

INTEGRATED RESOURCES AND PERFORMANCE REPORT (ABBREVIATED) – MARCH 2010

To: **Cabinet**

Date: **25th May 2010**

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

Electoral division(s): **All**

Forward Plan ref: **2010/037** *Key decision:* **Yes**

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

Recommendation: **That Cabinet:**

- 1. Analyses resources and performance information and takes any remedial action as appropriate.**
- 2. Approve in principle the investment of up to €8m of growth funding, on behalf of Cambridgeshire Horizons, to stimulate development at Clay Farm. Authority to negotiate the details and complete the investment agreement being delegated to the Corporate Director: Finance, Property and Performance), Councillor Reynolds (Resources and Performance) and Alex Plant (Chief Executive: Cambridgeshire Horizons) (see section 3.1 of the report for detail).**

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1. PURPOSE

- 1.1 To present financial and performance information to assess progress in delivering the Council's Integrated Plan. This report is in an abbreviated format, consisting of summary Performance and Resources headlines, the Corporate Scorecard and outturn figures by Services, with explanations of significant variances only. Please note figures are still subject to change as a result of financial year-end activities and are still subject to external audit. An update of the figures at draft final account stage will be provided in June 10.

2. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

- 2.1 The following **performance** issues are of note:-

- There are **5** new or changed exceptions to report this month:
 - National Indicator (NI) 155 Number of Affordable Homes Delivered (gross) – the 2009/10 outturn was just short of (4% below) the 960 target. A couple of individual sites have experienced delays to completions, so a number of affordable homes will complete in 2010/11 rather than 2009/10. This is a matter of timing rather than delivery and the homes will be completed in the very near future, and we remain on-track to achieve the renegotiated 2010/11 Local Area Agreement (LAA) target of 1,146.
 - NI 152a Working Age People on out of Work Benefits in Fenland (LAA) – exception reports are regularly submitted to the Cambridgeshire Together Board to update them on progress. A revised target for 2010/11 has recently been agreed with GoEast. Risk of not meeting the 2010/11 target will be reevaluated for the end of the year report for 2009/10.
 - Local Indicator (LI) 025 Sickness Absence Cambridgeshire County Council (CCC) – 7.6 days as at 22nd March 2010, 2.7% worse than the target of 7.4 days or less. The 2009/10 Cambridgeshire target excluding schools is unchanged at 7.4 days, which is ambitious, as the actuals for every year since 2001/02 have been above this. In fact, sickness to date this year is at its lowest since 2001/02, a direct result of proactive application of the absence management procedures by line managers (with support from HR). This includes: return to work interviews following every period of absence; using trigger points to identify unacceptable levels of absence; obtaining professional support via the Council's Occupational Health and Staff Counselling providers; and timely use of management information to enable 'hot spots' or trends to be targeted for action.
 - NI 179 Value for Money – £1.7m worth of efficiency for Community and Adult Services (CAS) was due to be achieved with the reablement project. This has not yet materialised as the project has been delayed. Further savings were based on passing some efficiency savings to Independent Sector Providers (ISP) by top slicing inflation. This has been partially achieved; CCC has contracts with some providers which state the inflation rates to be used. In 2009/10 Commissioners for Older People have drawn up an action plan to address the current situation, with the most impact to start in 2010/11.
 - LI 068 Overall Satisfaction of Website Customers – net satisfaction this month was 37%, well above the national average of 33%. It should be noted that though this is still just below the target of 40% that was set almost two years ago. The recent report 'SOCITM Better connected 2010' shows that nationwide 'levels of satisfaction with visiting council websites have dropped again, this time by over 11% on top of last year's 10%'. This rating is based on feedback from those customers who choose to submit comments on the pop-up questionnaire (on average about 600 responses per month). Whilst numbers are low, the comments are relevant and an action plan has been developed with the

appropriate services to address the concerns raised. A wider Internet Improvement Project is taking place within Service Transformation to identify key website customer tasks and optimise the site to improve the quality of their user experience when completing these. Note that a net satisfaction of, for example, 30% would not indicate 70% dissatisfaction. It is a net satisfaction rate of 30% better than 'okay' achieved by subtracting the percent of dissatisfied responses from positively satisfied responses, and disregarding those customers who felt their experience was 'okay'.

