

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING
30TH NOVEMBER 2014**

To: Audit & Accounts Committee

Date: 20th January 2015

From: Chief Finance Officer

**Electoral
division(s):** All

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

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

Recommendations: The Committee is asked to:

Note that the General Purposes Committee has been asked to:

- a) Analyse resources and performance information and note the remedial action currently being taken and considers if any further remedial action is required.

<i>Officer contact:</i>	<i>Member contact:</i>
Name: Chris Malyon Post: Chief Finance Officer Email: Chris.Malyon@cambridgeshire.gov.uk Tel: 01223 699796	Name: Councillor S Count Chairman: General Purposes Committee Email: Steve.Count@cambridgeshire.gov.uk Tel: 01223 699173

1. PURPOSE

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

2. OVERVIEW

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

Area	Measure	Forecast Year End Position (Oct)	Forecast Year End Position (Nov)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	£1.0m	£0.9m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	43% (6 of 14)	43% (6 of 14) ¹	Amber	↔
Capital Programme	Variance (£m)	-£48.6m	-£52.6m	Amber	↓
Balance Sheet Health	Net borrowing activity (£m)	£379m	£374m	Green	↑

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

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

- The overall revenue budget position is showing a forecast year end overspend of £0.9m (0.2%), which is a decrease in the forecast overspend of -£50k since last month. There are some significant movements within CFA, mainly increases to the forecast overspend within Home to School Transport – Mainstream and Home to School Transport – Special, which are partly offset by further savings identified within the Older People and Adult Mental Health Directorate. See section 3 for details.

There is also an increase in the forecast Education Services Grant to be received in 2014/15, which assists to reduce the overall forecast overspend. See section 7 for details.

- Key Performance Indicators; there are 14 indicators in the Council's basket, of which 6 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end underspend of -£52.6m

(-26.9%), which is an increase in the forecast underspend of -£4m since last month. This increase relates to further slippage within CFA's, ETE's and the LGSS Managed capital programmes. See section 6 for details.

- Balance Sheet Health; the original forecast net borrowing position for 31st March 2015, as set out in the Treasury Management Strategy Statement (TMSS), was £406m. This projection has now fallen to £374m, largely as a result of changes in the net expenditure profile of the capital programme and expected cash flows, since the Business Plan was produced in February 2014. See section 8 for details.

3. REVENUE BUDGET

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

Key to abbreviations

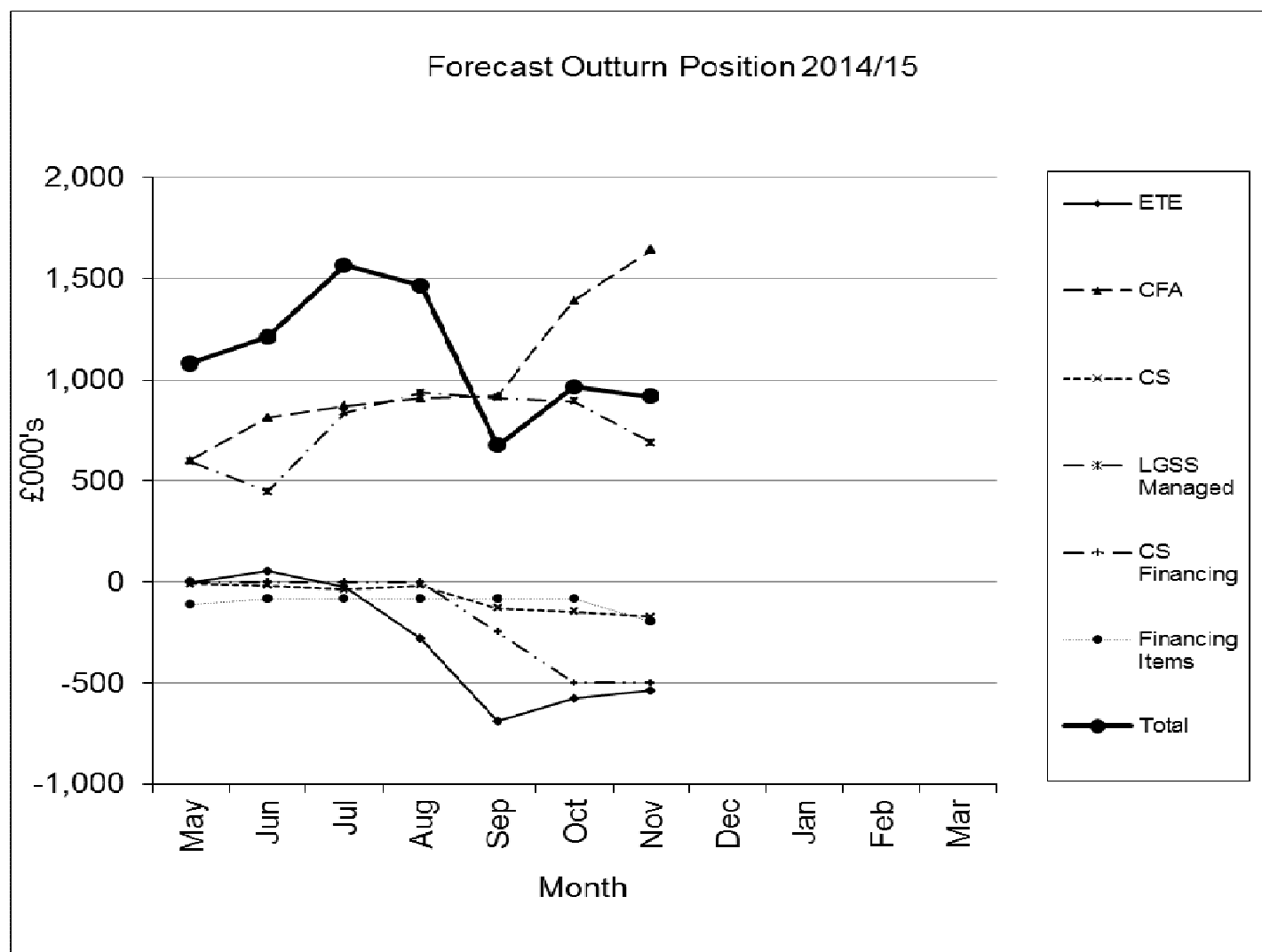
ETE	– Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per BP ¹ £000	Service	Current Budget for 2014/15 £000	Forecast Variance - Outturn (Oct) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Current Status	DoT
63,225	ETE ²	63,610	-578	-540	-0.8%	Green	↓
251,616	CFA	253,540	1,386	1,637	0.6%	Amber	↓
0	Public Health	0	0	0	0.0%	Green	↔
5,851	Corporate Services	6,598	-149	-173	-2.6%	Green	↑
9,670	LGSS Managed	9,432	893	688	7.3%	Red	↑
34,142	CS Financing	34,142	-500	-500	-1.5%	Green	↔
364,504	Service Net Spending	367,322	1,052	1,112	0.3%	Amber	↓
5,624	Financing Items	2,565	-86	-195	-7.6%	Green	↑
370,128	Net Spending	369,886³	966	916	0.2%	Amber	↑
	<i>Memorandum Items:</i>						
10,351	LGSS Operational	10,592	-149	-116	-1.1%	Green	↓
380,479	Total Net Spending 2014/15	380,479					

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

² ETE includes the Waste PFI Contract, where specific arrangements for under / overspends exist. Excluding this the underlying forecast outturn position for ETE is an -£526k underspend.

