

**INTEGRATED RESOURCES AND PERFORMANCE REPORT – NOVEMBER 2009**

*To:* **Cabinet**

*Date:* **26<sup>th</sup> January 2010**

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

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

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

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

*Recommendation:* **That Cabinet:**

- 1. Analyses resources and performance information and takes any remedial action as appropriate.**
- 2. Consider and then approve / reject the S106 deferral request (see section 3.2 and appendix 6).**
  - 24 Units – South East of 30 Kirkgate Street, Wisbech – £16,350 Primary Education Contribution. It is recommended that this deferral is accepted.**

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## 1. PURPOSE

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

## 2 BACKGROUND

- 2.1 A joined-up reporting mechanism has been adopted as part of a drive to understand finance and performance together. In an attempt to combine the most important parts of the separate finance and performance reports the integrated report is broken down into three sections:
1. Executive summary (including Direction of Travel (DoT) information) (section 3)
  2. Detailed integrated scorecard and analysis of exceptions (section 4)
  3. Appendices showing financial tables (appendix 2 – appendix 5)
- 2.2 The executive summary provides a high level indicator of financial position across the 4 main themes: Income and revenue; resources; trading and the capital programme. It also contains a summary of exceptions indicating areas of business that are underperforming and areas where performance is good.
- 2.3 The performance scorecard reports progress against the aspirations set out in the Integrated Plan, with an enhanced financial management section.
- 2.4 Each measure, whether financial or performance, has been awarded a status based on a simplified three banding system.

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

### 3. SUMMARY – PERFORMANCE AND RESOURCE HEADLINES

#### 3.1 The following **performance** issues are of note:-

- The following indicators are either off target now or are predicted to miss their targets by the end of the financial or calendar year.
- New exceptions are:
  - Shared Services (RED ↓) – delayed while waiting for legal advice concerning the structure of the proposed Local Government Shared Services (LGSS) organisation.
- Previously reported exceptions are:
  - Local Indicator (LI) 206 % Young People Aged 13-19 Participating in Youth Service Activities (RED ↑) – locality managers are aware of the need to raise the number of young people engaging with youth work over the coming months. Currently 2 localities have enhanced central support in place.
  - National Indicator (NI) 154 Net Additional Homes Provided (GREEN for 2008/09, but predicted RED for 2009/10) – updated to reflect Cambridgeshire County Council (CCC) report of August 2009 'Housing Developments in Cambs'. Delivery on all sites across the county was not as poor as predicted by many commentators, however, it is known that in quarter 3 of 2008/09 there was a significant fall in starts on site, which means it can be predicted that there will be a drop in the number of completions on these sites in future. Stalled sites including Orchard Park and Cambourne are showing signs of re-vitalisation, which will hopefully signal an increase in completions.
  - NI152 Working Age People on Out of Work Benefits (GREEN for 2008/09, but predicted RED for 2009/10).
  - Local Indicator (LI)068 Overall Satisfaction of Website Customers (RED ↑) – net satisfaction this month was 38%, which is above the national average of 33%. This rating is based on feedback from a small number of customers, but even so, 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.
  - NI192 Household Waste Recycled and Composted (currently RED ↑, and predicted RED for 2009/10) – despite high performance, this indicator is still lagging behind the target, which has been set at 10% higher than the national target. Prevailing weather conditions over the summer saw lower than anticipated composting. The opening of the Mechanical and Biological Waste Treatment Plant will have a positive impact, as will the changes to kerbside collection by the City Council. It is doubtful whether the full effects of these will be enough to bring this target back to green. However, absolute performance is still very high and the changes mentioned will only continue to keep the Council as a lead authority.
  - NI148 Care Leavers in Employment, Education and Training (EET) (RED ↑) - the continuing difficult economic environment remains challenging. However, there is a slight improvement in performance in October. Work on the Cambridgeshire Apprenticeship Scheme is continuing and will provide potential employment and training opportunities (up to 30) for young people including care leavers, so far with limited success at interview stage. A new working group is now formed to take forward Cambridgeshire's interest in the 'National Employability Scheme' now known as 'Care 2 Work'.
  - NI008 Adult Participation in Sport (RED for 2008/09, but predicted AMBER for 2009/10) – significant funding has been secured to focus on NI 8 through workplace sport and physical activity interventions.

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

- Overall the budget position is showing a forecast year-end overspend of £391k (0.1%). This is a decrease of £650k from last month and is the third successive month that the forecast overspend has reduced, following the implementation of Service action plans.
- In Environment Services (ES) an underspend of -£630k is being predicted, which is mainly due to savings in Environment & Regulation and on the Waste PFI Contract (see para 4.2).
- In Community and Adult Services (CAS) an overspend of £2.9m is being predicted, which is mainly due to pressures within Adult Social Services (see para 4.3). Further examination of the factors behind this overspend are being examined with the Primary Care Trust (PCT) and there are indications that the forecast overspend can be significantly reduced and/or attributed to unexpected changes in demand (numbers and acuity of care needs).
- In Children and Young People's Services (CYPS) an overspend of £247k is being predicted, which is mainly due to pressures within Strategy and Commissioning (see para 4.4).
- In Corporate Directorates (CD) an underspend of -£78k is being predicted, which is mainly due to savings identified within People, Policy and Law (see para 4.5).
- In Corporate Directorates – Financing, an underspend of £2m is being predicted due to savings on Debt Charges (see para 4.5).
- Spending on the council's capital programme is currently proceeding slower than estimated (see para 4.6).
- There are no significant debt problems to report at this point in time. And there are no noticeable effects arising from the economic downturn (see para 4.7).
- Cabinet are asked to consider and then approve/reject the S106 deferral request (see appendix 6).
- Comparative financial information will be available in the coming months.

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

The general economic forecast for the UK remains poor and it is probable that growth will not be evident until 2010. The most significant implication for the Authority is that in order to restore the nation's finances and services borrowing and benefit requirements there will be significant pressures on public funding, certainly for five years and probably for a decade. The implications of the funding constraints will be considered in the 2010/11 Integrated Plan.

Although most of the direct and indirect implications of the recession will be negative for the Authority, reduced levels of inflation (at least in this year and next year) and incomplete order books will increase our leverage with suppliers and contractors.