- Previously reported exceptions are:
 - LI 206 % Young People Aged 13-19 Participating in Youth Service Activities (RED ↑) – a detailed report investigating the under performance in this area has been produced and some initial audit work has been undertaken as part of the recommendations. A major factor in under performance is a move in Localities towards working with young people aged under 13 rather than the core age group of 13-19 year olds. This information is being used as a basis for Area meetings with the Locality Team Managers to improve performance and a financial audit of external funding is being undertaken by Area Managers that examines the age group this is targeted at, how increased backfill is arranged for under 13s work and the use of core funding for 13-19 work. The rationale for setting the participation target has also been reviewed for next financial year.
 - NI 008 Adult Participation in Sport (RED ↓ for 2008/09, but predicted AMBER for 2009/10) – significant funding has been secured to focus on NI 008 through workplace sport and physical activity interventions.
 - NI 148 Care Leavers in Employment, Education and Training (EET) (Red ↓) – there were three additions to the cohort in February, and the continuing difficult economic environment remains challenging, and is impacting on performance. The 'National Employability Scheme' known as 'Care 2 Work' is a new national initiative targeted at young people in and from care. A new working group has now been formed to take forward Cambridgeshire's interest in this initiative.
 - NI 169 Non-Principal Roads where Maintenance should be considered (RED ↓) – latest provisional data indicates that maintenance should be considered on 7% of the non-principal classified road network. Subject to confirmation of the figure, the council's challenging 2009/10 target of 6% was not achieved for this indicator. As a result of the cold spell in February 2009 there was a marked deterioration of the non-principal road network, so a slight reduction from target is a realistic outcome. In both absolute and relative terms, the council's performance remains very good and should still be placed within the top quartile of all county councils.
 - NI 171 New Business Registration Rate - % of Regional Average (LAA) (Red ↑) – recently released figure for 2008 shows poor performance. Reduction in availability of finance for business has been a large factor in businesses' lack of growth, particularly in the high-tech sector. To reflect this, the target for 2010/11 has been re-negotiated down to 98%.
 - NI192 Household Waste Recycled and Composted (currently RED ↑) – this is an area where the council performs very well. In 2008/09 the council was second performing county council (just 0.01% behind Leicestershire). Prevailing weather conditions over the summer, together with the impact of the recession on consumer behaviour, saw lower than anticipated recycling and composting. In setting the target many factors such as population growth, infrastructure roll-out and educational campaigners are all taken into account to predict the annual performance. Although the opening of the Mechanical Biological Treatment (MBT) plant will have a positive impact, as will the changes to kerbside collection

by the City Council, the full effects of these will not be enough to achieve the 2009/10 target.

- LI 136a CCC - % of Contact Centre Calls Answered within 20 Seconds (Red ↓) – the contact centre continues to receive a high number of contacts regarding pot holes on county roads. At the same time the contact centre is carrying a number of vacancies to minimise the impact of a project reducing staff numbers. Carrying the vacancies will mean that highly skilled and experienced displaced staff will not be lost from the council. This will also reduce the need for redundancy payments for approximately 10 staff that would otherwise have been made redundant.

The year to date figure for 2009/10 for this PI was still within service level.

To reduce the impact, 4 temporary staff are being recruited for 6 months contracts. It is expected that these staff can be in place and effective by the end of May 2010, helping to reduce the impact of the increased contact numbers during June. If the pot hole situation improves it is expected that contact numbers will revert back to standard level sooner.

- Previously reported exceptions that have improved are:
 - NI 154 Net Additional Homes Provided (AMBER) – while there is confidence the council will achieve the revised target for the end of 2009/10, some uncertainty remains about how the council's smaller housing sites have fared over the past year. This will not be confirmed until the year-end survey of all sites has been completed, which should be reported in June/July 2010.
- It should be noted that NI008, NI152 and NI171 all form part of the Local Area Agreement (LAA) and are all being closely tracked by the Cambridgeshire Together Board. NI171 has also been reported to the Cambridgeshire Together Board as an 'at risk' NI.
- A report based on end of year predictions for the performance indicators in the scorecard was reported to Cabinet/SMT on the 7th April 2010. A report detailing actual end of year performance will be presented to Cabinet on the 5th July 2010.

2.2 The following **resource** issues are of note:-

- Overall the budget position is showing a forecast year-end underspend of -£2m (-0.6%). The increase in the forecast underspend this month of -£1.5m, follows the issue of £300k from corporate reserves to fund pressures within the Older People Services (CAS) along with an increase in predicted savings that have been identified across CAS.
- In Environment Services (ES) an underspend of -£409k is being predicted, which is mainly due to savings in Environment & Regulation.
- In Community and Adult Services (CAS) an overspend of £524k is being predicted, which is mainly due to pressures within Adult Social Services. Further examination of the factors behind this overspend with the Primary Care Trust (PCT) has taken place and as a result management actions have been taken and a call against the Pressures and Developments Reserve of £1.3m has been made.
- In Children and Young People's Services (CYPS) an overspend of £130k is being predicted, which is mainly due to pressures within Strategy and Commissioning.