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



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

3.2.1 **Economy, Transport and Environment:** -£0.540m (-0.8%) underspend is forecast at year end.

- | | £m | % |
|--|--------|-------|
| <ul style="list-style-type: none"> Park & Ride Sites – in the Business Plan, it was anticipated that parking fees would be introduced at Park & Ride sites by April 2014 and thus the budget reflects a full year's income. As the introduction of the fee only happened in July, there will be a shortfall in income during this period, which will be covered via the use of £270k from the on-street parking account. | +0.270 | (59%) |

However, since the fee was introduced, the usage of the Park & Ride sites has been less than expected, not helped by issues with the publicity surrounding queuing at ticket machines. The situation is being closely monitored and it remains too early to determine if the initial downturn in numbers is temporary or whether usage will

revert to close to previous levels. The installation of additional ticket machines has cut queues and initiatives to promote Park & Ride use are being developed. It should further be noted that the usage of the sites is also seasonal.

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

3.2.2 Children, Families and Adults: £1.637m (0.6%) overspend is forecast at year end.

£m %

- **Home to School Transport - Mainstream** – the forecast overspend has increased by £292k this month. Following integrity checks on the commitment records and interrogation of the data it appears the increase is mainly due to an increase in Post 16 transport compared to 2013/14, as there has been an increase in the number of Post 16 students living in East Cambridgeshire deemed entitled to subsidised and free transport into Cambridge following changes in course availability at City of Ely and Newmarket College.

As previously reported:

The forecast outturn figure:

- Reflects the new prices for routes which have been the subject of re-tendering. The re-tender process only delivered £41k in savings. The assumed level of savings had been in the order of £350k based on experience of re-tendering contracts in 2012/13 and 2013/14; +1.100 (13%)
- Takes accounts of an inflationary uplift of 2.9% on all contracts;
- Takes account of a decision to defer proceeding with a proposal to withdraw free transport on the route between Horningsea and Fen Ditton Primary School as a result of the delayed implementation of road safety improvements and with a proposal to withdraw free transport on the route between Babraham and Sawston Village College as a result of a concern raised by the Road Safety Officer, which requires further independent assessment;
- Takes account of the underspend on the 2013/14 budget of -£355k;
- Reflects the fact that the underspend achieved in 2013/14 was £345k less than the forecast outturn saving, which informed the setting of the 2014/15 budget during the Business Planning process.

- **Home to School Transport - Special** – the forecast overspend has increased by £740k this month. The reported increase is due to greater clarity regarding the reasons for increased spend compared to 2013/14, following interrogation of the data and integrity checks of the commitment record. The average daily price has increased due to reduced competition within the City, +0.990 (13%)

and increasing complexity of child needs has resulted in a requirement for more passenger assistants and tail lift vehicles, further increasing the daily price of travel.

As previously reported:

The major contributory factors to the predicted outturn are:

- Fewer companies have the specialist vehicles or the number of specialist vehicles we require, which reduces the size of the tender pool and increases prices. We require an additional 11 tail lift vehicles compared to 2013/14;
- Fewer companies have the required number of passenger assistants, even if they can supply the specialist vehicles, again reducing the tender pool and increasing prices. We require an additional 31 passenger assistants compared to 2013/14;
- Companies winning the tenders are not based in Cambridge (one used regularly is based in Haverhill), which increases the tender price as having to fund journey into the City and back as well as the school route. The current average daily price is £91.99, an increase of 3.09% on the April 2014 average;
- Reduced number of providers interested in applying for contracts for primary school children due to legislation around child seats. Taxis would need to carry child seats for the day reducing public use of boot space e.g. for luggage. This again results in a smaller tender pool and increased prices;
- More children with more complex needs have increased the use of single occupancy taxis; and
- Closure of respite centres has resulted in children, often with the most acute needs, requiring high cost transport to travel increased distances.

- **Special Educational Needs Placements** – the budget is under significant pressure due to numbers: over 3,200 Statements maintained, is the highest number for over ten years and the new statement rate for 2014/15 is predicted to be over 450 new Statements this year. In addition, the level of need is escalating in the early years and this is where we have filled our Special Schools to capacity. +0.300 (4%)
- **Older People and Adult Mental Health Directorate** – the forecast underspend has increased by -£530k this month. This is mainly explained by: an updated estimate of unused direct payment recalls (£200k) taking account of in-year trends to date; an exceptional one-off client contribution backdates for four and a half years from September 2014 (£123k); and £114k the result of normal month-to-month fluctuations in commitments for this large client group. -2.352 (-3%)

As previously reported:

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

The significant issue to note, however, is the risk around the achievement of the Older People's demand management savings. The current forecast for the Older People's Service assumes that the monthly demand management savings target will be achieved for all the remaining months for this financial year

The directorate identified a further saving of -£113k, which was primarily due to reductions in the commitments for care packages and anticipated Continuing Healthcare and Extracare reviews. These additional savings have been offset slightly with increases in costs for Older People with Mental Health needs and additional targeted homecare provision in northern parts of the county.

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

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

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

3.2.4 Corporate Services: -£0.173m (-2.6%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.5 LGSS Managed: £0.688m (7.3%) overspend is forecast at year end.

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

3.2.6 CS Financing: -£0.500m (-1.5%) underspend is forecast at year end.

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

3.2.7 Financing Items: -£0.086m (-3.4%) underspend is forecast at year end.

- There are no new exceptions to report this month.

3.2.8 **LGSS Operational:** -£0.116m (-1.1%) underspend is forecast at year end.

- There are no new exceptions to report this month.

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

4. KEY ACTIVITY DATA

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

4.2 Looked After Children (LAC): November 2014

	BUDGET			ACTUAL (November)			VARIANCE
Service Type	Budgeted No. of Placements 2014/15	Budgeted Average Cost of Care (per week)	Annual Budget	Snapshot of No. of Placements at End of Nov 14	Current Average Cost of Care (per week)	Projected Spend	Net Variance to Budget
Independent Fostering	229	£770.68	£9,177k	247	£788	£9,630k	£452k
Independent Residential	42	£2,600.51	£5,680k	47	£2,696	£6,377k	£698k
Supported Accommodation/Living	33	£412.18	£707k	30	£678	£857k	£150k
External LAC Total	304		£15,564k	324		£16,864k	£1,300k
In-House Fostering (including placements with relatives or friends)	127	£463.53	£3,061k	110	£520	£2,975k	-£86k
In-House Residential	14	£2,196.36	£1,599k	11	£2,795	£1,599k	£0k
Internal LAC Total	141		£4,660k	121		£4,574k	-£86k
Total	445		£20,224k	445		£21,438k	£1,214k

There are also 9 LAC currently living at home subject to Care Orders and 28 LAC placed for adoption.