### 3.4 Revenue Income & Expenditure Summary

<b>Outturn Variance (Oct) £000</b>	<b>Service</b>	<b>Budget for 2009/10 £000</b>	<b>Current Variance £000</b>	<b>Forecast Outturn (Nov) £000</b>	<b>Forecast Outturn (Nov) %</b>	<b>Overall Status</b>	<b>D o T</b>
-569	ES	50,078	-1,301	-630	-1.3%	G	↑
3,660	CAS	139,946	3,849	2,874	2.1%	R	↑
0	CYPS	80,710	991	247	0.3%	A	↓
-29	CD Direct	35,012	-241	-78	-0.2%	G	↑
-2,021	CD Financing	26,749	-16,063	-2,022	-7.6%	G	↑
<b>1,041</b>	<b>Total Service Spending</b>	<b>332,495</b>	<b>-12,765</b>	<b>391</b>	<b>0.1%</b>	<b>A</b>	<b>↑</b>
0	Financing Items	-4,541	-4,725	0	0.0%	G	↔
<b>1,041</b>	<b>Total Spending 2009-10</b>	<b>327,954</b>	<b>-17,490</b>	<b>391</b>	<b>0.1%</b>	<b>A</b>	<b>↑</b>

### 3.5 Capital Programme Summary

<b>Revised Budget (Nov) £m</b>	<b>Capital Summary</b>	<b>Outturn Estimate (Nov £m</b>	<b>Outturn Variance (Nov) £m</b>	<b>Overall Status</b>	<b>DoT</b>
<b>163.6</b>	<b>Total Capital Spending</b>	<b>132.4</b>	<b>-31.2</b>	<b>A</b>	<b>↑</b>
33.7	Total General Financing	28.5	-5.2	G	↑
129.9	Total Specific Financing	103.2	-26.7	G	↑
	Unsupported Expenditure (Funding Difference)	0.7	0.7	A	↓
<b>163.6</b>	<b>Total Capital Financing</b>	<b>132.4</b>	<b>-31.2</b>	<b>A</b>	<b>↑</b>

## 4. EXCEPTION REPORTING – PERFORMANCE & RESOURCES

4.1 Where performance/financial expectation falls into or remains in the bottom banding (red), or is in the amber banding with performance falling for the second consecutive month an explanation as to why this has happened and what actions are being taken to correct performance/overspend has been invited from the lead officer concerned. Directors are asked four specific questions to ensure the exception reports are able to drive improvement and for Cabinet to offer robust challenge. These questions are:

- What are the reasons for performance/budget falling behind target/profile?
- What actions are planned?
- In what timescales will performance be back on track?
- Who is responsible for dealing with this?

## **4.2 Environment Services (-£630k underspend)**

4.2.1 There is still uncertainty on income this year as a result of the ongoing economic situation. Section 106 income is currently behind profile whilst Section 38 income appears to be ahead of profile. All income streams are being closely monitored by officers and will be reported if problems emerge in achieving the expected level of income.

4.2.2 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

- Waste – Residual (-£279k underspend).
- Priority Investments (-£201k underspend).
- Waste PFI Contract (-£170k underspend).

## **4.3 Community and Adult Services (£2.9m overspend)**

4.3.1 Executive Director – CAS (-£132k underspend)

£132k from the Service's reserves have been identified to help absorb some of the overspend from the council's share of the Older People (OP) pooled budget.

4.3.2 Director of Adult Support Services (-£300k underspend)

Due to the delayed restructuring of CAS, a saving of £300k has been identified, which was to cover potential redundancy costs. This £300k will be used to absorb some of the overspend from the council's share of the OP pooled budget.

4.3.3 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

- Physical Disability & Sensory Services (£200k overspend).
- Older People and Occupational Therapy (OT) Pooled Budget (£2.9m overspend).
- Community Learning & Development – Libraries (£200k overspend).
- Community Learning & Development – Student Finance (£62k overspend).

## **4.4 Children and Young People Services (£247k overspend)**

4.4.1 At the beginning of November Commissioning Enhanced Services moved from the Director of Children's Social Care to the Director of Strategy and Commissioning. This report reflects the move of the related budgets.

4.4.2 Teachers' Pensions (£490k overspend)

A pressure of £490k has emerged on teacher's early retirement due to significant early retirement s at higher levels than is normal within schools.

4.4.3 Redundancy (-£230k underspend)

The redundancy 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, resulting in a forecast underspend of -£230k.

#### 4.4.4 Placements – Education (£209k overspend)

An overspend of £209k is being forecast on Placements – Education, as a result of pupils not leaving placements as expected, new higher cost placements being required and changes to current pupil provision.

#### 4.4.5 Education Other Than At School (EOTAS) (£80k overspend)

EOTAS is forecasting an overspend of £80k following the restructure and devolution of funding to schools.

#### 4.4.6 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

- Central Financing (-£946k underspend).
- Grafham Water (£160k overspend).
- Catering and Cleaning Services (£180k overspend).
- Placements – Social Care (£714k overspend).

### 4.5 Corporate Directorates (-£2.1m underspend)

#### 4.5.1 Shared Services Programme (Balanced Budget)

The Shared Services Programme has been delayed pending the receipt of further legal advice concerning the structure of the proposed Local Government Shared Services (LGSS) organisation. This issue needs to be resolved prior to the submission of a report to Cabinet asking them for a decision on whether to proceed. This paper was originally planned to go to Cabinet on the 15<sup>th</sup> December, but is now planned to be submitted at the next Cabinet meeting on 26<sup>th</sup> January (assuming acceptable legal advice has been obtained in time). A narrative report was submitted to Cabinet on the 15<sup>th</sup> December and this was positively received.

Customer Services and Transformation (£107k overspend):

#### 4.5.2 Corporate Communications is currently forecasting a £50k overspend at year-end, based on the publication of three issues of the residents magazine. This is due to increased distribution costs of the magazine and a delay in modernization in the service that will enable greater income generation.

Finance, Property and Performance (-£31k underspend):

#### 4.5.3 The Director of Finance, Property and Performance budget is forecasting an overspend of £68k. This is due to a £15k pressure on the Design budget resulting from an invoice raised in error to the Diocese of Ely in 2008/09, which has been cancelled in the current financial year, and a £15k pressure from banking charges. There is also predicted to be an overspend on staff costs of £38k due to delays implementing staff changes reported in last year's Integrated Planning Process (IPP).

#### 4.5.4 The following issues from previous months are still ongoing (the detail can be obtained by referring to appendix 2):-

#### Customer Services and Transformation:

- Business Support and Facilities Management (£200k overspend).
- Service Transformation (-£80k underspend).

