Agenda Item No.5

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST AUGUST 2016

To:	**General Purposes Committee**		
Date:	**25th October 2016**		
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:	**General Purposes Committee (GPC) is recommended to:**		

- **Analyse resources and performance information and note any remedial action currently being taken and consider if any further remedial action is required.**

	Officer contact:
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	Chris.Malyon@cambridgeshire.gov.uk
Tel:	01223 699796

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 (July)**	**Forecast Year End Position (August)**	**Current Status**	**DoT** (up is improving)
Revenue Budget	Variance (£m)	+£0.5m	+1.9m	Amber	↓
Basket Key Performance Indicators	Number at target (%)	38% (6 of 16)[1]	31% (5 of 16)[1]	Amber	↓
Capital Programme	Variance (£m)	+£0.2m	+£0.2m	Green	⟷
Balance Sheet Health	Net borrowing activity (£m)	£415m	£418m	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 £1.9m, which is an increase of £1.8m on the position reported last month. The change in position is largely due to a net increase in Children, Families and Adults (CFA) overspends, particularly in Looked After Children placements. See section 3 for details.

- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2016/17. There are 18 indicators in the Council's new basket, with data currently being available for 16 of these. Of these 16 indicators, 5 are on target. However, 7 indicators are currently rated amber, with 6 of these being within 5% of their target values. See section 5 for details.

- The Capital Programme is showing a forecast year-end overspend of £0.2m (0.1%). This is within Assets & Investments (A&I). Although Economy, Transport and Environment (ETE) and CFA are reporting £4.1m and £1.6m in-year slippage on their capital programmes respectively, this is within the allowances they have been allocated for capital programme variations, giving them a balanced outturn overall. See section 6 for details.

- Balance Sheet Health; the original forecast net borrowing position for 31st March 2017, as set out in the Treasury Management Strategy Statement (TMSS) is £479m. This projection has now fallen to £418m, which is £3m higher than reported last month. The change since last month is due to the forecast for prudential borrowing in 2016/17 increasing from £70m to £73m. See section 7 for details.