4.3 Adult Social Care (ASC): November 2014

		BUDGET			ACTUAL (November)			VARIANCE
Service Type		Budgeted No. of Clients 2014/15	Budgeted Average Unit Cost (per week)	Annual Budget	Snapshot of No. of Clients at End of Nov 14	Current Average Unit Cost (per week)	Projected Spend	Net Variance to Budget
Physical Disability Services	Residential	41	£841	£1,793k	46	£725	£1,801k	£8k
	Nursing	23	£751	£898k	25	£603	£812k	-£86k
	Community	604	£287	£9,015k	657	£239	£8,338k	-£677k
Physical Disability Services Total		668	£337	£11,706k	728	£282	£10,951k	-£771k
Learning Disability Services	Residential	295	£1,302	£19,974k	306	£1,258	£20,082k	£108k
	Nursing	21	£1,649	£1,801k	20	£1,566	£1,628k	-£173k
	Community	1,237	£610	£39,207k	1,308	£592	£39,863k	£656k
Learning Disability Service Total		1,553	£755	£60,982k	1,634	£730	£61,573k	£591k

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

- 4.4 Now that the disaggregation of clients who are aged 65+ within the Mental Health service is complete, separate key activity tables are presented for Older People and Older People Mental Health, for the first time.

Older People (OP): November 2014

		BUDGET					ACTUAL (November)					VARIANCE
Service Type		Budgeted No. of clients 2014/15	Budgeted Average Cost (per week)	Gross Annual Budget	Client contributions	Net Annual Budget	Snapshot of No. of Clients at End of Nov 14	Current Average Cost (per week)	Gross Projected spend	Client contributions	Net Projected spend	Net Variance to Budget
Residential		620	£403	£12,379k	-£4,319k	£8,049k	620	£409	£12,379k	-£4,442k	£7,937k	-£112k
Residential Dementia		359	£459	£8,163k	-£2,591k	£5,605k	352	£489	£8,309k	-£2,624k	£5,685k	£80k
Nursing		390	£551	£10,650k	-£2,957k	£7,693k	367	£567	£10,689k	-£2,957k	£7,732k	£39k
Nursing Dementia		31	£598	£952k	-£66k	£886k	30	£640	£967k	-£66k	£901k	£15k
Spot Respite		141	£0	£491k	-£382k	£109k	138	£0	£462k	-£427k	£35k	-£74k
Homecare arranged		1,768	£171	£14,970k	-£4,280k	£10,690k	1,996	£177	£15,765k	-£4,460k	£11,305k	£615k
Direct payments		357	£243	£4,291k	-£412k	£3,879k	301	£248	£4,053k	-£393k	£3,661k	-£218k
Total		3,666		£51,876k		£36,891k	3,804		£52,625k		£37,256k	£345k

Older People Mental Health (OPMH): November 2014

	BUDGET					ACTUAL (November)					VARIANCE
<i>Service Type</i>	<i>Budgeted No. of clients 2014/15</i>	<i>Budgeted Average Cost (per week)</i>	<i>Gross Annual Budget</i>	<i>Client contributions</i>	<i>Net Annual Budget</i>	<i>Snapshot of No. of Clients at End of Nov 14</i>	<i>Current Average Cost (per week)</i>	<i>Gross Projected spend</i>	<i>Client contributions</i>	<i>Net Projected spend</i>	<i>Net Variance to Budget</i>
Residential	13	£459	£301k	-£58k	£243k	12	£459	£298K	-£58k	£240K	-£3k
Residential Dementia	21	£453	£495k	-£91k	£404k	28	£453	£489K	-£91k	£398k	-£6k
Nursing	14	£740	£525k	-£58k	£467k	14	£740	£518K	-£58k	£460k	-£7k
Nursing Dementia	148	£615	£4,498k	-£1,083k	£3,415k	144	£615	£4,486K	-£1,092k	£3,393k	-£21k
Spot Respite	13	£0	£54k	-£26k	£28k	13	£0	£54K	-£26k	£28k	£0
Homecare arranged	80	£146	£611k	-£169k	£442k	83	£154	£603K	-£169k	£434k	-£8k
Direct payments	14	£246	£176k	-£4k	£172k	11	£246	£143K	-£4k	£139K	-£33k
Total	302		£6,661k		£52,881k	305		£6,592K		£5,092k	-£79k

5. PERFORMANCE TARGETS

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

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment	ETE	High	30/06/14	%	80.3	77.5	Green	↑
	The proportion of children in year 12 taking up a place in learning	CFA	High	31/10/14	%	91.2	95.8	Amber	↑
	The number of people starting as apprentices	ETE	High	2013/14 academic year	Number	3,780	4,000 (end of year target)	Red	↓
	The proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted	CFA	High	31/10/14	%	66	75	Red	↔
Helping people live independent and healthy lives	The proportion of eligible service users receiving Self Directed Support (SDS)	CFA	High	31/10/14	%	91	95	Amber	↑
	The proportion of older people who have been successfully supported to live independently following crisis	CFA	High	31/10/14	%	56	55	Green	↓
	The rate of admissions of people aged over 65 to residential and nursing care homes, per 100,000 population	CFA	Low	31/10/14	Number per 100,000 of population	328	377	Green	↓
	The number of people successfully quitting smoking with support from stop smoking services	Public Health	High	30/09/14	Number	1,023 year to date	1,471 year to date (3,600 annual)	Red	↓

Corporate priority	Indicator	Service	What is good?	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting vulnerable people	The number of looked after children per 10,000 children	CFA	Low	31/10/14	Rate per 10,000	40.3	31.3 to 38.4	Amber	↓
	The proportion of children who are referred to social care within 12 months of a previous referral	CFA	Low	31/10/14	%	19.4	25	Green	↑
	The proportion of support plans created through the common assessment framework (CAF) that were successful	CFA	High	31/10/14	%	83	80 (new target for 2014/15)	Green	↑
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+): April - December 2014 (new measure for 2014/15)	CFA	Low	31/10/14	Number	534	438	Red	↓
How we run the business (efficient and effective)	The proportion of customer complaints received in the month before last that were responded to within minimum response times	CCC	High	31/10/14	%	81	90	Red	↓
	The average number of days lost to sickness per full-time equivalent staff member	CCC	Low	30/11/14	Days	6.25	7.8	Green	↓

Notes:

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

A breakdown of performance by Service is provided as follows:

Service	What is good?	Date	Actual %	Target %	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
CFA	High	31/10/14	97	90	Green	↑
ETE	High	31/10/14	73	90	Red	↓
CST	High	31/10/14	100	90	Green	↑
LGSS	High	31/10/14	n/a	90	-	-

- CFA received 36 complaints in the reporting period, of which 35 met the target response time.
- ETE received 74 complaints in the reporting period, of which 54 met the response time.
- CST received 2 complaints in the reporting period, all of which met the target response time.
- LGSS received 0 complaints in the reporting period.