#### People, Policy and Law:

- Elections (-£85k underspend).
- Human Resources (HR) – ES, CAS & CD (£110k overspend).
- HR – CYPS (£60k overspend).
- Redundancy, Pensions and Injury (-£93k underspend).

#### Finance, Property and Performance:

- E-Business Suite and Shared Services (£126k overspend).
- Revenues Unit (-£67k underspend).

#### Financing:

- Debt Charges (-£2m underspend).

### **4.6 Capital Programme**

Spending on the Council's capital programme is currently proceeding slower than estimated. It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value.

### **4.7 Debt Levels**

Longer-term debt (> 6 months old) has decreased by £150k in November to £1.1m, which is £61k above the target level for the year of £1.06m. Of this balance, £1m (93%) is subject to secondary recovery action. Debt in the 4-6 month age range has decreased by £20k at the end of November to £475k. Emerging debts are currently with the Recovery Team and Budget Holders to resolve. The overall figure is £45k above the target for the year of £430k, with £404k (85%) of the debt outstanding subject to secondary recovery action.

## **5. STATUTORY DUTIES & PARTNERSHIP WORKING**

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

## **6. CLIMATE CHANGE**

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

## **7. ACCESS & INCLUSION**

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

## **8. ENGAGEMENT & CONSULTATION**

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



**SOURCE DOCUMENTS:**

ES Budgetary Control Report (November). CAS Budgetary Control Report (November). CYPS Budgetary Control Report (November). CD Budgetary Control Report (November). Capital Monitoring Report (November). Performance Management Report and Corporate Scorecard (November). Aged Debt per Directorate – as at 30 <sup>th</sup> November 09.	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
<b>A) Integrated Plan</b>								
<b>1) Enabling people to thrive, achieve their potential and improve their quality of life (Strategic Objective 1)</b>								
LI206 % Young people aged 13-19 participating in Youth Service Activities	High	%	31-Oct-2009	6.4	7.5	R	↑	
NI088 % of schools providing access to extended services	High	%	31-Oct-2009	90	100	A	↑	
NI110 Young people's participation in positive activities	High	%	31-Mar-2009	76.2			♦	
NI005 Overall/general satisfaction with local area	High	%	31-Mar-2009	86.2	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	12.2	9.8	A	♦	A
NI069 Bullying	Low	%	31-Mar-2009	48.9			♦	
NI115 Substance misuse by young people	Low	%	31-Mar-2009	11.8		A	♦	
<b>2) Supporting and protecting vulnerable people (Strategic Objective 2)</b>								
NI130 Social Care clients receiving Self Directed Support	High	clients	30-Nov-2009	22.5	35	A	↑	G
NI136 People supported to live independently (all ages)	High	rate per population	30-Nov-2009	3135	3272	A	↑	G
NI148 Care leavers in EET	High	%	31-Oct-2009	65.4	73	R	↑	
NI054 Services for disabled children	High	Number	31-Mar-2009	59			♦	
NI137 Healthy life expectancy at age 65	High	Number	31-Mar-2009	14.8			↔	
<b>3) Managing and delivering the growth and development of Cambridgeshire's communities (Strategic Objective 3)</b>								
NI047i People killed or seriously injured in road traffic accidents	Low	Number	31-Oct-2009	386	390	G	↓	A
NI154 Net additional homes provided	High	Number	31-Mar-2009	2813	2344	G	↓	R
NI155 Number of affordable homes delivered (gross)	High	Number	31-Mar-2009	924	820	G	↑	
NI169 Non-principal roads where maintenance should be considered	Low	%	31-Mar-2009	5	6	G	↓	G
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	48330472	43700000	G	↑	
NI198-DCSF Children travelling to school by car	Low	%	31-Mar-2009	22.14	23.45	G	↑	G
<b>4) Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise (Strategic Objective 4)</b>								
NI182 Satisfaction of businesses with local authority regulation services	High	%	30-Sep-2009	79	78.5	G	♦	G
NI152 Working age people on out of work benefits	Low	%	31-Mar-2009	7.1	11.8	G	↓	R
NI163 Working age population qualified to at least Level 2	High	%	31-Dec-2008	73.4	74	A	♦	A

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period )	Predicted Year End Status
NI171 New business registration rate (per 10,000)	High	Number	31-Mar-2008	61.8			↑	A
NI172 % of small businesses in an area showing employment growth	High	%	31-Mar-2007	12.9			↔	
<b>5) Meeting the challenges of climate change and enhancing the natural environment (Strategic Objective 5)</b>								
NI192 Household waste recycled and composted - 12-month rolling average	High	%	31-Oct-2009	51.11	53.51	R	↓	R
NI185a CO2 reduction from Local Authority operations	High	%					♦	
NI185b CO2 reduction from Local Authority operations	Low	tonnes	31-Mar-2009	85141.677			♦	
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
<b>6) Delivering high-quality effective and efficient services (Service Delivery Principle 1)</b>								
Finance - Capital	High	Number	30-Nov-2009			A	↔	
Finance - CAS	High	Number	30-Nov-2009			R	↔	
Finance - CD Direct	High	Number	30-Nov-2009			G	↔	
Finance - CD Financing	High	Number	30-Nov-2009			G	↔	
Finance - CYPs	High	Number	30-Nov-2009			A	↓	
Finance - ES	High	Number	30-Nov-2009			G	↔	
LI025 Sickness Absence (CCC)	Low	working days	30-Nov-2009	5.05	4.86	A	↓	
LI031 % of staff from ethnic minorities as a % of the workforce	High	%	30-Nov-2009	4.69	4.1	G	↓	
LI044 Value of outstanding invoices per age range >6 months	Low	£	30-Nov-2009	1121070	1060000	A	↑	
LI277 Prompt Payment	High	%	31-Oct-2009			G	↔	
NI179 VfM	High	£0,000	31-Oct-2009	14777	11467	G	↑	
<b>7) Listening and being responsive to the needs of Cambridgeshire communities (Service Delivery Principle 2)</b>								
LI068 Overall satisfaction of website customers	High	%	30-Nov-2009	38	40	R	↑	
LI069 Contact Centre - Telephone Contact Handling Accuracy	High	%	30-Sep-2009	86.3	75	G	↓	
NI004 % of people who feel they can influence decisions locally	High	%	31-Mar-2009	31.2	34	A	♦	
<b>8) Working in partnership to achieve a shared vision for Cambridgeshire (Service Delivery Principle 3)</b>								
NI007 Environment for a thriving third sector	High	%	31-Mar-2009	15.3	19.2	A	♦	
<b>B) Operational Performance</b>								
<b>Customer Service</b>								