- In Corporate Directorates (CD) an underspend of -£428k is being predicted, which is due to specific actions to hold costs and reclaim rebates. Much of this additional benefit will be applied to the Workwise and Shared Service's target savings.
- In Corporate Directorates – Financing, an underspend of -£1.8m is being predicted due to savings on Debt Charges, resulting from further improvements to Treasury Management and the net impact of increases in costs on certain capital projects and revised phasing of other capital projects.

2.3 The following **general economic** issues are of note:-

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

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

2.4 **Revenue Income & Expenditure Summary**

Outturn Variance (Feb) £000	Service	Budget for 2009/10 £000	Provisional Outturn (Mar) £000	Provisional Outturn (Mar) %	Overall Status	D o T
-447	ES *	51,332	-409	-0.8%	Green	↓
2,213	CAS	141,987	524	0.4%	Amber	↑
136	CYPS	81,115	130	0.2%	Amber	↑
-639	CD Direct	31,991	-428	-1.3%	Green	↓
-1,722	CD Financing	26,712	-1,813	-6.8%	Green	↑
-459	Total Service Spending	333,137	-1,996	-0.6%	Green	↑
0	Financing Items	-5,181	0	0.0%	Green	↔
-459	Total Spending 2009-10	327,956	-1,996	-0.6%	Green	↑

* ES includes Winter Maintenance, Waste – PFI Contract and Priority Investments, where specific arrangements for under/over spends exist. Excluding these items the underlying forecast outturn position for ES is -£257k underspend.

More detailed tables of results and commentary for each Service are shown within Appendix 2.

3. PROPOSED EQUITY INVESTMENT

- 3.1 Cambridgeshire County Council (CCC) has been asked to invest up to €8m of growth funding on behalf of Cambridgeshire Horizons to stimulate development at Clay Farm. The main reason for CCC making this investment, rather than Horizons itself, is to prevent adverse implications on Horizons' trading position.

The €8m to be invested is Horizons' allocation of the Government's Housing Growth Fund (HGF) money and therefore the risk to CCC is very low. This risk may be further limited by deferring the investment until after the final tranche of the HGF money has been received from Government at the end of June 2010. CCC is the 'responsible body' that holds the growth fund and Horizons is the 'authorising body' responsible for authorising any expenditure against the fund, including the investment in the Clay Farm development.

Cabinet is asked to approve in principle the investment of up to €8m, with authority to negotiate the details and complete the investment agreement being delegated to Nick Dawe (Corporate Director: Finance, Property and Performance), Councillor Reynolds (Resources and Performance) and Alex Plant (Chief Executive: Cambridgeshire Horizons).

4. STATUTORY DUTIES & PARTNERSHIP WORKING

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

5. CLIMATE CHANGE

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

6. ACCESS & INCLUSION

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

7. ENGAGEMENT & CONSULTATION

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

SOURCE DOCUMENTS:

ES Budgetary Control Report (March). CAS Budgetary Control Report (March). CYPS Budgetary Control Report (March). CD Budgetary Control Report (March).	Room 301, Shire Hall, Cambridge
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APPENDIX 1: Corporate Scorecard

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
A) Integrated Plan								
1) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 1)								
LI206 % Young people aged 13-19 participating in Youth Service Activities	High	%	28-Feb-2010	9.5	11.8	R	↑	
NI088 % of schools providing access to extended services	High	%	28-Feb-2010	94	100	A	↑	
NI005 Overall/general satisfaction with local area	High	%	31-Mar-2009	86	88.6	A	♦	A
NI008 Adult participation in sport and active recreation	High	%	31-Mar-2009	21.8	23.2	R	↓	A
NI017 Perceptions of anti-social behaviour	Low	%	31-Mar-2009	12.6	9.8	A	♦	A
NI069 Bullying (new target)		%	31-Mar-2010	28.8			♦	
NI110 Young people's participation in positive activities	High	%	31-Mar-2010	80.4	80	G	↑	
NI115 Substance misuse by young people	Low	%	31-Mar-2010	9.6	9.1	A	↑	
2) Supporting and protecting vulnerable people (Strategic Objective 2)								
NI130 Social Care clients receiving Self Directed Support	High	clients	31-Mar-2010	34.4	35	A	↑	
NI136 People supported to live independently (all ages)	High	rate per population	31-Mar-2010	3140	3272	A	↓	
NI148 Care leavers in EET	High	%	28-Feb-2010	62.5	73	R	↓	
NI054 Services for disabled children	High	Number	31-Mar-2010	63	63	G	♦	
NI137 Healthy life expectancy at age 65	High	Number	31-Mar-2009	14.8			↔	
3) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 3)								
NI047i People killed or seriously injured in road traffic accidents	Low	Number	28-Feb-2010	362	385	G	↓	G
NI154 Net additional homes provided	High	Number	31-Mar-2009	2813	2344	G	↓	A
NI155 Number of affordable homes delivered (gross)	High	Number	31-Mar-2010	926	960	R	↔	R
NI169 Non-principal roads where maintenance should be considered	Low	%	31-Mar-2010	7	6	R	↓	R
NI175 Access to services and facilities by public transport, walking and cycling	High	%	31-Mar-2009	96.25	89.7	G	↑	G
NI177 Local bus passenger journeys originating in the authority area - CCC	High	Number	31-Mar-2009	24165236	21850000	G	↑	A
NI177 Local bus passenger journeys originating in the authority area - LAA	High	Number	31-Mar-2009	24165236	20850000	G	↑	G
NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2010	21.04	22.5	G	↑	G