5.2 Key exceptions are identified below.

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

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

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

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

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

- 76% of the stop smoking target for 2013/14 was achieved, a drop from 92% in 2012/13. This is reflected in the national trend that is attributed at least in part to the use of e-cigarettes. The lower level of performance is continuing in 2014/15 in Cambridgeshire with the performance figures generally remaining static, ranging from 65-70% of the monthly performance target. This month this has dropped to 62%.
- Performance in GP practices was especially poor and there is a consistent problem with recruiting smokers to make quit attempts. There is an ongoing programme to improve performance with CamQuit the core service providing increasingly higher levels of support to the other providers along with promotional activities. Practices are regularly visited with poor performers being targeted.
- A wide ranging intervention plan has been developed that will focus upon Fenland. This includes a mobile workplace service, a migrant worker Health Trainer post that will target these communities where smoking rates are high, a wide ranging promotional campaign and recruitment of an additional Stop Smoking Advisor to focus upon Fenland.
- Smoking rates in Cambridgeshire are also high amongst routine and manual workers and the programme of intervention also targets these groups.
- A recent update to the Public Health Outcomes Framework has shown a positive movement in smoking prevalence, with a statistically significant fall in the percentage of adults smoking across the County between 2012 and 2013. However, inequalities in smoking rates remain, with the prevalence in Fenland and

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

- **Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+): April - December 2014**
 - The Cambridgeshire health and social care system is experiencing a monthly average of 2,717 bed-day delays, which is 22% above the current Better Care Fund (BCF) target ceiling of 2,232. In October there were 3,555 bed-day delays, almost twice the number of delays recorded in April.
 - Between April and October 2014 there were 19,020 bed-day delays across the whole of the Cambridgeshire system - representing a 17% increase against the same period in 2013.
 - Across this period NHS bed-day delays have increased from 9,480 (April - October 2013) to 13,024 (April - October 2014) an increase of 37%, while bed-day delays attributed to Adult Social Care have decreased from 6,420 (April - October 2013) to 4,771 (April - October 2014) an improvement of 25%.
 - This remains a challenging, whole system measure and is reliant on both health and social care commissioners and providers to work together to meet target.
- **The proportion of customer complaints received in the month before last that were responded to within minimum response times**

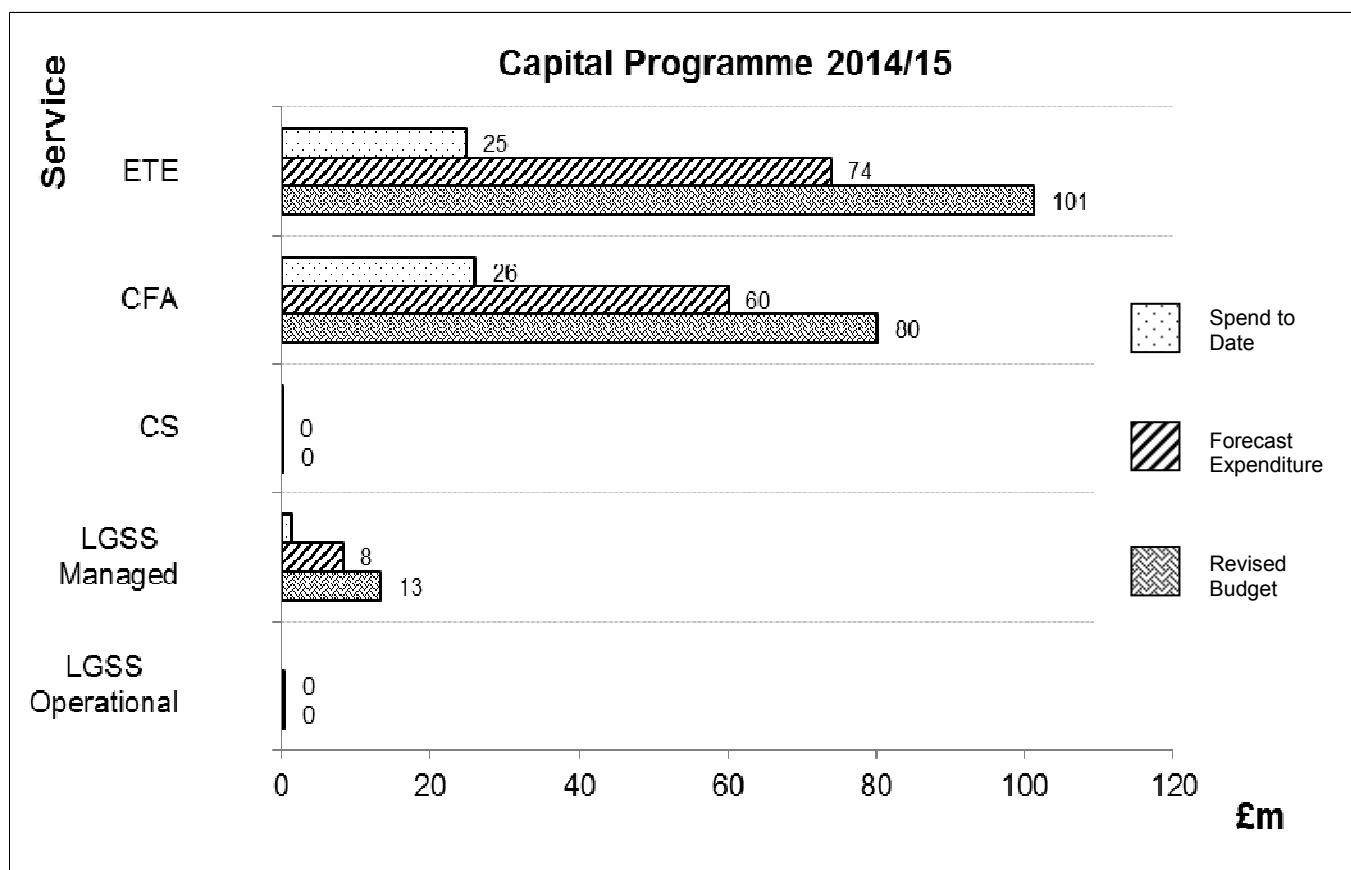
ETE:

Out of the 74 complaints recorded during October, 20 failed to meet the target of responding within 10 days. Of those 20, 17 have since been closed and the remaining 3 cases are being investigated by the assigned officer.