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period )	Predicted Year End Status
LI136a CCC - % of Contact Centre calls answered within 20 seconds	High	%	30-Nov-2009	89.1	80	G	↔	
Operational - Organisational Health								
LI039 Payment of undisputed invoices within 30 days	High	%	30-Nov-2009	98.3	95	G	↔	
Operational - People Management & Development								
LI026 Sickness Absence (OCS)	Low	days	31-Oct-2009	2.85	3.19	G	↓	
LI032 Recruitment lead times	Low	days	30-Nov-2009	30.57	33	G	↑	
LI106a Sickness Absence - YTD (OECS)	Low	Number	31-Oct-2009	4.61	4.1	R	↓	
LI211 Sickness Absence (OCYPS)	Low	Days	31-Oct-2009	4.5	4.67	G	↓	
Percentage of appraisals completed on time	High	%	31-Mar-2009	92.8	96	A	↑	
Operational - Programmes								
14-19 years	High	Status	30-Sep-2009			A	♦	
Better Utilisation of Property Assets	High	Status	31-Aug-2009			A	↔	
Building Schools for the Future	High	Status	31-Oct-2009			G	↔	
Children's Trust	High	Status	30-Sep-2009			G	♦	
Climate Change Programme	High	Status	30-Sep-2009			A	♦	
Customer Services Excellence	High	Status	30-Sep-2009			G	↔	
New Communities and Major Developments	High	Status	31-Jan-2009			G	♦	
People Strategy	High	Status	30-Sep-2009			G	↔	
Quality for Adults	High	Status	31-Oct-2008			G	↔	
Service Infrastructure	High	Status	31-Oct-2009			A	↔	
Service Transformation - Enhanced and Preventative Services	High	Status	30-Sep-2009			A	♦	
Service Transformation - Social Care	High	Status	30-Sep-2009			A	♦	
Shared Service	High	Status	31-Oct-2009			R	↓	
Transport	High	Status	30-Nov-2008			G	↔	
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	♦	

Measure	What is good?	Format	Data for period:	Actual	Target	Status	Direction of Travel (Current actual vs previous period )	Predicted Year End Status
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 -£630k at year-end. This represents -1.3% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	D o T
-28	Executive Director		888	9	-17	-1.9%	G	↓
-6	Highways & Access		27,240	-803	40	0.1%	A	↓
-75	Growth & Infrastructure	i	1,361	-43	-75	-5.5%	G	↔
-386	Environment & Regulation	i, ii	8,494	-434	-408	-4.8%	G	↑
0	External Grants		-3,484	0	0	0.0%	G	↔
<b>-495</b>	<b>Total Office Funded Items</b>		<b>34,499</b>	<b>-1,271</b>	<b>-460</b>	<b>-1.3%</b>	<b>G</b>	<b>↓</b>
-74	Waste PFI	iii	15,579	-30	-170	-1.1%	G	↑
<b>-569</b>	<b>Total</b>		<b>50,078</b>	<b>-1,301</b>	<b>-630</b>	<b>-1.3%</b>	<b>G</b>	<b>↑</b>

The key issues at this stage of the financial year are:

#### Priority Investments

- i. Two of the priority investments that were agreed as part of the Integrated Planning Process (IPP) will not be able to spend the funding allocated in this financial year due to slippage of the schemes. However, the funding will still be required for both these schemes, the A14 Inquiry within Growth and Infrastructure and the Pitt Review (Floods and Water Bill work) within Environment and Regulation. The unspent monies at year-end are estimated to be -£75k and -£126k 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 -£279k. Budgets were set for District Council Recycling Credit payments based on forecasts of a continuing increase in tonnage or dry recyclates collected. Tonnage is significantly lower than predicted - Recycling Credit payments are reduced and the budget is expected to underspend. Similarly, a significant drop in compost tonnage (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 - the service received business rate rebate on St. Neots Recycling Centre, for example.

#### Waste PFI

- iii. The Waste PFI contract is expected to underspend by -£170k due to 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 new Treasury legislation; of charging landfill tax on 'oversize' compost used as day cover for landfill. Costs can be absorbed in this financial year, but the change may result in additional pressure on this budget next year of up to £250k. Work continues with the contractor to reduce the financial impact.

## Community and Adult Services (CAS)

CAS is forecasting to overspend by £2.9m at year-end. This represents 2.1% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	D o T
0	Executive Director	i	241	15	-132	-54.8%	G	↑
3,405	Adult Social Services	ii, iii, iv	150,584	5,389	2,698	1.8%	R	↑
255	Community Learning & Development	v,vi	10,447	798	308	2.9%	A	↓
0	Community Engagement		4,865	105	0	0.0%	G	↔
<b>3,660</b>	<b>Total Expenditure</b>		<b>166,137</b>	<b>6,307</b>	<b>2,874</b>	<b>1.7%</b>	<b>R</b>	<b>↑</b>
0	External Grants		-26,192	-2,458	0	0.0%	G	↔
<b>3,660</b>	<b>Total</b>		<b>139,946</b>	<b>3,849</b>	<b>2,874</b>	<b>2.1%</b>	<b>R</b>	<b>↑</b>

The key issues at this stage of the financial year are:

### Executive Director

- i. £132k from the Service's reserves have been identified to help absorb some of the overspend from the council's share of the Older People (OP) pooled budget.

### Adult Social Services

- ii. The Director of Adult Support Services is forecasting an underspend of -£300k. Due to the delayed restructuring of CAS, a saving of £300k has been identified, which was to cover potential redundancy costs. This will be used to absorb some of the overspend from the council's share of the OP pooled budget.
- iii. Within Physical Disability and Sensory Services (PD/SS), PD currently shows an anticipated year-end overspend of £200k. This is mainly due to the number of new packages that began in the last quarter of 2008/09 that have a full year effect in 2009/10 and higher demand, and lower attrition, than expected for the first part of the year. All other budgets are being examined to identify where savings can be made to address the overspend.
- iv. Older People Services is forecasting an overspend of £2.9m. Commissioners are forecasting an overspend of £4.5m (4.5%) for the whole pool (with the council's share being £3.3m). 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 are working together to undertake a detailed analysis of the activity underlying the current projected overspend, including 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. Until this work is finalised between the partners, the projected overspend should be treated with some caution. An



action plan to manage the projected overspend has been developed and officers from all partners are working on the implementation of this plan.