3. REVENUE BUDGET

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

Key to abbreviations

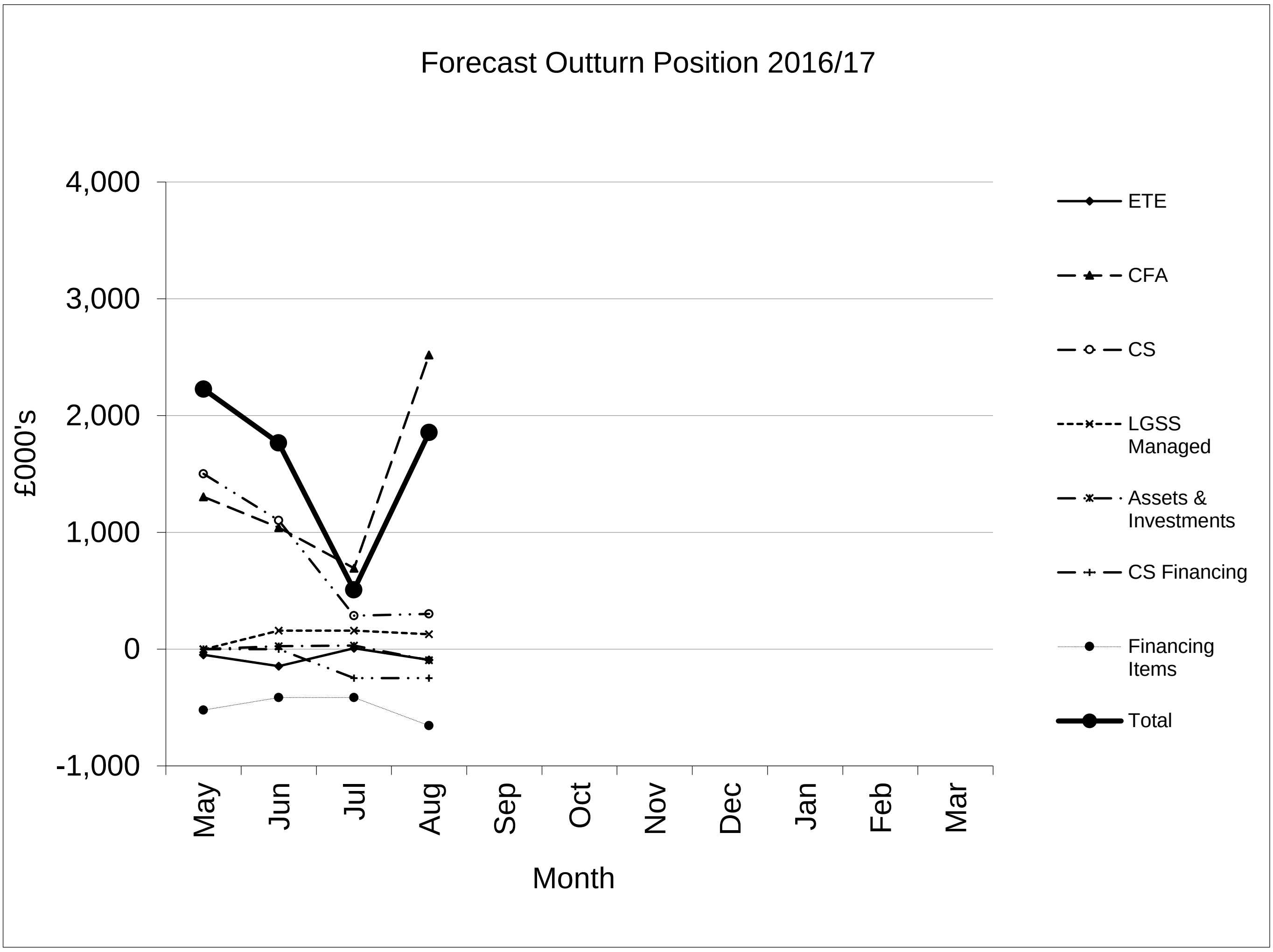
ETE – Economy, Transport and Environment
CFA – Children, Families and Adults
CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per Business Plan £000	Service	Current Budget for 2016/17 £000	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (August) £000	Forecast Variance - Outturn (August) %	Overall Status	DoT
59,952	ETE	61,967	7	-93	-0.1%	Green	↑
242,563	CFA	242,310	693	2,520	1.0%	Red	↓
182	Public Health	182	0	0	0.0%	Green	↔
4,674	Corporate Services	4,830	285	301	6.2%	Amber	↓
6,010	LGSS Managed	6,010	157	128	2.1%	Amber	↑
2,711	Assets & Investments	2,714	31	-96	-3.5%	Green	↑
34,206	CS Financing	34,206	-250	-250	-0.7%	Green	↔
350,298	**Service Net Spending**	**352,219**	**923**	**2,510**	**0.7%**	**Amber**	↓
4,677	Financing Items	1,900	-415	-655	-34.5%	Green	↑
354,975	**Total Net Spending**	**354,119**	**508**	**1,855**	**0.5%**	**Amber**	↓
	Memorandum items:						
9,589	LGSS Operational	9,682	98	213	2.2%	Amber	↓
222,808	Schools	222,808					
587,372	**Total Spending 2016/17**	**586,610**					

[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] The forecast variance outturn does not include the £9.3m budget saving in 2016/17 following the change in Minimum Revenue Provision (MRP) policy, which was approved by Council on 16 February 2016.

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** -£0.093m (-0.1%) underspend is forecast at year-end. There are no new exceptions to report; for full and previously reported details see the ETE Finance & Performance Report.

3.2.2 **Children, Families and Adults:** +£1.675m (0.7%) overspend is forecast at year-end.

	£m	%
• **Learning Disability Head of Services** – The Head of Service policy line is currently forecasting an underspend of £1.031m. This is a movement of -£272k from last month. The movement is the result of holding back additional expenditure on vacant posts and contracts to offset against pressures elsewhere in the pool totalling -£186k, and increasing the forecast Clinical Commissioning Group (CCG) contribution to the Learning Disability Partnership (LDP) overspend by -£86k, due to the risk share on the pooled budget. The total underspend in this policy line is a result of mitigating actions across the LDP, including holding providers to flat prices	-1.031	(-65%)

despite costs increasing due to the living wage, negotiating appropriate NHS funding, and holding appropriate posts vacant.