6. CAPITAL PROGRAMME

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

2014/15						TOTAL SCHEME	
Original Budget as per BP £000	Service	Revised Budget £000	Forecast Variance - Outturn (Oct) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
90,999	ETE	101,180	-24,813	-27,262	-26.9%	470,479	-27,779
76,409	CFA	80,098	-19,426	-20,079	-25.1%	529,251	-875
-	Corporate Services	185	0	-67	-36.2%	340	0
12,206	LGSS Managed	13,296	-4,328	-5,178	-38.9%	90,070	-7,811
-	LGSS Operational	412	0	0	0.0%	630	0
179,614	Total Spending	195,171	-48,567	-52,585	-26.9%	1,090,770	-36,465



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

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

6.2.1 **Economy, Transport and Environment:** -£27.3m (-26.9%) underspend is forecast at year end.

- | | £m | % |
|---|------|--------|
| <ul style="list-style-type: none"> Cycling Schemes – spend on the Cycling City Ambition grant funded schemes will now roll into 2015/16 as the Department for Transport has extended the use of this funding until September 2015. This will include the following schemes: <ul style="list-style-type: none"> - Huntingdon Road (start date 5th January) - Hills Road (start date 26th January) - Trumpington Road (start date 11th May) | -1.5 | (-32%) |
| <ul style="list-style-type: none"> Community & Cultural Services – this scheme is projected to underspend this year, as expenditure has been delayed due to the impending Library Service review. | -0.5 | (-32%) |
| <ul style="list-style-type: none"> Previously reported exceptions that are still applicable can be found in appendix 3 | | |

6.2.2 **Children, Families and Adults:** -£20.1m (-25.1%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> Primary Schools - Demographic Pressures – the forecast underspend has increased by -£620k this month. <p>This comprises of:</p> <p><u>Slippage and accelerated progress</u> (-£2,432k underspend)</p> <p>This is due to slippage on: Isle of Ely Primary (-£2,133k), due to issues with the land acquisition; Orchards Primary (-£207k); All Saints Primary (-£100k); St Neots Loves Farm (-£49k); and Huntingdon Primary School (-£238k). This is balanced against changes to the expenditure profiles for Kings Hedges Primary (£130k) and Fulbourn Primary School (£273k) where expenditure previously anticipated as falling in 2015/16 will now be spent in 2014/15.</p> <p><u>Revision in costs</u> (-£675k underspend)</p> <p>The overall costs of the expansion at Fawcett Primary have been reduced by -£600k following receipt of a lower than anticipated Milestone (MS) 4 tender price. A saving of -£225k has also been achieved on the Hemingford Primary School due to employer's contingencies and risk register costs not being expended. These savings have been offset by increased costs at Cavalry Primary School of £150k for re-roofing works.</p>	-3.1	(-10%)
<ul style="list-style-type: none"> Secondary Schools - Demographic Pressures – the forecast underspend has reduced by £598k this month. This is due to the Coleridge Secondary extension scheme advancing more quickly than anticipated. The overall costs of the project remain on budget. <p>As previously reported:</p> <p>The Littleport Secondary scheme is forecast to underspend by -£3.3m in 2014/15, primarily due to a delay in acquiring the land the school will be built on. The start on site date has consequently slipped from Summer to Autumn 2015.</p> <p>Projected expenditure on North Cambridgeshire Secondary in 2014/15 is anticipated to be slow, increasing the overall forecast underspend for the year by -£70k. Anticipated costs for Ely College have reduced by -£80k.</p> <p>The Swavesey Village College scheme is progressing more</p>	-2.8	(-30%)

quickly than originally anticipated. This project is funded significantly by Targeted Basic Need funding. The funding has been advanced to offset the acceleration in the programme. The cost of this scheme has increased by £350k over the lifetime of the project due to higher than anticipated tender costs.

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

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

- There are no new exceptions to report this month.

6.2.4 **LGSS Managed:** -£5.2m (-38.9%) underspend is forecast at year end.

	£m	%
<ul style="list-style-type: none"> • Effective Property Asset Management (EPAM) - County Farms Viability – delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement work, has resulted in fewer business cases coming forward against the available funding for 2014/15. 	-0.5	(-50%)

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

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

- There are no new exceptions to report this month.

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

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

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

Children, Families and Adults (CFA): -£0.9m (-0.0%) total scheme underspend is forecast.

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

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

- There are no new exceptions to report this month.

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

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

LGSS Operational: a total scheme balanced budget is forecast.

- There are no new exceptions to report this month.

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	26.2	1.6	0.0	2.5	30.3	30.3	0.0
Basic Need Grant	15.2	0.0	0.0	1.3	16.6	16.1	-0.5
Capital Maintenance Grant	6.3	0.0	0.0	0.0	6.3	6.3	0.0
Devolved Formula Capital	1.1	1.6	0.0	0.1	2.7	2.7	0.0
Specific Grants	11.9	0.6	0.0	-0.3	12.2	3.9	-8.3
Section 106 Contributions	24.3	0.3	0.0	-0.6	23.9	14.9	-9.0
Capital Receipts	4.7	0.0	0.0	0.0	4.7	6.2	1.6
Other Contributions	8.0	1.6	0.0	1.1	10.7	9.5	-1.2
Universal Infant Free School Meals	0.0	0.0	0.0	1.3	1.3	1.3	0.0
Prudential Borrowing	81.9	14.7	-6.2	-3.9	86.4	51.3	-35.2
Total	179.6	20.3	-6.2	1.5	195.2	142.6	-52.6

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

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

- There are no new exceptions to report this month.

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

7. GRANT ALLOCATIONS FOR 2014/15

7.1 Where there has been a material change in 2014/15's grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require SMT discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee (GPC) for approval.

Educational Services Grant (ESG)

The ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream/high needs) and status (academy/maintained). Funding will therefore reduce for local authorities if a school converts to an academy.

Based on the expected number of academy conversions during 2014/15 a figure of £6,104,215 was budgeted for the ESG during the Business Planning (BP) process. Most recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in increased ESG funding of £6,325,665 for 2014/15, an additional amount of £221,450. This latest forecast is an increase of £108,831 from that reported in May 14, which is due to delayed conversions and a deferment in the reduction of ESG rates by the Department for Education (DfE) until the 2015/16 financial year.