This plan has already identified c.£1m of savings for the current year, which has been included in the declared forecast outturn.

### Community Learning and Development

- v. Libraries are forecasting a pressure of £200k, which is mainly due to the continued decline in the traditional sources of library income (overdues, hire of CD's and DVD's) and the use of the School Library Service by county schools. 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. If this claim proves to be unsuccessful, the total pressure on the budget will increase by c.£500k to £808k overall for Community Learning and Development.
- vi. An overspend of £62k is expected within the Student Finance Service. This service is being transferred out of the Local Authority on a gradually reducing basis ending in 2011 and activity is being reduced accordingly. The pressure relates to redundancy costs, which it was anticipated would not materialise, and there may be further redundancy costs in future years, although every effort will be made to redeploy staff. There are no reserves available to fund this expenditure.

## Children and Young People Services (CYPS)

CYPS is forecasting to overspend by £247k at year-end. This represents 0.3% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	D o T
-353	Executive Director	i, ii, iii	5,796	-379	-686	-11.8%	G	↑
43	Learning	iv, v	17,791	-2	37	0.2%	A	↑
407	Strategy & Commissioning *	vi, vii, viii	63,029	1,279	963	1.5%	A	↓
0	Children's Social Care *		35,726	108	0	0.0%	G	↔
50	Children's Enhanced & Preventative Services	ix	28,154	-16	80	0.3%	A	↓
-147	<i>Anticipated Transfer from Reserves</i>				-147			□
0	<b>Total Expenditure Including Grant Funded Spend</b>		<b>150,496</b>	<b>991</b>	<b>247</b>	<b>0.2%</b>	<b>A</b>	<b>↓</b>
0	Grant Funded Spend		-69,786	0	0	0.0%	G	↔
0	<b>Total</b>		<b>80,710</b>	<b>991</b>	<b>247</b>	<b>0.3%</b>	<b>A</b>	<b>↓</b>

\* At the beginning of November Commissioning Enhanced Services moved from the Director of Children's Social Care to the Director of Strategy and Commissioning. The above table reflects the move of the related budgets.

The key issues at this stage of the financial year are as follows:

### 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. This strategy has now been extended to address pressures which have subsequently arisen within CYPS. A £687k target has been set for further savings from both unplanned vacancies and from the removal of all amounts reserved at the end of 2008/09, which have not subsequently been needed. In addition, the £259k funding provided for inflation for salaries will be held centrally to offset pressures.
- ii. Teachers' Pensions is forecasting an overspend of £490k. 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 £34,323. This increase can be attributed to the type of job role being made redundant and the amount of year's service those employees have had. In 2009/10 we have seen an unusually high amount of teachers, Deputy Head teachers and Head teachers being made redundant, which costs considerably more. A further £30k is attributed to an

increase in the number of Health Checks being carried out, which is a result of more referrals being made to help reduce the number of staff going on sick pay.

- iii. The Redundancy budget is forecasting an underspend of -£230k. 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. Professional Development Services is expecting to be -£57k underspent at year-end, which is due to vacant Advanced Skills Teacher posts.
- v. Grafham Water is estimating an outturn deficit of £160k 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 and bookings for the remainder of the financial year are below expectations. The projection assumes further bookings in line with the last full year of trading i.e. that bookings will increase to levels in line with the last fully operational year of 2007/08.

In order to achieve this closedown position, the Centre's Senior Management Team has also identified some savings. The team will be attempting to identify further reductions in expenditure.

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

### Strategy & Commissioning

- vi. Catering and Cleaning Services (CCS) forecast an overspend of £180k at year-end.

This is mainly 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 should improve the contribution from September.

A number of areas have been targeted to reduce costs and assumed savings are included within the forecast overspend of £180k.

Cleaning Services are currently progressing to budget.

- vii. An overspend of £209k is forecast for Placements – Education. This is principally as a result of 4 children not leaving placements at the end of the summer term as expected (adding £120k to estimated costs). In addition, 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 £89k.
- viii. Placements – Social Care is forecasting a pressure of £714k at year-end. The number of Looked After Children (LAC) in Cambridgeshire has increased by around 50 over the

past 2 years (including Unaccompanied Asylum Seeker Children). Whilst in house LAC numbers have remained relatively static the increase has nearly all fallen on the Placements – Social Care budget. At the end of 2008/09 the Placements budget, which funds placements in the voluntary and independent sector, was funding 223 LAC places. At the end of November that figure is 253 LAC places, an increase of 13%.

The Placements – Social Care budget received demography for 2009/10 based on anticipated growth in costs of 14% across the year. Growth in numbers to the end of November is already 13%. Based on updated future growth predictions the forecast outturn for the Placements – Social Care budget is an overspend of £714k. This assumes savings will be taken from demography and investment priorities funding given for Social Care initiatives in the 2009/10 Integrated Plan (IP) where delays in setting up new expenditure programmes have resulted in some funding not yet being fully committed.

Continued effort is being made to renegotiate contracts to provide savings to minimise the financial impact of growing numbers on placement costs.

#### Children's Enhanced and Preventative Services

- ix. The Education Other Than At School (EOTAS) service is forecasting an £80k overspend. Following its restructure and devolution of funding to schools, in order to reduce exclusions, this pressure has arisen from: £30k property costs from merging units; £10k in ConnectEd due to the service closing at Christmas, reducing the funding to it; and £40k increased home tuition costs and use of Cambridge Regional College (CRC) following the restructure.

## Corporate Directorates (CD)

CD is forecasting to underspend by -£2.1m at year-end. This represents -3.2% of net expenditure.