- **Learning Disability: In House Provider Services** – An overspend of £374k is forecast for year-end. This is an increase of £209k on the forecast reported last month. The increase is due to a number of provider units expecting to overspend on over-time and weekend/night-working enhancements paid to staff. The remainder of the forecast is a £165k pressure due to the delay until 2017/18 of delivering 2016/17 Business Plan savings. +0.374 (+7%)

- **Older People and Mental Health: Central Commissioning** – An underspend of £260k is forecast for year-end. It is anticipated that the rationalisation of domiciliary care as part of the creation of the transition service will deliver an underspend of £200k. A further £60k underspend is expected due to the reduction of respite block beds undertaken based on analysis suggesting we were not fully utilising the blocks. This is being fed into the business planning process for next year. -0.260 (-2%)

  These savings are through efficiencies in the better distribution of domiciliary care cars serving the County, rather than a reduction in service to people needing care at home.

- **Children's Social Care (CSC): Safeguarding & Standards** – An overspend of £251k is forecast at year-end. This is a movement of +£139k from the position reported last month. The overspend is due to the use of agency staff to cover the increased number of initial and review child protection (CP) conferences and initial and review Looked After Children (LAC) Reviews. The team currently operates with a staff group that was predicated for CP numbers of 192-230 (in 2013) and LAC numbers of 480 (in 2013). These numbers have risen steadily and then recently more sharply to 457 CP and 627 LAC, and show no immediate sign of decreasing. Independent Reviewing Officer caseloads are defined by statutory legislation so extra staff are required to manage that obligation. +0.251 (+14%)

  New procedures on better use of staff time to free up capacity are being implemented. The service is also exploring other avenues to secure resource to better manage the current caseloads.

- **CSC Units, Hunts & Fenland** – An overspend of £392k is forecast at year-end. This is a movement of +£157k since last month. The overspend is due to the use of agency staff, who are needed to cover vacancies in essential posts to ensure the Council meets its safeguarding responsibilities. +0.392 (+10%)

  The implementation of the recruitment and retention strategy for social work staff should decrease the reliance on agency staffing.

The option of recruiting peripatetic social workers over establishment to fill vacancies in the unit model is also under consideration. This would be more cost effective than using agency staff.

- **Looked After Children (LAC) Placements** – An overspend of £2.2m is forecast for year-end, which is an increase of £1.45m on the overspend reported last month. The forecast position reflects a combination of the underlying pressures from 2015/16 (£1.4m), due to more LAC in care than budgeted, and the number of children in care and in placements not reducing as originally budgeted. Furthermore, the recent cohort of children becoming LAC has included children requiring high cost placements due to their complex needs.

  Actions currently being taken to address the forecast overspend include:

  - A weekly Section 20 panel to review children on the edge of care, specifically looking to prevent escalation by providing timely and effective interventions. The panel also reviews placements of children currently in care to provide more innovative solutions to meet the child's needs.

  - A weekly LAC monitoring meeting chaired by the Executive Director of CFA, which looks at reducing the number of children coming into care and identifying further actions that will ensure further and future reductions. It also challenges progress made and promotes new initiatives.

  +2.200 (+15%)

  Over the coming weeks an intensive piece of work is being carried out to look at the funding requirement to deliver services to LAC going forward. This will enable the Council to anticipate the number of children over the next few years in order to set as accurate a budget as possible. Some of the optimism around the LAC savings for both the current year and future years is also being given an in depth review. The outcome of this work may reveal that there is inadequate budget to service the number of LAC in the care system currently and the anticipated LAC numbers going forward. This would be reflected in the forecast outturn position for any impact on the delivery of in-year savings. Any impact to future year savings will be dealt with as part of the current Business Planning process.

  The LAC budget is successfully delivering its procurement savings for 2016/17. To date c.£1.4m of savings have been delivered against an annual savings target of £1.5m.

- Other areas in CFA account for the additional +£405k movement in the overall position of CFA since last month, but none meet the exception threshold of £250k for reporting.
- For full and previously reported details see the CFA Finance & Performance Report.

- As well as the mitigating actions restricting the forecast overspend to +£2.52m at this point, CFA is continuing to review all expenditure headings to identify further offsetting underspends.

3.2.3 **Public Health:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the PH Finance & Performance Report.

3.2.4 **Corporate Services:** +£0.301m (+6.2%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.5 **LGSS Managed:** +£0.128m (+2.1%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.6 **CS Financing:** -£0.250m (-0.7%) underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve. For full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.7 **LGSS Operational:** +£0.213m (+2.2%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.8 **Assets & Investments**: -£0.096m (-3.5%) underspend is forecast at year-end. There are no new exceptions to report this month; for full and previously reported details see the A&I Finance & Performance Report.