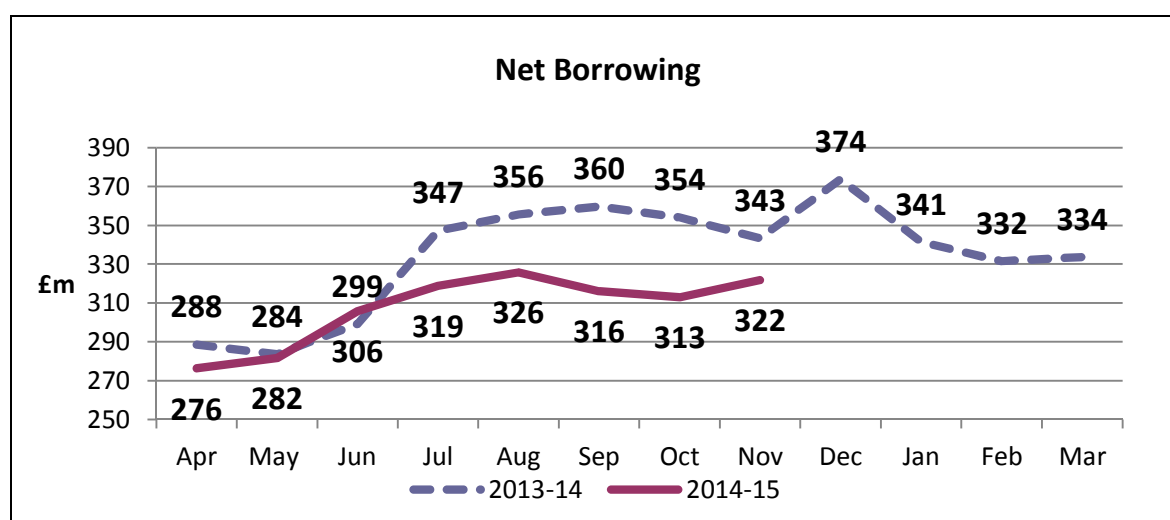
It is proposed that this additional income will be transferred to corporate reserves at year end. However, an update to the current reported position will be provided if this projection changes.

8. BALANCE SHEET

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

Measure	Target end of November	Actual end of November
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.4m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£1.2m
Invoices paid by due date (or sooner)	97.5%	99.6%

8.2 The graph below shows net borrowing (borrowing less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of November were £59.3m and gross borrowing was £381.1m, giving a net borrowing position of £321.8m.



8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014/15 TMSS was set in February 2014, it was anticipated that net borrowing would be £406m at the end of this financial year. Net borrowing at the beginning of this year was lower than expected and the forecast for the end of this financial year is now £374m.

8.4 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

8.5 The Council's cash flow profile varies considerably during the year as payrolls and payments to suppliers are made, and grants and income are received. Cash flow at the

beginning of the year is typically stronger than at the end of the year as many grants are received in advance.

8.6 Key exceptions are identified below:

Key exceptions	Impacts and actions
Less borrowing activity than planned, as a result of lower than expected capital expenditure – original net borrowing target was £405.6m. The actual net borrowing position at 30th November is £321.8m and the forecast for the end of the year is £374m.	<p>A £500k underspend is reported, which is largely due to cash balances being higher than budgeted during the year to date, in part due to slippage on the capital programme. This has also impacted on the timing of new long term borrowing, which can now be delayed, generating savings for the Council. The Debt Charges budget was reduced by £1m when the Business Plan was approved in February 2014 in expectation of slippage in the capital programme, the underspend reported is in addition to that amount. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing is adopted.</p> <p>The Council is currently reviewing options as to the timing of any long term borrowing and also the alternative approaches around further utilising cash balances or short term borrowing, this year. The Municipal Bonds Agency, which the Council has supported, is one of a range of new facilities that is being considered for a proportion of the long term borrowing requirement.</p>

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

9. EXTERNAL AND CONTEXTUAL ISSUES

- 9.1 On 3 December the Chancellor of the Exchequer, George Osborne, made his 2014 [Autumn Statement](#). The final Autumn Statement before next year's general election outlined the Government's spending and tax plans, based on the latest forecasts from the Office for Budget Responsibility (OBR). Alongside the Autumn Statement the OBR published its [Economic and Fiscal Outlook](#) (EFO), containing its forecasts for the economy and the public finances, and an assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target.

Announcements made within the Autumn Statement that will impact on Local Government include:

- **Review of the structure of business rates** – a review of the structure of business rates will be carried out by the Government, reporting by Budget 2016.
- **Review of the administration of business rates** – the Government will publish its interim findings from the review of business rates administration in December 2015, setting out how it will respond to businesses' calls for clearer billing, better information sharing and a more efficient appeal system.

- **Small Business Rate Relief** – the Small Business Rate Relief (SBRR) will be doubled for a further year to provide 100% relief from business rates for 2015/16.
- **Business Rates Increases** – the business rate increases will be capped at 2% for a further year. Business rates for 2015/16 would have risen by the September 2014 RPI. £125m has been set aside to compensate local authorities for the difference between the 2% cap and the September RPI figure, as was the case for 2014/15.
- **Local Authority Members' Travel Expenses** – the Government will exempt travel expenses paid to councillors by their local authority from income tax and employee National Insurance Contributions (NICs). The exemption will be limited to the Approved Mileage Allowance Payment (AMAP) rates, where it applies to mileage payments. This change will take effect from 6 April 2015.

10. FURTHER INFORMATION

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

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

11. ALIGNMENT WITH CORPORATE PRIORITIES

11.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

11.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

11.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

12. SIGNIFICANT IMPLICATIONS

12.1 Resource Implications

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

12.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

12.3 Equality and Diversity Implications

There are no significant implications within this category.

12.4 Engagement and Consultation Implications

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

12.5 Localism and Local Member Involvement

There are no significant implications within this category.

12.6 Public Health Implications

There are no significant implications within this category

Source Documents	Location
ETE Finance & Performance Report (November 14) CFA Finance & Performance Report (November 14) PH Finance & Performance Report (November 14) CS and LGSS Cambridge Office Finance & Performance Report (November 14) Performance Management Report & Corporate Scorecard (November 14) Capital Monitoring Report (November 14) Report on Debt Outstanding (November 14) Payment Performance Report (November 14)	1 st Floor, Octagon, Shire Hall, Cambridge

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

	CFA	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ETE Operational Savings – SmartLife Business			100					-100
ETE Operational Savings – Cambridge Sub-Regional Model			110					-110
ETE Operational Savings – Archives Store			18					-18
Transfer of Catering and Cleaning Services (CCS) Finance Support	104						-104	
ETE Operational Savings – Cycling Legacy			-7					7
ETE Operational Savings – Flood Signing			30					-30
Current budget	253,540	0	63,610	34,142	6,598	9,432	10,592	2,565
<i>Rounding</i>	-	-	1	-	-	-1	1	-1

APPENDIX 2 – previously reported revenue exceptions that are still applicable

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Local Infrastructure and Street Management (LISM) Other – the projected underspend was originally due to a Section 278 (of the Highways Act 1980) agreement fee, received for the North West Cambridge development, which was greater than the predicted budget for the year. Since this time, there have also been further Section 106 agreement fees received, which have contributed to an increase in the reported underspend of -£12k this month.	-0.380	(-13%)
CFA	Children's Social Care Directorate – the forecast overspend is due to the continuing need to use agency staff, which is placing pressure on staffing budgets and making vacancy and agency savings targets difficult to deliver; and the number and cost of legal proceedings exceeding budget.	+1.572	(5%)
	Looked After Children (LAC) Placements – the LAC Placements budget is now forecasting an overspend of £1,150k. Pressure on costs has been seen for some time now, but actions have been taken to try and keep spend within budget. External placement numbers exceed those budgeted for and this is likely to continue to be the case for the remainder of the year. The 16+ Placements budget is forecasting an overspend of £150k. There has been an increase in the number of young people who are presenting as homeless, who are willing to be looked after and have nowhere else to go. A number of young people have had to move to supported accommodation that can offer additional support due to their complex needs and this is impacting on the average cost.	+1.300	(8%)
	Commissioning Services – this is due to longer timescales for children with statements moving from one school to another, adhering to the placement consultation process outlined by the Department for Education (DfE) Special Educational Needs (SEN) Code of Practice. In addition to this there has been a move to 25 hours per week provision, from 15 hours per week, which has created a pressure.	+0.350	(7%)