Previous Month's Outturn (Oct) £'000	Directorate	Note	Budget for 2009/10 £'000	Current Variance £'000	Forecast Outturn (Nov) £'000	Forecast Outturn (Nov) %	Overall Status	D o T
122	Customer Services & Transformation	i, ii, iii	18,853	131	107	0.6%	A	↑
-22	Finance, Property & Performance	iv, v, vi	8,922	-258	-31	-0.3%	G	↑
-128	People, Policy & Law	vii, viii, ix, x	9,433	-101	-143	-1.5%	G	↑
<b>-29</b>	<b>Gross Expenditure</b>		<b>37,208</b>	<b>-228</b>	<b>-66</b>	<b>-0.2%</b>	<b>G</b>	<b>↑</b>
0	External Grant Income		2,196	-12	-12	-0.5%	G	↑
<b>-29</b>	<b>Sub Total</b>		<b>39,404</b>	<b>-241</b>	<b>-78</b>	<b>-0.2%</b>	<b>G</b>	<b>↑</b>
	Financing Costs:							
-2,000	Debt Charges and Interest	xi	26,577	-16,041	-2,000	-7.5%	G	↔
-21	Restructure Support Costs		172	-22	-22	-12.8%	G	↑
<b>-2,050</b>	<b>Total</b>		<b>66,153</b>	<b>-16,304</b>	<b>-2,100</b>	<b>-3.2%</b>	<b>G</b>	<b>↑</b>

The key issues at this stage of the financial year are:

### Customer Services & Transformation

- i. Business Support and Facilities Management is forecasting a £200k overspend at year-end. This is due to business rate charges being higher than anticipated when the budget was set and pressures on utilities across all County Offices, due to the inflation rate applied to 2008/09 budgets reflecting an anticipated deal in utility costs, which did not materialise.
- ii. Corporate Communications is currently forecasting a £50k overspend at year-end. The overspend is due to increased distribution costs of the residents magazine and a delay in modernisation in the service that will enable greater income generation.
- iii. Service Transformation is forecasting an underspend of -£80k. This is due to increased traded activity in Business Development and is based on income received for the period April 2009 to October 2009.

### Finance, Property and Performance

- iv. The Director of Finance, Property and Performance budget is forecasting an overspend of £68k. This is due to a £15k pressure on the Design budget resulting from an invoice raised in error to the Diocese of Ely in 2008/09, which has been cancelled in the current financial year, and a £15k pressure from banking charges. There is also predicted to be an overspend on staff costs of £38k due to delays implementing staff changes reported in last year's Integrated Planning Process (IPP).

- v. E-Business Suite and Shared Services is forecasting to overspend by £126k, which is due to salary pressures within the Financial Systems team. It is expected that this will be offset by underspends within the other Shared Services operational teams.
- vi. The Revenues Unit is reporting a year-end underspend of -£67k. This is due to a part year vacancy (-£25k) and recovery of unbudgeted income (-£42k).

#### People, Policy and Law

- vii. The Elections budget is currently forecasting a year-end underspend of -£85k. This is due to efficiencies arising from holding combined County Council and European elections, but the year-end position will be subject to a review of fees being undertaken with Deputy County Returning Officers.
- viii. The HR – ES, CAS and CD budget is reporting an overspend of £110k. This is due to salary pressures as the result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs.
- ix. A £60k overspend is predicted on the HR – CYPS budget. This is due to salary pressures as the result of additional staffing being deployed to meet the demands placed on the Service, particularly by Services requiring professional HR input to restructure and reduce costs.
- x. The Redundancy, Pensions and Injury budget is reporting an expected year-end underspend of -£93k.

#### Financing

- xi. Debt Charges and Interest is currently forecasting a -£2m underspend at year-end. This is due to lower levels of interest rates and borrowing than was budgeted for.

## APPENDIX 3.1: Additional Income

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

Grant	Awarding Body	Directorate	Budget Book 2009/10 £'000	Expectation at Nov 09 £'000	Change £'000
<b>Non ABG Grants</b>					
14-19 Provision	Learning Skills Council (LSC) / Department for Children, Schools and Families (DCSF) / East of England Development Agency (EEDA)	Learning	868	257	-611
CEBLO		Learning	0	177	177
Consortia Support Grant	DCSF	Learning	0	569	569
Dedicated Schools Grant (DSG)	DCSF	Schools	306,591	306,375	-216
Diploma Formula Grant	DCSF	Learning	0	711	711
Fair Play Pathfinder Revenue Grant	DCSF	Learning	0	214	214
Instrument Fund	Federation of Music Services (FMS)	Learning	0	144	144
Multi Dimensional Treatment Foster Care	DCSF	Social Care	0	300	300
Post 16 Partnership	DCSF	S&C	0	129	129
Practical Learning and Collaboration	LSC	Learning	0	80	80
Rural Access	DCSF	S&C	0	50	50
<b>Standards Fund</b>					
Aim Higher	DCSF	Learning	0	94	94
Early Years: extension of free entitlement	DCSF	S&C	1,068	1,149	81
Extended Schools - subsidy	DCSF	Schools	0	237	237
KS4 Engagement	DCSF	Learning	0	200	200
National Challenge	DCSF	Learning	0	382	382
Primary Strategy – Targeted	DCSF	Learning	1,917	2,119	202
Secondary Strategy - Targeted	DCSF	Learning	551	1,161	610
<b>Sure Start Grant</b>					
Main Revenue (incl. Graduate Leader Fund, Children's Centres, Outcomes, Quality & Inclusion and Sufficiency & Access	DCSF	Learning / S&C / E&P	10,448	10,709	261
2 Year Old Offer Early Learning & Childcare	DCSF	S&C	0	231	231
Think Family	DCSF	E&P	0	403	403
Unaccompanied Asylum Seekers	UK Border Agency (UKBA)	Social Care	1,300	1,600	300
Workforce in Schools Modernisation & Development	Teacher Development Agency (TDA)	Learning	0	176	176
Young Apprenticeship Fund	LSC	Learning	0	83	83

## **APPENDIX 3.2: Virements**

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

	<b>£000</b>	<b>Notes</b>	<b>Month</b>
Corporate Leadership Team (CLT) Restructure	3,421	Transfers between ES, CAS, CYPS and CD following the CLT Restructure.	May 09
Transfer of Environmental Education funding to CYPS	60	Delivering environmental education at a local community level - transferred from ES to CYPS.	May 09
Funding for the Teens & Toddlers Scheme (CYPS)	59	Use of Corporate Reserve to fund the Teens & Toddlers Scheme within CYPS.	Jun 09
Director of Strategy and Commissioning	226	Transfer of funding balance for the Building Schools for the Future (BSF) Project.	Jul 09
Pay Inflation Adjustment	2,075	Removal of pay inflation budgets from the Services back into the Corporate Centre.	Aug 09
Invest To Transform Loan Advances	874	Transfer of 2009/10's Invest to Transform Loan Advances to the Services.	Sep 09
Pay Inflation Adjustment	-224	Reversal of Mental Health and Learning Disability Partnership pay inflation budgets.	Sep 09
Transfer of SLA's	132	Transfer of SLA's to CYPS Finance.	Sep 09
Transfer of Postal Franking Budget	68	Transfer of Postal Franking Budget from CD to CYPS.	Oct 09
Recruitment and Retention Work with Social Workers	485	Transfer of funding from Corporate Reserves to CYPS for Recruitment and Retention Work with Social Workers.	Nov 09
Restructure Costs	50	Transfer of funding from Corporate Reserves to CYPS for Restructure Costs.	Nov 09
Invest to Transform Loan Repayments	1,133	Transfer of 2009/10's Invest to Transform Loan Repayments from the Services.	Nov 09