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)								
NI182 Satisfaction of businesses with local authority regulation services	High	%	28-Feb-2010	80	78.5	G	↔	G
NI152a Working age people on out of work benefits in Fenland - LAA	Low	%	30-Sep-2009	13.9	11.5	R	↓	
NI163 Working age population qualified to at least Level 2	High	%	31-Mar-2009	73.4	74	A	↑	A
NI171 New business registration rate - % of regional average	High	%	31-Mar-2009	89	101	R	↑	A
5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)								
NI192 Household waste recycled and composted - 12-month rolling average	High	%	28-Feb-2010	51.42	54.7	R	↑	R
NI185a CO2 reduction from Local Authority operations	High	%					♦	
NI185b CO2 reduction from Local Authority operations	Low	tonnes	31-Mar-2009	85142			♦	
NI186a Per capita CO2 emissions in the LA area - % reduction	High	%	31-Mar-2008	4.7	3.7	G	↑	G
NI188 Adapting to climate change (CCC)	High	Number	31-Mar-2009	1	1	G	♦	G
NI197 Improved local biodiversity – active management of local sites	High	Number	31-Mar-2009	166	155	G	↑	A
6) Delivering high-quality effective and efficient services (Service Delivery Principle 1)								
Finance - Capital	High	Number	31-Mar-2010			A	↔	
Finance - CAS	High	Number	31-Mar-2010			A	↑	
Finance - CD Direct	High	Number	31-Mar-2010			G	↔	
Finance - CD Financing	High	Number	31-Mar-2010			G	↔	
Finance - CYPS	High	Number	31-Mar-2010			A	↔	
Finance - ES	High	Number	31-Mar-2010			G	↔	
LI025 Sickness Absence (CCC)	Low	working days	31-Mar-2010	7.67	7.4	A	↓	
LI031 % of staff from ethnic minorities as a % of the workforce	High	%	31-Mar-2010	4.71	4.1	G	♦	
LI044 Value of outstanding invoices per age range >6 months	Low	£	31-Mar-2010	856277	1060000	G	↑	
LI277 Prompt Payment	High	%	31-Jan-2010			G	↔	
NI179 VfM	High	£0,000	28-Feb-2010	11425	11467	A	↓	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)								
LI068 Overall satisfaction of website customers	High	%	31-Mar-2010	37	40	R	↓	
LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	31-Mar-2009	87	75	G	♦	
NI004 % of people who feel they can influence decisions locally	High	%	31-Mar-2009	30.5	34	A	♦	
8) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)								
NI007 Environment for a thriving third sector	High	%	31-Mar-2009	15.3	19.2	A	♦	
B) Operational Performance								
Customer Service								
LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	31-Mar-2010	74.3	80	R	↓	
Operational - Organisational Health								
LI039 Payment of undisputed invoices within 30 days	High	%	31-Mar-2010	98.2	95	G	↓	
Operational - People Management & Development								
LI032 Recruitment lead times	Low	days	31-Mar-2010	30.54	33	G	↑	
Percentage of appraisals completed on time	High	%	31-Mar-2010	91.5	96	A	↓	
Operational - Programmes								
14-19 years	High	Status	31-Jan-2010			A	↔	
Better Utilisation of Property Assets	High	Status	31-Aug-2009			A	↔	
Building Schools for the Future	High	Status	31-Mar-2010			A	↓	
Cambridgeshire Flood Risk Management Programme	High	Status	31-Jan-2010			G	↑	
Children's Trust	High	Status	31-Jan-2010			A	↔	
Climate Change Programme	High	Status	28-Feb-2010			A	↔	
Customer Services Excellence	High	Status	31-Jan-2010			A	↔	
Economic Prosperity	High	Status	31-Jan-2010			A	♦	
New Communities and Major Developments	High	Status	31-Jan-2009			G	♦	
People Strategy	High	Status	28-Feb-2010			G	↑	
Quality for Adults	High	Status	31-Oct-2008			G	↔	
Service Infrastructure	High	Status	31-Jan-2010			A	↔	
Service Transformation - Enhanced and Preventative Services	High	Status	31-Jan-2010			A	↔	
Service Transformation - Social Care	High	Status	31-Jan-2010			A	↔	
Shared Service	High	Status	31-Oct-2009			R	↓	
Transport	High	Status	30-Nov-2008			G	↔	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period)	Predicted Year End Status
Operational - Risk Management								
01) Safeguarding Children	High	Status	30-Jun-2009			A	♦	
02) Safeguarding Vulnerable Adults	High	Status	30-Jun-2009			G	♦	
03) Management of inspection process	High	Status	30-Jun-2009			G	↑	
04) Economy	High	Status	30-Jun-2009			G	♦	
05) Financial management	High	Status	30-Jun-2009			G	↔	
06) Financial Strategy	High	Status	30-Jun-2009			G	♦	
07) Estate Utilisation	High	Status	30-Jun-2009			G	♦	
08) Recruitment, Retention & Development	High	Status	30-Jun-2009			G	↔	
09) Delivery of the Growth Agenda	High	Status	31-Mar-2009			G	♦	
11) Streetlighting PFI	High	Status	30-Jun-2009			G	↔	
12) Shared Services	High	Status	30-Sep-2009			A	↓	
13) Partnership working with PCT	High	Status	30-Jun-2009			G	↔	
15) Business Continuity & Community Resilience	High	Status	30-Jun-2009			G	♦	
16) Climate Change	High	Status	30-Jun-2009			G	↔	
17) Community Cohesion	High	Status	30-Jun-2009			A	↔	
19) Capacity	High	Status	30-Jun-2009			G	♦	
20) Organisational Change	High	Status	30-Jun-2009			G	♦	
Non-Key Risks	High	Status	30-Jun-2009			G	↔	