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

4. KEY ACTIVITY DATA

4.1 The latest key activity data for: Looked After Children (LAC); Special Educational Needs (SEN) Placements; Adult Social Care (ASC); Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest CFA Finance & Performance Report (section 2.5).

5. PERFORMANCE TARGETS

Corporate priority	Indicator	Service	What is good? High (good) or low	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: 12-month rolling average	ETE	High	At-31-Mar-2016	%	78.7%	80.3% (2015/16 target)	Amber	↓
	Additional jobs created*	ETE	High	To 30-Sep-2014	Number	+14,000	+ 3,500 (2015/16 target)	Green	↑
	'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others*	ETE	Low	At-29-Feb-2016	%	Gap of 6.4 percentage points Most deprived areas (Top 10%) = 11.5% Others = 5.1%	Most deprived areas (Top 10%) <=12% Gap of <7.2 percentage points (2015/16 target)	Green	↔
	The proportion of children in year 12 taking up a place in learning	CFA (Enhanced & Preventative – E&P)	High	July 16	%	94.1%	96.5%	Amber	↓
	Percentage of 16-19 year olds not in education, employment or training (NEET)	CFA	Low	July 16	%	3.4%	3.3%	Amber	↔
	The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted	CFA (Learning)	High	July 16	%	80.8%	82.0%	Amber	↔
	The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted	CFA (Learning)	High	July 16	%	55.5%	75.0%	Red	↔

Corporate priority	Indicator	Service	What is good? High (good) or low	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
	The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted	CFA (Learning)	High	July 16	%	94.8%	100%	Amber	↔
	The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase	CFA	High	June 16	%	52.8%	57%	Amber	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	June 16	Number	578	429 per month (4874.5 per year)	Red	↓
	Number of ASC attributable bed-day delays per 100,000 population (aged 18+)	CFA	Low	June 16	Number	129	114	Red	↓
	Healthy life expectancy at birth (males)	Public Health	High	2012 – 2014	Years	66.1	N/A – contextual indicator	Green (compared with England)	↓ (compared with previous year)
	Healthy life expectancy at birth (females)	Public Health	High	2012 – 2014	Years	67.6	N/A – contextual indicator	Green (compared with England)	↑ (compared with previous year)
	Absolute gap in life expectancy between the most deprived 20% of Cambridgeshire's population and the least deprived 80% (all persons)	Public Health	Low	2013-2015 (Q4 2015)	Years	2.6	N/A – contextual indicator	N/A – contextual indicator	↔

Corporate priority	Indicator	Service	What is good? High (good) or low	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Supporting and protecting vulnerable people	The number of looked after children per 10,000 children	CFA (Children's Social Care)	Low	July 16	Rate per 10,000	46.4	40	Red	⬆
	No/ % of families who have not required statutory services within six months of have a Think Family involvement.	CFA (E&P)	TBC	TBC	TBC	TBC	*TBC new measure for 2016/17*	TBC	TBC
An efficient and effective organisation	The percentage of all transformed transaction types to be completed online	Customer Service & Transformation	High	1 Apr– 30 June 2016	%	70.4%	75%	Amber	⬇
	The average number of days lost to sickness per full-time equivalent staff member	LGSS HR	Low	July 2016	Days (12 month rolling average)	6.65	7.8	Green	⬇

* *'Out of work' benefits claimants - narrowing the gap between the most deprived areas (top 10%) and others – the target of ≤12% is for the most deprived areas (top 10%). At 6.7 percentage points the gap is the same as last quarter, but is narrower than the baseline (in May 2014) of 7.2 percentage points.*

5.2 Key exceptions: there are no exceptions to report this month; for full and previously reported details go to the respective Service Finance & Performance Report:

- ETE Finance & Performance Report
- CFA Finance & Performance Report
- PH Finance & Performance Report
- CS & LGSS Finance & Performance Report
- A&I Finance & Performance Report