	<p>Physical Disabilities – the forecast underspend had increased by -£192k this month.</p> <p>The forecast underspend is being achieved through the management of demand on services, particularly in the area of social inclusion. In addition to demand management some packages of support have not materialised, several higher cost packages have ended and a number of claw backs on direct payments have been made. The predicted underspend will continue to need close monitoring due to possible winter pressures and the return to normal staffing levels within the teams; both will raise the number of assessments undertaken (planned and unplanned) that in turn may lead to an increase in spend. Currently the Physical Disability and Vulnerable Adults Teams are running a waiting list.</p>	-0.787	(-6%)
	<p>Central Financing – within CFA, spend of £20.9m is funded by the ring fenced Dedicated Schools Grant (DSG). The budgets for Education Placements (£300k), Commissioning Services (£350k), Early Years Specialist Support (£50k), East Cambs & Fenland Localities (-£7k) and 0-19 Organisation & Planning (-£2k) are forecast to overspend this year by a total of £691k.</p> <p>Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. It is estimated that for this financial year vacancy savings of £350k will be taken in relation to DSG funded posts and DSG carry forward within Schools Financing of £341k will be applied (please see 'Financing DSG' - note below), both of these will be used to offset the pressures on DSG funded budgets.</p>	-0.350	(-1,000%)
	<p>Financing Dedicated Schools Grant (DSG) – within CFA, spend of £20.9m is funded by the ring fenced DSG Grant. The budgets for Education Placements (£300k), Commissioning Services (£350k), Early Years Specialist Support (£50k), East Cambs & Fenland Localities (-£7k) and 0-19 Organisation & Planning (-£2k) are forecast to overspend this year by a total of £691k.</p> <p>Vacancy savings are taken across CFA as a result of posts vacant whilst they are being recruited to, and some of these vacant posts are also DSG funded. It is estimated that for this financial year vacancy savings of £350k will be taken in relation to DSG funded posts (see 'Central Financing' - note above) and DSG carry forward within Schools Financing of £341k will be applied, both of these will be used to offset the pressures on DSG funded budgets.</p>	-0.341	(-2%)
Public Health	<p>Health Improvement – the £500k earmarked from known underspends to pump prime a Healthy Fenland Fund has been transferred to an earmarked reserve.</p>	-0.500	(-6%)

CS	N/A	-	-
LGSS Managed	County Offices – a savings target of £736k was allocated in the 2013/14 Business Plan linked to a reduction in the Council's property portfolio. Delivery of this saving is being led by the Property Rationalisation Project, under the Property Asset Board, and although some savings have been achieved in previous years, the reported pressure reflects the balance of savings still to be identified. The position is being monitored and the forecast outturn will be updated as savings are secured.	+0.654	(12%)
	IT Managed – the 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have been reviewing contract arrangements across LGSS partners, but it is apparent that the £600k target for Cambridgeshire was overly optimistic. Therefore IT Managed is showing a forecast overspend of £300k. Should any further savings be identified, the forecast outturn will be updated accordingly.	+0.300	(17%)
CS Financing	Debt Charges – the forecast underspend is largely due to cash balances being higher than budgeted during the year to date, in part due to slippage on the capital programme. This has impacted on the timing of new long term borrowing, which has been deferred, generating savings for the Council. This saving is in addition to the £1m reduction in the Debt Charges budget approved in the Business Plan in the expectation of slippage in the capital programme. The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing continues to be adopted.	-0.500	(-1.5%)
Financing Items	N/A	-	-
LGSS Operational	N/A	-	-

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

Service	Description	Current Forecast Variance - Outturn £m	Current Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme.	-11.6	(-100%)
	Connecting Cambridgeshire – the Superfast broadband rollout contractor for Connecting Cambridgeshire is delivering the infrastructure within agreed milestones, however, the payment profile is lagging behind the delivery, increasing the delayed spend figure to £2,715k. This does not represent a total scheme underspend as the funding will be required in 2015/16. The underspend on Super Connected Cities is predicted to be £4,127k. The original grant was to support 2,220 vouchers but, in line with the scheme nationally, this has now been revised down to 160 vouchers. There are ongoing discussions with government to determine whether the scheme will continue into 2015/16.	-6.8	(-32%)
	Guided Busway – this budget is expected to underspend as land deals, which were expected to be resolved in 2014/15, were resolved at the end of the last financial year.	-3.0	(-41%)
	Huntingdon - West of Town Centre Link Road – the resolution of land costs is now unlikely to be completed in this financial year, causing the scheme to slip into 2015/16.	-1.7	(-44%)
	Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.0	(-100%)
	Promoting Economic Growth - Delivering Strategic Aims – this is mainly as a result of the following: ○ £200k relates to a scheme in St. Ives, which requires substantial public consultation, which is no	-0.6	(-21%)

	<p>longer expected to be resolved this financial year;</p> <ul style="list-style-type: none"> ○ £116k relates to a scheme in March, which requires access to land adjacent to the carriageway – negotiations with the landowner are not expected to be resolved within this financial year; ○ £178k relates to a scheme from St. Ives to Bluntisham, where legal permissions have not yet been agreed. Potentially, if this is resolved, the budget could be fully spent but, at present, this is not expected to be the case; and ○ £100k relates to two cycling schemes in St. Neots, which are currently being reviewed, following which the forecast will be updated accordingly. 		
CFA	<p>Secondary Schools - New Communities – construction works on site have slipped from September to October 2014 at the Southern Fringe Secondary. The forecast underspend as a result of this slippage has increased by a further -£0.3m to -£7.3m, accounting for nearly all of the overall underspend. The project is to complete in April 2016, instead of September 2015. The delay was due to contamination testing of imported fill, resulting in environmental pre-commencement planning condition delays. The overall cost of the project remains on budget.</p>	-7.5	(-59%)
	<p>Primary Schools – New Communities – -£3.32m of the predicted underspend relates entirely to Northstowe. The start on site date has now been put back to March 2015 from November 2014; the school is now not required to open until September 2016, as the first houses on the development are not expected to be ready for occupation until the Summer of 2016. Latest slippage of -£70k results from further delays on design. The overall costs of the project remain on budget.</p>		
	<p>There is a -£150k total scheme reduction to Trumpington Meadows Primary School, due to savings made on compensation events, risk register and contingencies.</p> <p>At North West Cambridge (NIAB) Primary there is a -£60k reduction in 2014/15 due to works taking longer than originally anticipated.</p> <p>Bearscroft is forecast a -£100k underspend in 2014/15 due to delays with the design processes and finalisation of land agreements with developers. The overall costs of the project remain on budget.</p>	-3.6	(-68%)
	<p>Adult Social Care (ASC) – this relates to unallocated grant funding, which will be required in 2015/16. Plans are developed to ensure the sustainability of future ASC capital investments, which are incorporated in the 2015/16 Business Planning process. There has been a reduction of £69k to the forecast underspend this month, due to forecast expenditure on transformation initiatives including the Adult Integrated System (AIS), being incurred in 2014/15.</p>	-2.5	(-54%)