APPENDIX 2: Income & Expenditure Position by Service

Environment Services (ES)

ES is forecasting to underspend by -£409k at year-end. This represents -0.8% of net expenditure.

Previous Month's Outturn (Feb) £'000	Directorate	Note	Budget for 2009/10 £'000	Provisional Outturn (Mar) £'000	Provisional Outturn (Mar) %	Overall Status	D o T
0	Executive Director		2,356	-27	-1.1%	G	↑
13	Highways & Access	i	27,125	137	0.5%	A	↓
-118	Growth & Infrastructure	i	1,364	-108	-7.9%	G	↓
-507	Environment & Regulation	i, ii	8,442	-643	-7.6%	G	↑
0	External Grants		-3,484	0	0.0%	G	↔
-612	Total Office Funded Items		35,803	-641	-1.8%	G	↑
204	Winter Maintenance	iii		311		A	↓
-39	Waste PFI	iv	15,529	-79	-0.5%	G	↑
-447	Total	v	51,332	-409	-0.8%	G	↓

Key issues:

Priority Investments

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

Environment and Regulation

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

Winter Maintenance

- iii. The Winter Maintenance budget is forecasting to overspend by £311k due to the pro-

longed cold weather this winter. Any overspend on this budget is covered from the Council's General Reserve.

Waste Private Finance Initiative (PFI)

- iv. The Waste PFI contract is expected to underspend by -£79k. As previously reported, this contract has benefited from the actual indexation on the contract being less than was projected when the budget was set (with the recession having a substantial impact on the basket of indices used).

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

Total

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

Community and Adult Services (CAS)

CAS is forecasting to overspend by £524k at year-end. This represents 0.4% of net expenditure.

Previous Month's Outturn (Feb) £'000	Directorate	Note	Budget for 2009/10 £'000	Provisional Outturn (Mar) £'000	Provisional Outturn (Mar) %	Overall Status	D o T
-132	Executive Director	i	1,594	-139	-8.7%	G	↓
1,987	Adult Social Services	ii, iii, iv	151,385	306	0.2%	A	↑
358	Community Learning & Development	v	10,546	358	3.4%	A	↔
0	Community Engagement		5,273	-1	0.0%	G	↑
2,213	Total Expenditure		168,798	524	0.3%	A	↑
0	External Grants		-26,811	0	0.0%	G	↔
2,213	Total		141,987	524	0.4%	A	↑

Key issues:-

Executive Director

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

Adult Social Services

- ii. The Director of Adult Support Services is forecasting an underspend of -£2.4m. A saving of £300k, which was budgeted to cover potential redundancy costs, has been identified as the restructuring of CAS has been delayed. £1.3m has also been transferred from corporate reserves to assist with the Older People's 2009/10 predicted overspend.
- iii. Mental Health is showing a £151k surplus, which is mainly due to slippage in staffing budget, with recruitment of social workers being more difficult than anticipated.
- iv. Older People Services is forecasting an overspend of £3.1m. Commissioners are forecasting an overspend of £4.9m (5%) for the whole pool (with the council's share being £3.1m). This is due to overspending on Domiciliary Packages, Direct Payments and Residential Payments. The forecast cost of these services has increased by 6% from 2008/09.

