

**GENERAL PURPOSES COMMITTEE DISCUSSION OF THE REPORT  
'INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE  
PERIOD ENDING 31<sup>ST</sup> MARCH 2015**

*To:* **Audit and Accounts Committee**  
*Date:* **9<sup>th</sup> June 2015**  
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*Purpose:* This report should be taken at the same time as 11b). It provides Audit and Accounts Committee with details of the brief discussion from the General Purposes Committee meeting held on 19<sup>th</sup> May 2015 in relation to the Integrated Resources and Performance report to the end of March 2015.

**1. Background**

**1.1 Different meetings receive the same Integrated Resources and Performance Report for the following reasons:**

- General Purposes Committee to make decisions and approve virements;
- **Audit and Accounts Committee role is limited to consider whether effective processes are in place for financial management.**

It was agreed during the last administration that Audit and Accounts Committee meetings where practicable and time allowed, should receive details of the discussion included in the minutes of the previous Cabinet meeting and the Performance and Resources Overview and Scrutiny Committee who may have also considered the same report in advance of the Audit and Accounts Committee. The arrangement is now continuing with General Purposes Committee.

**2. Extract of the Minutes from the General Purposes Committee 19<sup>th</sup> May. They will be formally agreed at their next meeting.**

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

The Committee received the final operational report detailing the financial and performance information to assess progress in delivering the Council's Business Plan 2014/15. It was noted that the overall revenue budget position was showing a forecast year end underspend of £4.0m, which was an increase of -£3.6m from the previous forecast

reported to the Committee. The Chief Finance Officer explained that this turnaround related to the adjustment of bad debt provision following the on boarding of Cambridgeshire Community Services (CCS). The Council had made prudent provision for the transfer of significant debt from CCS but in the end very little had needed to be written off. The figure also included interest on deferred Section 106 monies and resources from the Transformation Fund, which had not had to deal with as many redundancies as anticipated. As a result more funding had been contributed to the Pension Fund.

Before opening the debate, the Chairman informed the Committee that it would be necessary to exclude the press and public if it wished to discuss confidential Appendix 7. During discussion, members made the following comments:

- confirmed that all Directorates would need to follow the procedure agreed by Council on 12 May 2015 to manage any underspend against the original cash limit for the year, as set by Council. The Chief Executive informed the Committee that the -£0.749 underspend in Public Health would be subject to this process.
- queried why the business case for the implementation of a replacement Enterprise Resource Planning system had not been considered as part of the Business Planning process. The Chief Finance Officer reported that the project had not been developed sufficiently to include in the plan. However, he acknowledged that it would have been prudent to have made provision for a guesstimate value. The Director of People, Transformation and Transactions explained that a replacement system was not needed until November 2017 so this was a proactive proposal rather than reactive.
- welcomed the recent workshop on business planning and the concentration on outcome focussed budgets, which it was hoped would turn performance indicators from red to amber and green. Officers were encouraged to adopt a different approach to budgeting.
- requested clarity in relation to the treatment of reserves. The Chairman explained that any underspend against the original cash limit for the year, as set by Council, would be kept by the relevant Directorate. The Directorate would then need to have a conversation with the Section 151 Officer as to how this funding would be utilised based on plans agreed and scrutinised by the relevant committee. It was important to note that not all underspends would necessarily remain with the Directorates. Contingency funding would continue to be held in the general reserve.

- queried whether the -£0.749 underspend would still be ring-fenced to Public Health. The Chairman reported that it would be ring-fenced but there would be a full and transparent process to consider how it should be used.
- queried how Directorates would deal with overspends beyond their control for example an increase in Looked After Children. The Chief Finance Officer explained that resources were allocated in order to deliver agreed policy activity as detailed in the Business Plan. Although resources should be sufficient, there were always exceptions. Directorates had no power to spend beyond their budget. Council was the only body which could allocate additional funding and this should only be by exception. The Chairman reminded the Committee that Children, Families and Adults (CFA) had the largest budget. It was therefore the responsibility of the Directorate to manage pressures in areas of its budget. Members were reminded that cash was allocated to service blocks so there might need to be negotiation between committees.
- queried why it was proposed to write-off client contribution debt of £29,502. The Chief Finance Officer explained that there was insufficient estate to recover the debt. One Member queried how it had reached this scenario. The Chief Finance Officer agreed to provide Members with a written answer. **Action Required**
- reiterated the need to split the indicator for the proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted by sector i.e. secondary, primary and special schools.

It was resolved unanimously to:

- a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action was required.
- b) Approve the write-off of a client contribution debt for the sum of £29,502 (section 3.2.3).
- c) Approve that the £261,900 additional Education Services Grant (ESG) received in 2014/15 be transferred to the General Fund (section 7).
- d) Approve a supplementary capital estimate in the sum of £1.104m (Cambridgeshire County Council's cost share) for the implementation of a replacement Enterprise Resource Planning system (section 6.7).