6. CAPITAL PROGRAMME

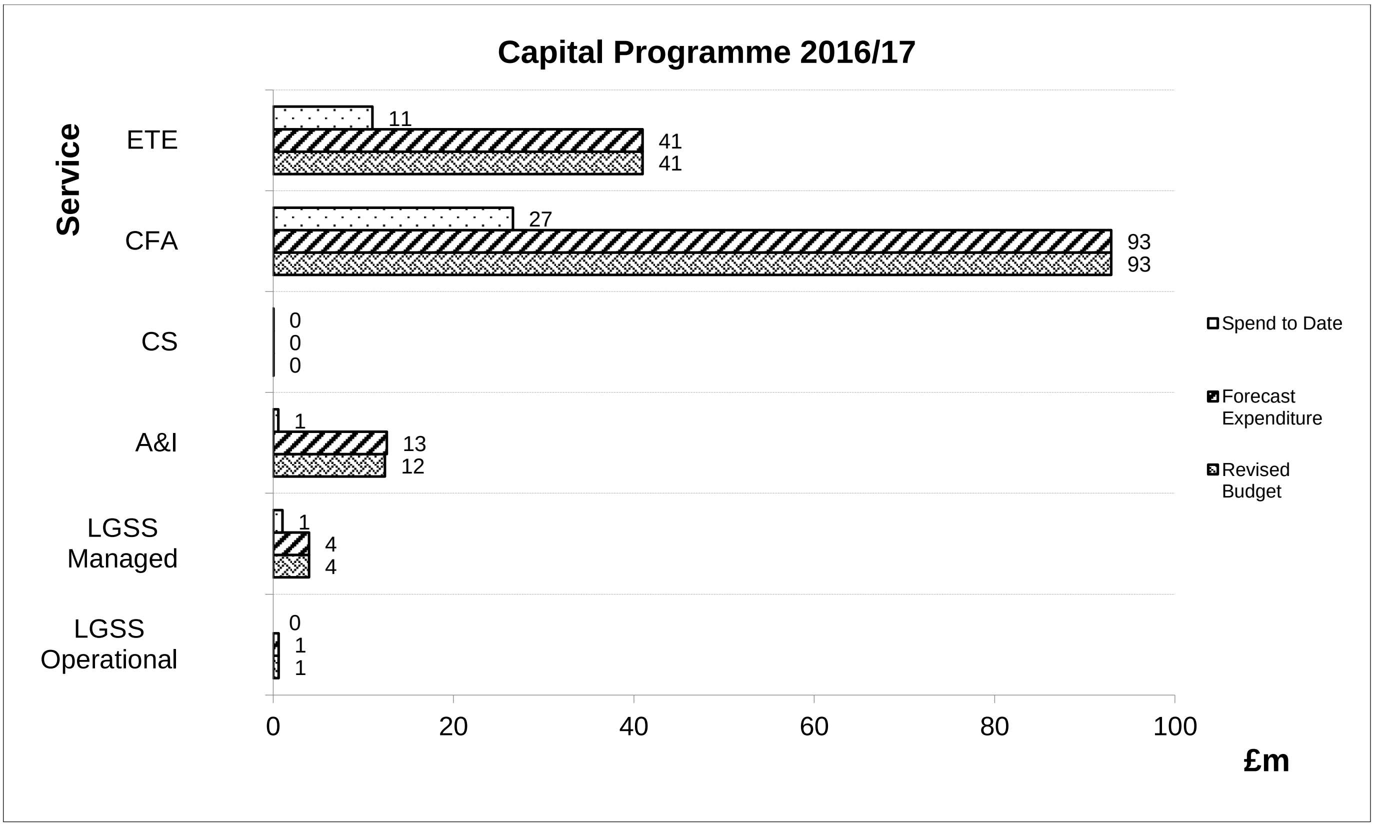
6.1 A summary of capital financial performance by service is shown below:

2016/17						TOTAL SCHEME	
Original 2016/17 Budget as per Business Plan £000	Service	Revised Budget for 2016/17 £000	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (August) £000	Forecast Variance - Outturn (August) %	Total Scheme Revised Budget (August) £000	Total Scheme Forecast Variance (August) £000
71,699	ETE	40,973	-	-	0.0%	415,047	-
97,156	CFA	92,921	0	0	0.0%	543,222	13,984
33	Corporate Services	48	-	-	0.0%	300	-
4,405	LGSS Managed	3,996	-	-	0.0%	15,628	-0
11,397	A&I	12,398	232	195	1.6%	240,310	-1,767
1,104	LGSS Operational	618	-	-	0.0%	1,704	-
185,794	**Total Spending**	**150,954**	**232**	**195**	**0.1%**	**1,216,211**	**12,216**

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted, including the capital programme variations budget allocated to each service. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.