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

Community Learning and Development

- v. Libraries are forecasting a pressure of £275k. This is mainly due to the continued decline in the traditional sources of library income (overdues, hire of Compact Discs (CD's) and Digital Video Disk (DVD's) and in the use of the School Library Service by county schools (the latter to be closed from 1st April 2010). Income generation continues to be an issue, even after the reopening of the Central Library in Cambridge. Actions are in place (including staff restructuring) to contain the impact on the main library budget. Following the dispute with Verry Construction Ltd (Central Library), a claim of c.£500k (current estimate) will be put forward to the adjudicator related to loss of income and extra storage costs. These costs currently sit on the balance sheet, so if in a future year the claim proves unsuccessful, this will become an additional pressure in that year.

Children and Young People Services (CYPS)

CYPS is forecasting to overspend by £130k at year-end. This represents 0.2% of net expenditure.

Previous Month's Outturn (Feb) £'000	Directorate	Note	Budget for 2009/10 £'000	Provisional Outturn (Mar) £'000	Provisional Outturn (Mar) %	Overall Status	D o T
-1,138	Executive Director	i, ii, iii	7,297	-844	-11.6%	G	↓
-90	Learning	iv, v, vi, vii	18,577	-242	-1.3%	G	↑
2,021	Strategy & Commissioning	viii, ix, x, xi, xii, xiii, xiv	63,815	2,045	3.2%	A	↓
-638	Children's Social Care	xv, xvi, xvii, xviii	35,155	-496	-1.4%	G	↓
-18	Children's Enhanced & Preventative Services	xix, xx, xxi	27,244	-333	-1.2%	G	↑
136	Total Expenditure Including Grant Funded Spend		152,087	130	0.1%	A	↑
0	Grant Funded Spend		-70,972	0	0.0%	G	↔
136	Total		81,115	130	0.2%	A	↑

Key issues:-

Executive Director

- i. At the beginning of the financial year CYPS put in place a strategy to meet pressures arising across the Service. This strategy included the application of reserves and the identification of compensating savings. A key part of the strategy was to take all savings arising from unplanned vacancies. The following savings were removed from services as a result of unplanned vacancies: Director of Learning £254k; Director of Strategy and

Commissioning £121k; Director of Children's Social Care £325k; and Director of Enhanced and Preventative Services £845k. These savings funded £612k of agreed pressures at the start of the year. The remaining balance shows as an underspend of -£933k on Central Financing, offsetting pressures in other areas of CYPS.

In addition, the removal of all amounts reserved at the end of 2008/09 (which have not subsequently been needed) has released £195k and the £259k funding provided for inflation for salaries has been retained centrally to offset pressures. A further £134k of savings have been achieved mainly through the over recovery of contributions from grants and savings on central legal and consultancy costs.

- ii. Teachers' Pensions is forecasting an overspend of £765k. Early retirement pension costs have increased significantly in 2009/10 due to a number of factors. The number of pension payments made to individuals has increased slightly, however, the main cause for the large overspend is that the size of these payments has more than doubled. In 2008/09 the average payout was £16,473 and in 2009/10 the average has increased to £40,542. This increase can be attributed to the type of job role being made redundant and the amount of years service those employees have had. In 2009/10 there have been an unusually high number of teachers, Deputy Head teachers and Head teachers being made redundant, which cost considerably more.
- iii. The Redundancy budget is forecasting an underspend of -£94k. This budget is demand led with spend dependant on the level of redundancies in schools. In 2009/10 less funding is expected to be required than is available in the budget.

