of West Anglia (CoWA) Project: -£5m underspend (-100%).</p> <p>Carbon Reduction: -£828k underspend (-91%).</p> <p>See the CS Finance and Performance Report for further details (link provided in section 13.1).</p>	<p>It should be stressed that this reported underspend represents changes in the timing of payments and not underspends on the total scheme value, as many projects involve spending across a number of years.</p> <p>This is due to rephasing of expenditure and does not reflect an overall reduction in scheme costs.</p> <p>This underspend reflects the revised phased payments as laid out in the Heads of Terms with the College of West Anglia and therefore the underspend will be rolled forward in 2012/13.</p> <p>This reflects expenditure incurred on costs completed to date and does not reflect an overall reduction in scheme costs.</p>

Service	Emerging Issues	Impacts and Actions
---------	-----------------	---------------------



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

## 11. BALANCE SHEET, ISSUES AND ACTIONS (reported quarterly)

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

Measure	Target end of March	Actual end of March
Net borrowing activity from plan, £m	£352m	£330.8m
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.4m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£0.7m
Invoices paid by due date (or sooner), %	95%	99.1%

11.2 Key exceptions and emerging issues are identified below:

Key exceptions	Impacts and actions
Variance of net borrowing activity from plan forecast at year-end	Long-term interest rates were lower than expected during the year, as a result of high demand for UK gilts because of their perceived safe haven, and this depressed yields to record lows. Long-term loans were secured at peaks in gilt demand at lower levels of interest rates than budgeted. Net debt was lower than budgeted which also contributed to the underspend. A decision to continue to use short-term borrowing and internal resources meant that a proportion of financing costs were at levels close to base rate (0.5%). This resulted in an overall underspend of -£2.5m being reported for 11/12 on the Debt Charges budget.

Emerging issues	Impacts and actions
None	

## 12. EXTERNAL AND CONTEXTUAL ISSUES

12.1 2011/12 has been the most difficult financial situation in the council's history, as it has had to deal with the twin pressures of increasing demand (because of an increasing and ageing population) and inflation, coupled with a 14% reduction in the core funding received from Government. A great deal of hard work, accompanied by the application of reserve funding, as planned, to offset some of the Older People's pressure, ensured

the council not only achieved its savings target of £50.4m for 11/12, but actually surpassed expectation by producing a further £2.1m of savings. These additional savings will be made available in the next round of the Integrated Planning Process (IPP).

- 12.2 Going forward, the outlook for 2012/13 isn't any brighter, as the council still has to deal with the twin pressures of increasing demand (because of an increasing and ageing population) and inflation, coupled with an 11% reduction in the core funding received from Government. With savings of £42.2m to be achieved in 12/13 and £128m to be achieved over the next five years, will result in further significant improvements to the way the council delivers its services. This has been addressed and accounted for as part of the 2012/13 IPP.

- 12.3 An initial assessment of these issues is set out below.

### External and Contextual Issues; key issues, impact and suggested actions

Key issues	Impacts and actions
2012/13's financial situation.	<p>The significant level of savings to be achieved in 2012/13 could impact on the council producing a balanced budget at year-end.</p> <p><i>Suggested actions:</i></p> <ul style="list-style-type: none"> <li>Processes are already in place to closely monitor the required savings on a monthly basis. This will ensure that any discrepancy from the Integrated Plan will be flagged at the earliest opportunity to Senior Management Team and Cabinet, so that the necessary corrective action can be sought.</li> </ul>

## 13. FURTHER INFORMATION

- 13.1 Members requiring further information on issues raised in this report may wish to access the reporting and drill down facilities in CORVU (for performance issues) and the Oracle e-Business Suite for finance issues, or follow the links below:

CYPS Finance and Performance Report	<a href="http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Children+and+Young+Peoples+Services.htm">http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Children+and+Young+Peoples+Services.htm</a>
CAS Finance and Performance Report	<a href="http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Community+and+Adult+Services.htm">http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Community+and+Adult+Services.htm</a>
ETE Finance and Performance Report	<a href="http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Environment+Services.htm">http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Environment+Services.htm</a>
CS Finance and Performance Report	<a href="http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Corporate+Directorates.htm">http://www.cambridgeshire.gov.uk/council/finance/spending/monthly/Corporate+Directorates.htm</a>

--	--

## 14. IMPLICATIONS

Resources and Performance:

- 14.1 This report provides the year-end resources and performance information for the council and so has a direct impact.

Statutory, Legal and Risk:

- 14.2 There are no significant statutory, legal and risk implications.

Equality and Diversity:

- 14.3 There are no significant equality and diversity implications.

Engagement and Consultation:

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

### SOURCE DOCUMENTS:

ETE Budgetary Control Report (Outturn). CAS Budgetary Control Report (Outturn). CYPS Budgetary Control Report (Outturn). CS 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 11.	Room 301, Shire Hall, Cambridge
--	---------------------------------------

## APPENDIX 1: Reserves

Fund Description	Balance at 31 March 2011	2011-12		Notes
		Movements in 2011-12	Balance at 31 Mar 2012	
	£000s	£000s	£000s	
<b>General Reserves</b>				
- County Fund Balance	6,141	-401	3,640	
- Services				
1CYPS	264	2,662	2,926	Includes Service outturn position
2ETE	2,767	-191	2,576	Includes Service outturn position
3CAS	0	-2,785	-685	Includes Service outturn position
4CS	-193	1,778	1,586	Includes Service outturn position
subtotal	8,979	1,063	10,042	
<b>Earmarked</b>				
- Specific Reserves				
5Insurance	8,024	659	8,683	
6Invest to Transform – Corporate	1,477	146	1,623	
7Invest to Transform – Services	637	7	644	
8Pressures & Developments Reserve	2,429	2,422	4,851	
9Headroom to be Deployed	5,354	-662	4,691	
10Grant Holding Reserve	4,763	436	5,199	
subtotal	22,684	3,008	25,692	
<b>Trading Units</b>				
11CYPS	0	0	0	
12CAS	0	0	0	
13Cs	70	0	70	
subtotal	70	0	70	
<b>Equipment Reserves</b>				
14CYPS	483	-203	280	
15ETE	221	-124	97	
16CAS	24	32	56	
17CS	696	-202	494	
subtotal	1,424	-497	927	
<b>Other Earmarked Funds</b>				
18CYPS	841	729	1,570	
19ETE	11,523	516	12,039	Includes delayed damages in respect of the Guided Busway
20CAS	287	230	517	
21CS	852	545	1,397	
subtotal	13,503	2,020	15,522	
<b>SMLs (LMS etc)</b>				
22LMS Schools	22,960	-1,245	21,715	
23SIPF	0	0	0	
subtotal	22,960	-1,245	21,715	
<b>GRAND TOTAL</b>	<b>69,620</b>	<b>4,348</b>	<b>73,968</b>	