2. The reported ETE capital figures do not include City Deal, which has a budget for 2016/17 of £7.4m and is currently forecasting an in-year underspend of £0.15m.



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

6.2 A summary of the use of capital programme variations budgets by services is shown below. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

2016/17					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (August) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (August) £000**
ETE	-10,500	-4,069	4,069	38.75%	0
CFA	-10,282	-1,632	1,632	15.87%	0
Corporate Services	-12	0	0	0.00%	0
LGSS Managed	-1,029	0	0	0.00%	0
A&I	-2,850	195	0	0.00%	195
LGSS Operational	-155	0	0	0.00%	0
Total Spending	**-24,828**	**-5,506**	**5,701**	**22.96%**	**195**

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

6.3.1 **Economy, Transport and Environment:** a balanced budget is forecast at year-end.

	£m	%
• **Connecting Cambridgeshire** – a £1.1m in-year underspend is forecast as some of the expenditure on the contract with BT is being re-phased into future years. The work completed to date has been delivered at a lower cost than expected, so the scheme is likely to be extended within the existing funding. The rollout contract with BT includes a "claw-back" provision which requires BT to reinvest any surplus profits into further broadband rollout if take-up exceeds the original forecast. A third rollout phase would significantly reduce the "final 5%" of premises that are not covered by the current rollout.	-1.1	(-22%)
• **Delivering the Transport Strategy Aims** – a number of Highways schemes that were originally budgeted within Cambridgeshire Sustainable Transport and Operating the Network are now being charged to Delivering the Transport Strategy Aims as they fit better within this category. This causes an in-year overspend on Delivering the Transport Strategy, matched by an in-year underspend in the other areas.	+0.7	(+28%)
• **Operating the Network** – as above, a number of Highways schemes have been moved from Operating the Network to Delivering the Transport Strategy Aims.	-0.5	(-3%)
• **ETE Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. There has been a movement of +£1.24m in the outturn for ETE capital variation since last month.	+4.1	(+39%)

- For full and previously reported details see the ETE Finance & Performance Report.

6.3.2 **Children, Families and Adults:** a balanced budget is forecast at year end.

	£m	%
• **Basic Need – Secondary** – a +£1.3m in-year overspend is forecast. This is a movement of +£1.8m on the position reported last month and has been caused by accelerated spend on the St Bede's programme, which is part of the Cambridge City 3 form entry scheme. This has arisen due to works commencing earlier than anticipated to accommodate the fire damage sustained at the school. A revised budget for the project will be known in September 2016, which will include funding from the loss adjuster.	+1.3	(+3%)

• **CFA Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. There has been a movement of -£2.1m in the outturn for CFA capital variation since last month, reducing the slippage used to £1.6m.	+1.6	(+16%)

- For full and previously reported details see the CFA Finance & Performance Report.

6.3.3 **Corporate Services:** a balanced budget is forecast at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.3.4 **LGSS Managed:** a balanced budget is forecast at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.3.5 **LGSS Operational:** a balanced budget is forecast at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.3.6 **Assets & Investments**: +£0.195m (1.6%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the A&I Finance & Performance Report.

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

6.4.1 **Economy, Transport and Environment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the ETE Finance & Performance Report.

6.4.2 **Children, Families and Adults:** +£14.0m (3%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the CFA Finance & Performance Report.

6.4.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.4.4 **LGSS Managed:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.4.5 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

6.4.6 **Assets & Investments**: -£1.8m (-0.7%) total scheme underspend is forecast. There are no new exceptions to report this month; for full and previously reported details see the A&I Finance & Performance Report.

6.5 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	20.5	0.2	-1.7	1.0	**20.0**	20.0	-
Basic Need Grant	3.8	-	-	-	**3.8**	3.8	-0.0
Capital Maintenance Grant	4.6	-	-	0.1	**4.7**	4.7	-
Devolved Formula Capital	1.1	0.9	-	-0.0	**1.9**	1.9	-0.0
Specific Grants	21.1	3.6	-12.7	1.6	**13.7**	10.9	-2.8
S106 Contributions & Community Infrastructure Levy	30.3	1.1	-3.7	0.1	**27.8**	27.7	-0.2
Capital Receipts	10.3	-	-	-4.0	**6.2**	6.2	-0.0
Other Contributions	10.7	0.2	-8.8	0.5	**2.6**	2.6	-0.0
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	83.4	10.2	-29.3	5.9	**70.2**	73.4	3.2
TOTAL	**185.8**	**16.3**	**-56.1**	**5.0**	**151.0**	**151.1**	**0.2**

[1] Reflects the difference between the anticipated 2015/16 year end position, as incorporated within the 2016/17 Business Plan, and the actual 2015/16 year end position.