Learning

- iv. Standards & Effectiveness 3-11 is forecast to underspend by -£101k. This saving has resulted from: a -£42k underspend arising as a result of a balance remaining after schools have made their last claim for NQT monies; a -£22k underspend as a result of the change in treatment of the Basic Skills funding and the transfer of the responsibility for this to schools; £28k of ABG funding for the extended schools programme not being spent to plan; and a -£17k underspend on intervention consultancy. Sundry minor overspends in other areas brings the total underspend to -£101k.
- v. Standards & Effectiveness 11-19 is reporting a -£172k underspend at year-end. -£54k of this has arisen from the reduction in costs on Individual Learning Plans and -£6k from savings achieved on the procurement of the 14-19 prospectus. -£25k is from Ceblo, which is due to Ceblo partners not being able to increase the level of activity delivered in school, and -£77k is due to underspends on ABG Flexible Funding for 14-19. Sundry minor underspends make up the remaining balance of -£10k.
- vi. Grafham Water is estimating an outturn deficit of £165k mainly due to predicted income being significantly below expectations of extended centre capacity. Bookings during the summer term of 2009 increased against previous bookings because of extra capacity (although not as much as had been projected). Bookings during the autumn and spring terms 2010 have been below previous years and have been affected by the disruption in booking patterns due to the closure in 2008/09.

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

- vii. Professional Centre Services is forecasting an underspend of -£54k. Having streamlined the service over the past 3-4 years, Professional Centre Services is now making a surplus. Also, given last year's economic climate, the service was frugal with its expenditure in case they did not reach their income targets; this resulted in a significant over-recovery in 2009/10. In view of the good performance over the past 3 years, Professional Centre Services will be reducing room prices to CCC departments by 5% in the next financial year (2010/11), and will also cease charging CCC departments for additional equipment such as multi-media projectors and lap-tops.

Strategy & Commissioning

- viii. Strategic Management – Strategy and Commissioning is showing an underspend of -£339k, which reflects the input of additional Standards Funds monies to meet related costs across the Directorate.
- ix. Catering and Cleaning Services (CCS) forecast an overspend of £248k at year-end due to:
- Primary catering income falling short of budgeted sales targets for paid meals.
 - Supplying more free meals than planned, with no additional funding.
 - Secondary school Service Level Agreement (SLA) staffing and provision costs exceeding budgets. Management have re-negotiated the basis of a number of SLAs, which improved the contribution from September.

Cleaning Services are achieving additional contribution above budget, which partially offsets the Catering deficit.

- x. Groomfields is projecting an outturn deficit of £96k for 2009/10. The current economic climate has impacted on projected income streams and costs of service provision have risen at above inflationary levels. The service is limited as to the extent that these costs can be passed on to customers.
- xi. Home to School Transport - Mainstream is forecasting a -£549k underspend. A significant part of this forecast underspend relates to inflation assumptions for 2009/10 being higher than the 0.9% awarded to existing contractors. There have also been large increases in the amount of income generated by the team (this is now assumed to be at maximum capacity).

£60k of the forecast underspend is due to a combination of two main factors. The taking back of the post-16 transport administration from Peterborough Regional College in September resulted in the saving of the administration fee previously payable. Additionally, savings have been made on some of the tendering operations.

- xii. An overspend of £627k is forecast for Placements – Education. £120k of this overspend is as a result of 4 children not leaving placements at the end of the summer term as expected. A number of placements have needed to be made in relatively expensive provision, compared to average assumptions of cost, and along with unplanned changes in provision to budgeted pupils these have added further costs of £91k. Finally, the use of Support and Tuition centres for young people in Education Otherwise than at School (EOTAS) provision has been higher than anticipated.
- xiii. Placements – Social Care is forecasting a pressure of £1.8m at year-end. March continued to reflect rises in numbers of new placements being made with a net increase of 7 placements in March. This rapid growth has also been accompanied by growth in

the complexity and associated costs of the placements needing to be made. At the end of March total placements were 290 compared to 247 budgeted places at this stage of the year (an increase of 17%).

At the end of 2008/09 the Placements budget, which funds placements in the voluntary and independent sector, was funding 223 Looked After Children (LAC) places. Demography funding for 2009/10 was based on anticipated growth in costs of 14% across the year. Growth in numbers to the end of 2009/10 is 30% over 2008/09 year-end numbers.

- xiv. An overspend of £204k is expected in the Learning Difficulties and Disabilities Services, which is due to increased demand/costs for therapy for children with statements particularly in special schools.

Children's Social Care

- xv. Strategic Management - Children's Social Care is forecasting an underspend of -£100k as a result of uncommitted LAC, disability and employment opportunities funding. This has been held to offset the overspend on the Placements – Social care budget.
- xvi. A -£264k underspend has arisen on Legal Proceedings due to internal income received in response to: legal costs in relation to cases which have not yet reached their conclusion, and for over recovery of legal costs. Changes to the system for charging legal costs are being considered for next year, so that costs are charged as they are incurred reducing the need for year-end adjustments.
- xvii. 16+ and Leaving Care budget is expected to be -£133k underspent. The expected spend for March was lower than anticipated and unexpected income from NASS increases the underspend position by £30k. UASC Leaving Care grant received to date was also £28k more than expected.
- xviii. Children's Commissioning is expected to be £69k underspent at year-end. Service Development is expected to be £38k underspent. Spending was reduced to absorb social care pressures during 2009/10. Supervised Contact team have maintained a consistent workload during 2009/10 resulting in higher than budgeted income and producing an underspend of -£11k. Other sundry underspends total -£20k.