	<p>Children Support Services – increased certainty over the timings of projects related to Early Years basic need placements means that costs previously anticipated for 2014/15 will now be incurred in 2015/16. This accounts for -£124k of the overall underspend. Projects envisaged for later years will, however, be brought forward into 2015/16 in the Business Planning process.</p> <p>The remaining -£1.5m is due to slippage on the Trinity School where delays in the acquisition of land led to the appointment of contractors being put on hold until such time as there was greater certainty that the project would proceed.</p>	-1.6	(-44%)
	Condition, Maintenance and Suitability – tenders have come in higher than anticipated, which is a reflection of the impact the upturn in the housing market is having on building costs.	+1.2	(23%)
	Temporary Accommodation – more mobiles have been needed due to rising class numbers at primary schools around the county, coupled with increased site works and rising building and transportation costs.	+0.5	(50%)
CS	N/A	-	-
LGSS Managed	Effective Property Asset Management (EPAM) – Sawston Community Hub – the forecast underspend is due to extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Planning process. This does not reflect a reduction in total scheme costs.	-0.6	(-90%)
	EPAM - East Barnwell Community Hub – the forecast underspend is due to extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the 2014/15 Business Planning process. This does not reflect a reduction in total scheme costs.	-1.0	(-83%)
	EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in an underspend of -£1.0m. Going forward, it is anticipated that the project will be incorporated within the wider City Deal schemes currently under development as part of the Economy, Transport and Environment Business Planning capital programme.	-1.0	(-100%)

	<p>EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years, as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£0.9m, and a total scheme underspend of -£5.2m. As a result, the scheme budget is expected to be adjusted as part of the 2015/16 Business Planning process.</p>	-0.9	(-85%)
	<p>Optimising IT for Smarter Business Working – this reflects an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.</p>	-0.5	(-45%)
LGSS Operational	N/A	-	-

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

Service	Description	Total Forecast Variance - Outturn £m	Total Forecast Variance - Outturn %
ETE	Science Park Station – the Government confirmed in the Autumn Statement that they would provide the funding for this scheme.	-26.3	(-88%)
	Infrastructure Management & Operations Scheme - Other Schemes – funding for ‘Street Lighting – Central Management system’, currently shown as ‘Other Schemes’ within Infrastructure Management and Operations schemes, is no longer required. More detailed analysis of the scheme has found that the savings gained from the scheme were not enough to pay back the investment within a reasonable period.	-1.5	(-19%)
CFA	Primary Schools - Demographic Pressures – there is a saving in the overall project costs to the capital programme since the Business Plan was approved, following receipt of the updated Milestone 4 (MS4) reports for both the Huntingdon Primary School scheme (-£0.5m) and the Millfield Primary School scheme (-£0.3m).	-1.2	(-1%)
LGSS Managed	Effective Property Asset Management (EPAM) - Fenland – residual work on the Awdry House site will be completed in 2014/15. Upon completion, this will result in a total scheme underspend of -£0.9m.	-0.9	(-14%)
	EPAM - Trumpington Option Land – this scheme is not expected to proceed in the current financial year, resulting in a total scheme underspend of -£1.0m. Going forward, it is anticipated that the project will be incorporated within the wider City Deal schemes currently under development as part of the Economy, Transport and Environment Business Planning capital programme.	-1.0	(-100%)

	<p>EPAM - Making Assets Count (MAC) Market Towns Project – the MAC Public Property Partnership & Market Towns projects has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is currently expected to result in an in-year underspend of -£0.0m, and a total scheme underspend of -£5.2m. As a result, the scheme budget is expected to be adjusted as part of the 2015/16 Business Planning process.</p>	-5.2	(-75%)
--	--	------	--------

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

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

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

APPENDIX 6 – Reserves and Provisions

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 30 Nov 14		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,337	3,763	16,101	15,755	
- Services					
1 CFA	6,760	-1,552	5,208	0	Includes Service Forecast Outturn (FO) position.
2 PH	749	20	769	769	
3 ETE	2,796	-539	2,257	1,859	Includes Service FO position.
4 CS	1,314	-937	377	550	Includes Service FO position.
5 LGSS Operational	1,116	-18	1,098	169	Includes Service FO position.
Subtotal	25,073	737	25,810	19,102	
Earmarked					
- Specific Reserves					
6 Insurance	4,105	0	4,105	4,105	
7 Connecting Cambridgeshire	3,485	0	3,485	0	
Subtotal	7,590	0	7,590	4,105	
Equipment Reserves					
8 CFA	453	387	840	500	
9 ETE	567	0	567	854	
10 CS	50	0	50	50	
11 LGSS Managed	559	0	559	419	
12 LGSS Operational	85	0	85	0	
Subtotal	1,715	386	2,101	1,823	
Other Earmarked Funds					
13 CFA	3,443	-577	2,866	5,538	
14 PH	0	500	500	500	
15 ETE	8,975	-619	8,356	5,354	Includes liquidated damages in respect of the Guided Busway.
16 CS	336	9	345	498	
17 LGSS Operational	0	0	0	0	
Subtotal	12,754	-687	12,067	11,890	
SUB TOTAL	47,132	436	47,568	36,920	
Capital Reserves					
- Services					
18 CFA	4,180	18,667	22,847	3,147	
19 ETE	7,041	21,301	28,342	3,466	
20 LGSS Managed	481	3,644	4,125	481	
21 LGSS Operational	0	0	0	0	
22 Corporate	22,594	7,467	30,061	18,368	Section 106 balances.
subtotal	34,296	51,079	85,375	25,462	
GRAND TOTAL	81,428	51,515	132,943	62,382	

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

Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 30 Nov 14		
	£000s	£000s	£000s	£000s	
<u>Short Term Provisions</u>					
1 ETE	669	0	669	669	
2 CS	1,000	0	1,000	0	
3 LGSS Managed	2,866	-1,666	1,200	1,180	
subtotal	4,535	-1,666	2,869	1,849	
<u>Long Term Provisions</u>					
4 LGSS Managed	4,721	0	4,721	4,721	
subtotal	4,721	0	4,721	4,721	
GRAND TOTAL	9,256	-1,666	7,590	6,570	