7. GRANT ALLOCATIONS

7.1 Where there has been a material change in 2016/17 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (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.

Education 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 2016/17 a figure of £4,049,288 was budgeted for the ESG during the Business Planning process. Recent conversions and projections for the rest of the year indicate academy conversions at a slower rate than originally expected, resulting in an increased total ESG funding of c.£4.29m for 2016/17, c.£241k more than was originally budgeted.

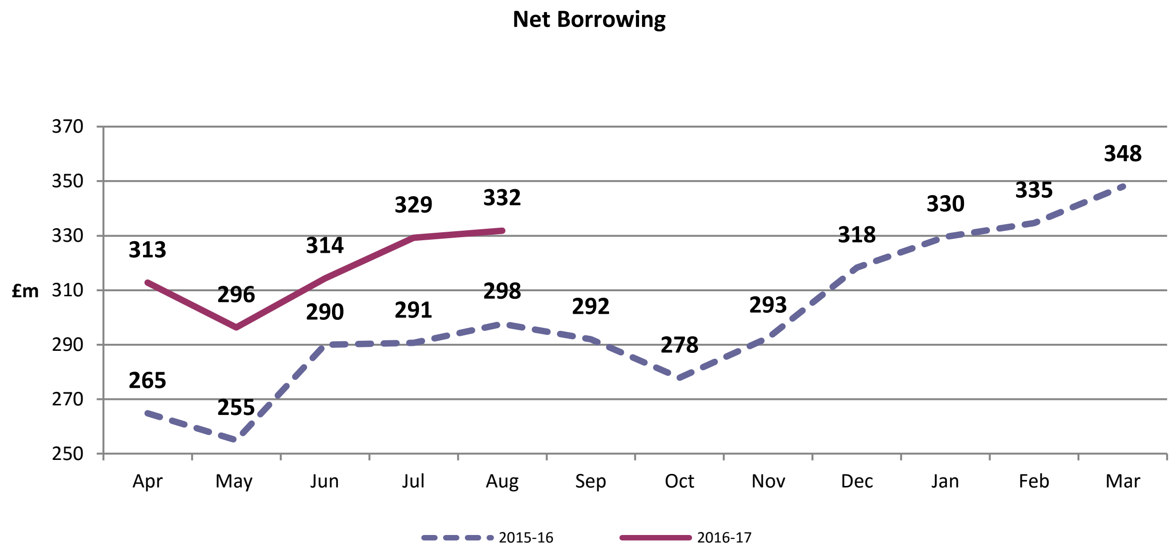
It is proposed that his additional income will be transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval. An update to the current reported position will be provided if this projection changes and approval will be sought at year-end once the final figure is known.

8. BALANCE SHEET

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

Measure	Year End Target	Actual as at the end of August
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.8m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£2.1m
Invoices paid by due date (or sooner)	97.5%	99.6%

8.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of August were £30.2m (excluding 3rd party loans) and gross borrowing was £362.1m.



8.3 Key exceptions are identified below:

Key exceptions	**Impacts and actions**
Less borrowing activity than planned –original net borrowing forecast was £479m. Actual net borrowing at 31st August was £332m.	A £250k underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve. The impact of lower borrowing on the Debt Charges budget would normally result in a favourable forecast variance (due to lower interest payments). However the Debt Charges budget was reduced in anticipation of capital expenditure slippage during the budget setting process, so the magnitude of the variance reported is muted. The Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances (where possible) and undertaking shorter term borrowing which could potentially generate savings next year, subject to an assessment of the interest rate risks involved.

8.4 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report.

8.5 A schedule of the Council's reserves and provisions can be found in appendix 2.

9. ALIGNMENT WITH CORPORATE PRIORITIES

9.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

9.2 **Helping people live healthy and independent lives**

There are no significant implications for this priority.

9.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

10. SIGNIFICANT IMPLICATIONS

10.1 **Resource Implications**

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

10.2 **Statutory, Risk and Legal Implications**

There are no significant implications within this category.