Children's Enhanced and Preventative Services

- xix. Strategic Management - Enhanced and Preventative Services is forecast to be -£162k underspent at year-end as a result of a number of savings being made to address pressures across the Directorate.
- xx. Special Needs Support Services is forecast to underspend by -£89k in total. This is made up of -£55k in the Fit for School budget due to an effort to keep children in school resulting in fewer specialist teachers from this service being needed. A -£20k underspend in Access to Learning has resulted from the manager post being vacant and therefore the work being on hold, and similarly with the -£14k underspend in Communications and Learning where fewer training courses have been run.
- xxi. Education other than at School (EOTAS) is forecast to overspend by £85k. Overspends have arisen in ConnectEd online schooling (£32k), which has now closed, and Fenland

Learner Centre (£44k) due to the centre being partly empty, which has reduced its income. There have also been overspends at Hunts PRU and support and tuition centre and on central EOTAS management costs. These overspends have been partially offset by significant underspends in Pilgrim PRU where large numbers of children from outside of Cambridgeshire have been educated, generating additional revenue above that anticipated.

Corporate Directorates (CD)

CD is forecasting to underspend by -£2.2m at year-end. This represents -3.8% of net expenditure.

Previous Month's Outturn (Feb) £'000	Directorate	Note	Budget for 2009/10 £'000	Provisional Outturn (Mar) £'000	Provisional Outturn (Mar) %	Overall Status	D o T
-316	Customer Services & Transformation	i	18,220	-201	-1.1%	G	↓
-99	Finance, Property & Performance	ii	6,609	-119	-1.8%	G	↑
-224	People, Policy & Law	iii	9,377	-108	-1.2%	G	↓
-639	Gross Expenditure		34,206	-428	-1.3%	G	↓
0	External Grant Income		-2,214	0	0.0%	G	↔
-639	Sub Total		31,991	-428	-1.3%	G	↓
	Financing Costs:						
-1,700	Debt Charges and Interest	iv	26,561	-1,813	-6.8%	G	↑
-22	Restructure Support Costs		151	0	0.0%	G	↓
-2,360	Total		58,703	-2,241	-3.8%	G	↓

Key issues:

i. Customer Services and Transformation

Customer Service and Transformation is expecting an underspend of -£201k. This includes underspends in Service Transformation (-£104k) and IT Services (-£107k) due to increased levels of traded activity. There are underspends in Emergency Management (-£22k) and Management Support (-£33k) as a result of vacancies during the course of the year.

These underspends have been partially offset by overspends on the Director of Customer Services and Transformation budget (£39k) due to unrecoverable costs of NOMAD and Corporate Communications (£53k) due to increased distribution costs of the residents magazine, and a delay in modernization in the service that will enable greater income generation.

The Workwise budget has a pressure of £759k. This will be partially offset by a transfer of £153k windfall rebate income from Business Support and Facilities Management. The remaining pressure will be covered by a draw down against the approved Invest to Transform (ITT) loan.

ii. Finance, Property and Performance

Finance, Property and Performance is showing an underspend of -£119k. The Service facing Finance and Performance Teams (ES, CAS & CD and CYPs) are forecasting a joint underspend of -£70k, which is mainly due to staffing vacancies within the Services.

Shared Services is showing a balanced budget. Underspends within the operational team budgets resulting from vacancies and unbudgeted income recovery have offset other pressures within the Service. In addition, Shared Services has benefitted from a surplus on the Miscellaneous budget primarily from a decrease in the provision for bad debt. The forecast position for the year-end is a £683k overspend in line with the Business Case that will be covered by an agreed ITT loan.

iii. People, Policy and Law

The People, Policy and Law directorate is showing an underspend of -£108k. Staffing overspends of £86k on the HR – ES, CAS and CD budget and £51k on the HR – CYPs budget have been offset by underspends on Corporate Development (-£81k) resulting from in-year vacancies and Democratic and Member Services (-£48k) due to delaying the review of Member Allowances. In addition, the Redundancy, Pension and Injury budget held by P,P&L has an underspend of -£71k.

iv. Financing

Financing is expecting an underspend of -£1.8m on the Debt Charges budget. This is due to lower than expected levels of borrowing and interest rates. Although the forecast underspend has increased by -£113k this month, the overall reduction in this forecast reported in previous months reflects the deliberate decision to convert some loans from short term rates to medium term rates to protect the long term interests of the authority when interest rates rise in future years.