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

<b>Notes</b>	<b>£000</b>	<b>Month</b>
<b>P&amp;AM Project Support (CD)</b>	<b>12</b>	<b>Jul 09</b>
<b>Corporate Project Office (CD)</b>	<b>42</b>	<b>Jul 09</b>
<b>Members IT (CD)</b>	<b>24.5</b>	<b>Jul 09</b>
<b>Building Maintenance (CD)</b>	<b>325</b>	<b>Jul 09</b>
<b>Head of IT (CD)</b>	<b>70</b>	<b>Jul 09</b>
<b>Research Group (CD)</b>	<b>24</b>	<b>Jul 09</b>
<b>St Benedict's Court, Huntingdon (CD)</b>	<b>30</b>	<b>Jul 09</b>
<b>Speke House (CD)</b>	<b>45</b>	<b>Jul 09</b>
<b>Shire Hall Area (CD)</b>	<b>25</b>	<b>Jul 09</b>
<b>Direct Channel Strategy (CD)</b>	<b>41</b>	<b>Jul 09</b>
<b>Head of Performance Management (CD)</b>	<b>43</b>	<b>Jul 09</b>
<b>Internal Audit and Risk Management Service (CD)</b>	<b>42</b>	<b>Jul 09</b>
<b>HR – Policy &amp; Business Services (CD)</b>	<b>150</b>	<b>Jul 09</b>
<b>Corporate Development (CD)</b>	<b>264</b>	<b>Jul 09</b>
<b>Corporate Director – People, Policy &amp; Law (CD)</b>	<b>150</b>	<b>Jul 09</b>
<b>Community Learning (CAS)</b>	<b>50</b>	<b>Jul 09</b>
<b>Corporate Directors – Customer Services &amp; Transformation and Finance, Property &amp; Performance (CD)</b>	<b>74</b>	<b>Sep 09</b>
<b>TOTAL</b>	<b>1,411.5</b>	



## APPENDIX 4: Reserves

Fund Description	Balance at 31 March 2009	2008-09		Forecast Balance 31 March 2010	Notes
		Movements in 2009-10	Balance at 30 Nov 2009		
	£000s	£000s	£000s	£000s	
<b>General Reserves</b>					
- County Fund Balance	9,453	-2,260	7,193	9,193	
- Services					
1CYPS	766	-442	324	-70	Includes Office Forecast Outturn (FO)
2ES	427	0	427	628	Includes Office Forecast Outturn (FO)
3CAS	132	0	132	0	Includes Office Forecast Outturn (FO)
4CD	449	-449	0	118	Includes Office Forecast Outturn (FO)
subtotal	11,227	-3,152	8,076	9,869	
<b>Earmarked</b>					
- Specific Reserves					
5Insurance	5,938	0	5,938	5,938	
6Invest to Transform - Corporate	2,470	626	3,096	-567	FO after 2009-10 adjustments
7Invest to Transform - Offices	506	8	514	230	
8Traded services provision	428	-428	0	0	
9Pressures & Developments Reserve	3,898	905	4,803	4,426	
subtotal	13,239	1,112	14,351	10,026	
<b>Trading Units</b>					
10CYPS	-726	239	-487	-487	Plans are in place to eradicate this deficit over 3 years
11ES	0	0	0	0	
12CD	112	-42	70	70	
subtotal	-614	197	-417	-417	
<b>Equipment Reserves</b>					
13CYPS	59	9	68	68	
14ES	423	-1	422	370	
15CAS	59	387	446	437	
16CD	548	-28	520	319	
Subtotal	1,089	367	1,456	1,194	
<b>Other Earmarked Funds</b>					
17CYPS	804	-431	373	119	
18ES	2,276	-94	2,183	4,124	Forecast includes damage payments received for the delayed completion of the Guided Busway.
19CAS	503	-20	483	531	
20CD	1,029	-364	665	630	
Subtotal	4,612	-909	3,703	5,404	
<b>SIMs (LMS etc)</b>					
21LMS Schools	19,347	37	19,384	19,384	
22SIPF	-122	92	-30	-7	3 to 5 year loans made to schools using their balances
Subtotal	19,225	129	19,354	19,377	
<b>Grand Total</b>	<b>48,778</b>	<b>-2,256</b>	<b>46,522</b>	<b>45,453</b>	

## APPENDIX 5: Capital

### Capital Expenditure 2009/10

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

Revised Budget £m	Capital Expenditure	Outturn Estimate £m	Outturn Variance £m
73.6	Children & Young People	58.1	(15.5)
65.1	Environment Services	61.4	(3.7)
8.4	Community & Adult Services	4.7	(3.7)
16.5	Corporate Directorates	8.2	(8.3)
<b>163.6</b>	<b>Total Capital Spending</b>	<b>132.4</b>	<b>(31.2)</b>

- The CYPS outturn position is £15.5m below the revised budget. The main movement this month is an additional £3.0m of budget for the Cambridge Centre for Applied Learning 14-19 project (within Secondary Schools), with only £0.25m anticipated to be spent in the current financial year. There has also been an increased spend of £0.9m on school condition capital within schools, to keep schools operational. The outturn projections for Early Years capital grant and the Children's Centre programme have been reduced by £1.468m and £1.438m respectively to reflect the phasing of these projects, which are now skewed towards 2010/11.

All other movements are due to delayed starts to schemes reflecting the current economic climate. In detail, the main schemes contributing to the outturn underspend are:

- Primary (£3.6m)  
Shirley, Cambridge, new 420 place school is subject to delays due to the structural integrity of the building resulting in an underspend of £2.3m. There are also delays to the Manea extension resulting in a year to date underspend of £0.424m and to Burrough Green resulting in a £0.957m underspend, as this project has come to a halt on site due to problems in obtaining a 'way leave' to work on an Anglia Water sewer division.
- Primary New Communities (£1.9m)  
The Fawcett Primary extension is now expected to start on site in April 2010 rather than January 2009.

All other budgeted schemes (North West Cambridge, Northstowe and Trumpington Meadows), excluding the Cambourne 3<sup>rd</sup> Primary School, are delayed due to the current economic climate.