10.3 **Equality and Diversity Implications**

There are no significant implications within this category.

10.4 **Engagement and Consultation Implications**

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

10.5 **Localism and Local Member Involvement**

There are no significant implications within this category.

10.6 **Public Health Implications**

There are no significant implications within this category.

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Are there any Equality and Diversity implications?	No Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Are there any Localism and Local Member involvement issues?	No Name of Officer: Not applicable
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	**Location**
ETE Finance & Performance Report (August 16) CFA Finance & Performance Report (August 16) PH Finance & Performance Report (August 16) CS and LGSS Cambridge Office Finance & Performance Report (August 16) A&I Finance & Performance Report (August 16) Performance Management Report & Corporate Scorecard (August 16) Capital Monitoring Report (August 16) Report on Debt Outstanding (August 16) Payment Performance Report (August 16)	1st 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	Assets & Investments	LGSS Operational	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	242,563	182	59,952	34,206	4,674	8,720	0	9,589	3,915
Adjustment LGSS Managed and Operational						10		-10	
LGSS property virement					10			-10	
Licenses budget from LGSS Op. to CS					17	-17			
Contact Centre budget from CFA to CS	-77				77				
CPFT NHS accommodation budget from CFA to LGSS Man.	-10					10			
Reablement budget from CFA to LGSS Op.	-113							113	
Pupil forecasting/demography budget to research group	-53				53				
ETE use of service reserves			2,015						-2,015
Disaggregation of Assets and Investments budgets						-2,714	2,714		
Current budget	**242,310**	**182**	**61,967**	**34,206**	**4,831**	**6,010**	**2,714**	**9,682**	**1,900**
Rounding	0	0	0	0	0	0	0	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2016	2016-17		Forecast Balance 31 March 2017	Notes
		Movements in 2016-17	Balance at 31 August 16		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	18,921	-27	18,894	19,671	
- Services					
1 CFA	1,623	-1,062	561	-1,075	
2 PH	1,138	0	1,138	638	
3 ETE	3,386	-2,015	1,371	0	
4 CS	1,218	0	1,218	92	
5 LGSS Operational	1,013	-702	311	0	
subtotal	27,299	-3,806	23,493	19,326	
Earmarked					
- Specific Reserves					
6 Insurance	2,864	0	2,864	2,864	
subtotal	2,864	0	2,864	2,864	
- Equipment Reserves					
7 CFA	782	0	782	98	
8 ETE	218	0	218	250	
9 CS	57	0	57	57	
subtotal	1,057	0	1,057	405	
Other Earmarked Funds					
10 CFA	4,097	-2,050	2,047	766	
11 PH	2,020	0	2,020	1,445	
12 ETE	6,631	-431	6,200	4,919	Includes liquidated damages in respect of the Guided Busway - current balance £2.4m.
13 CS	1,274	0	1,274	1,207	
14 LGSS Managed	149	43	192	192	
15 Assets & Investments	233	47	280	327	
16 LGSS Operational	130	0	130	130	
17 Transformation Fund	9,891	-158	9,733	18,984	Savings realised through change in MRP policy
subtotal	24,425	-2,549	21,876	27,970	
SUB TOTAL	**55,645**	**-6,355**	**49,290**	**50,565**	
Capital Reserves					
- Services					
18 CFA	2,428	7,251	9,679	505	
19 ETE	11,703	13,767	25,470	10,200	
20 LGSS Managed	422	-322	100	100	
21 Assets & Investments	230	85	315	230	
22 Corporate	39,388	1,530	40,918	21,540	Section 106 and Community Infrastructure Levy balances.
subtotal	54,171	22,311	76,482	32,575	
GRAND TOTAL	**109,815**	**15,956**	**125,772**	**83,140**	

Notes:

1. The figures do not include City Deal reserves, which have a current balance of £37.8m and are anticipated to have a year-end balance of £30.4m.

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:

Fund Description	Balance at 31 March 2016	2016-17		Forecast Balance 31 March 2017	Notes
		Movements in 2016-17	Balance at 31 August 16		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 ETE	712	0	712	0	
2 CS	1,312	0	1,312	1,312	
3 LGSS Managed	5,545	0	5,545	5,545	
4 Assets & Investments	50	0	50	50	
subtotal	7,619	0	7,619	6,907	
- Long Term Provisions					
5 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	**11,232**	**0**	**11,232**	**10,520**	