- Secondary (£2.3m)  
Linton VC has been delayed due to archaeology work prior to starting on site and currently shows an underspend of £1.4m and the Swavesey VC new hall is currently showing a £0.6m underspend due to timing issues. There is also a new Department for Children, Schools and Families (DCSF) Exemplar Specific Financing (SF) Grant of £3m added this month for the Cambridge Centre for Applied Learning 14-19 Strategy. However, only £0.25m will be spent this financial year.

- Secondary New Communities (£0.8m)  
These schemes (Cambourne, North West fringe Cambridge and Northstowe) have been deferred due to the current economic climate impacting on S106 negotiations.
- Mixed (£1.7m)  
The school condition capital funding overspend of £3.3m has been offset by delays of £3m to the BSF 14-19 provision in Wisbech as noted above. Delays on Partnership schemes for pre-school and sport, replacement of mobiles and school access initiative 2009/10 account for £0.8m of the underspend, with delayed spend in Early Years capital programmes accounting for a further £1.5m.
- Children's Centres (£2.1m)  
There is a delayed spend on phase 3 schemes, with the majority of schemes rephased to 2010/11.
- Youth Service (£0.9m)  
This is due to delayed spend for the St Neots youth centre and the Bargroves Youth Service (YS) capital project.
- ES is forecasting an outturn variance of £3.7m below the revised budget. This is largely due to the Waste Management Infrastructure projects in Environment and Regulation, where a delay in the planning application submission for Witchford Recycling Centre is likely to delay the completion of this project until 2010/11. A greater proportion of the budget than was originally anticipated will therefore need to be carried forward into 2010/11 to meet the costs of the project.
- The CAS outturn position is £3.7m below the revised budget. Almost 60% of the capital budget allocated for 2009/10 is to be spent on Libraries and the amalgamation of the Croylands and Larkfield Centres used by Mental Health Service users. It is envisaged that the libraries programme will be delivered as scheduled. There are some delays on the Larkfield and Croylands projects due to delays of the sale of the Croylands site. The following projects account for the outturn variance:
  - £1.2m Croylands/Larkfield amalgamation;
  - £0.6m Adult Social Services schemes; &
  - £1.9m of schemes with variances below £0.5m.
- The CD outturn variance position is currently showing an underspend of £8.3m from the revised budget. This is largely due to rephasing of the Better Utilisation of Property Assets programme, against the original Integrated Plan in response to current economic conditions.

Spend has also been delayed on both the General Protection and Response to Economic Uncertainty programme and the Investment in Carbon Reduction and Improvement Efficiency programme. This is expected to result in year-end underspends of £1m and £1.5m respectively.

The underspends above are partly offset by overspends on Huntingdon Office Rationalisation (£0.563m) and Workwise (£0.671m).

## Capital Financing 2009/10

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

<b>General Funding resources (GFR) (Non Project Specific)</b>			
<b>£m</b>		<b>£m</b>	<b>£m</b>
26.2	Supported Capital Expenditure (Revenue)	25.6	(0.6)
7.5	Capital Receipts (General)	2.9	(4.6)
<b>33.7</b>	<b>Total General Financing</b>	<b>28.5</b>	<b>(5.2)</b>

<b>Project Specific Finances (PSF) (Ring-Fenced)</b>			
3.3	Supported Capital Expenditure (Capital)	0.2	(3.1)
43.9	Specific Grants	43.0	(0.9)
9.4	Ring-Fenced Capital Receipts	3.9	(5.5)
12.5	Developer and Other Contributions	13.9	1.4
60.8	Prudential Borrowing	42.2	(18.6)
<b>129.9</b>	<b>Total Specific Financing</b>	<b>103.2</b>	<b>(26.7)</b>

	Funding Difference	0.7	0.7
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<b>163.6</b>	<b>Total</b>	<b>132.4</b>	<b>(31.2)</b>
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- Spending on the council's capital programme is currently proceeding slower than estimated.
- It should be stressed that this represents changes in the timing of payments, as many projects involve spending across a number of years, and not underspends on the total scheme value.
- The cost of the Prudential Borrowing has been factored into the 2009/10 Debt Charges forecast outturn, as well as being accounted for within the 2009/10 Integrated Planning Process.

## Appendix 6: S106 Deferral Requests

<b>Developer</b>	Fitt Ltd.
<b>Development</b>	24 Units - South East of 30 Kirkgate Street, Wisbech
<b>S106 Contribution</b>	£16,350 Primary Education Contribution
<b>Contribution Due</b>	Total due on 50% of occupations (Due now)
<b>Deferral Request</b>	To defer payment until 75% of units are occupied
<b>Consideration has been given to:</b>	
<b>Which scheme the money is allocated to?</b>	Works to Clarkson Infants School to extend an existing staff room, provide a meeting and 'Planning, Preparation and Assessment (PPA) Room' and associated toilets.
<b>When the scheme is programmed to take place?</b>	Works were completed in July 2009.
<b>What percentage is the S106 requirement to the overall scheme cost?</b>	The overall scheme cost was £190,000. Therefore this contribution makes up approximately 8.5% of the total cost.
<b>What relationships are there between funding streams from separate S106 agreements?</b>	Primary Education contributions from other Wisbech developments have been sought in line with Fenland's Planning Obligation Strategy and have/will been applied to this project.
<b>Are there any financial costs to County Council if the deferral request is accepted?</b>	There will be small cost as the County Council needs this money in order to repay an existing debt. It is proposed that 2 instalments should be accepted in order to assist the developer with their cash flow and limit the financial implications on the County Council.
<b>If a deferment is agreed, should interest be sought?</b>	No. As the deferment will have limited financial implications on the County Council, it is recommended that interest should not be sought.
<b>Have instalments been considered?</b>	Yes. As this is a comparatively small contribution, it is proposed that 50% is sought now, and 50% of the contribution is then paid when 75% of units are occupied. This option should assist the developer with their cash flow and is considered reasonable by County Education Officers.
<b>What security is there to the County Council in agreeing to a deferment?</b>	The County Council has not secured bonds for this development. Should the developer default, the County Council has the legal right to pursue individual house owners for the S106 contributions should it chose to.
<b>What social cost is there to the community?</b>	None.
<b>Likely consequences of rejecting the request</b>	Developer cash flow will be restricted which will potentially cause house building to slow/stop and cause further cash flow problems for the developer.
<b>Officer Recommendation</b>	<b>It is recommended that this deferral should be accepted in 2 instalments as proposed above.</b>