Agenda Item No.5

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST AUGUST 2017

To:	**General Purposes Committee**
Date:	**24th October 2017**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2017/023** *Key decision:* **Yes**
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:**

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

b) Note the £1.2m additional capital funding that has been received by Economy, Transport and Environment (ETE) from the Department of Transport for Road Safety improvements, as set out in Section 6.7.

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1. PURPOSE

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

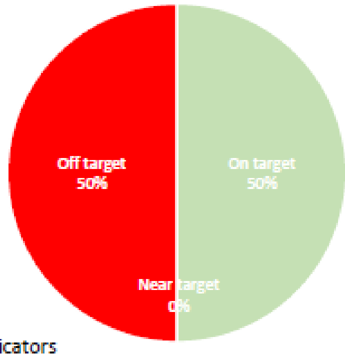
2. OVERVIEW

2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

Outcomes

80 indicators about outcomes are monitored by service committees
They have been grouped by outcome area and their status is shown below

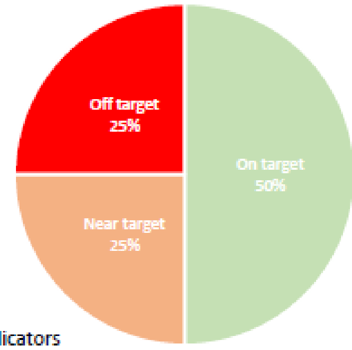
Older people live well independently



Stayed the same

4 indicators

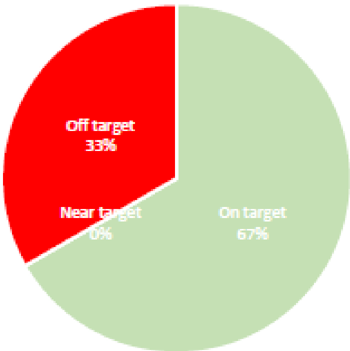
People with disabilities live well independently



Stayed the same

4 indicators

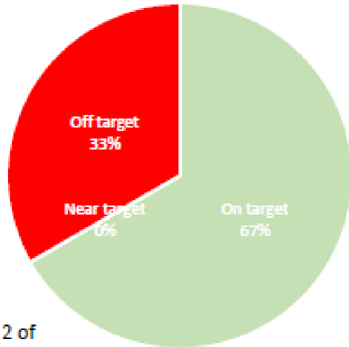
Adults and children are kept safe



Improving

6 indicators

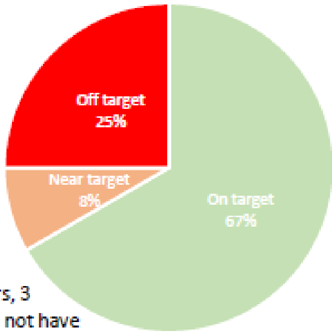
People live in a safe environment



Stayed the same

5 indicators, 2 of which do not have targets

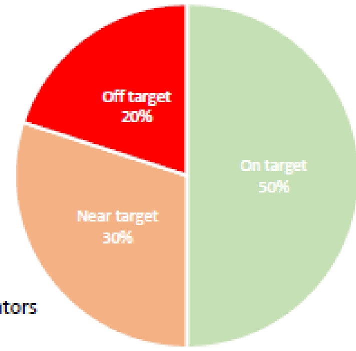
The Cambridgeshire economy prospers to the benefit of all residents



Improving

15 indicators, 3 of which do not have targets

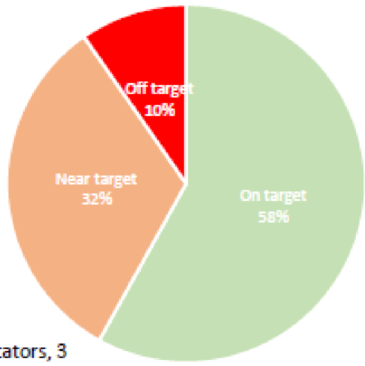
Places that work with children help them to reach their potential



Stayed the same

10 indicators

People lead a healthy lifestyle and stay healthy for longer



34 indicators, 3 of which do not have target

Our Transformation Programme is on track	Sustain a high performing, talented, engaged and resilient workforce
24 Early ideas ↑ 113 Business cases in development ↑ 24 Projects being implemented ↓ Transformation Fund: 14 projects rated Green 4 rated Amber (reflecting some need to re-phase savings) 3 rated Red (risk of non-delivery of savings or benefits)	As of the end of August 2017 we had lost 7.40 days on average per staff member to sickness during the last 12 months.

Revenue budget forecast		Capital programme forecast
+£4.8m (1.4%) variance at end of year RED	This is a £0.7m worsening since last month.	£0 (0%) variance at end of year GREEN

Residual risk score	Green	Amber	Red
Number of risks	*0*	*8*	*1*

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Aug-17	Trend since Apr-17
Nursing	326	↑
Residential	716	↔
Community	2111	↑

Adults aged 18+ open to disability services receiving long term services

	Aug-17	Trend since Apr-17
Nursing	25	↔
Residential	311	↑
Community	1921	↔

Children open to social care

	Aug-17	Trend since Apr-17
Looked after children	681	↔
Child protection	570	↓
Children in need	2144	↑

Public Engagement

	Aug-17
Contact Centre Engagement	15,443 Phone Calls 4,485 Other
Website Engagement (cambridgeshire.gov.uk)	145,194 Users 219,108 Sessions

The number of service users is a key indicator of the demand for care budgets in social care. Information about the contacts with the public across web and phone channels is a key indicator of both service delivery and transformation, direction of travel arrows will be added in subsequent months.
Please note, all direction of travel arrows included reflect a numerical increase rather than a reflection of change

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast pressure of +£4.8m (+1.4%), an increase of £0.7m on the forecast pressure reported in July; the increase is mainly within People and Communities (P&C). See section 3 for details.

- The Capital Programme is forecasting a balanced budget at year end. This includes use of £2.7m (10%) of the capital programme variations budget. See section 6 for details.

- Balance Sheet Health; the original forecast net borrowing position for 31st March 2018, as set out in the Treasury Management Strategy Statement (TMSS) is £466m. At this early stage in the financial year the full year projection is still as set out in the TMSS at £466m.

3. REVENUE BUDGET

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

Key to abbreviations

ETE – Economy, Transport and Environment
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 2017/18 £000	Forecast Variance (July) £000	Forecast Variance (August) £000	Forecast Variance (August) %	Overall Status	DoT
38,682	ETE	39,998	178	50	0.1%	Amber	↑
237,311	People & Communities	237,575	3,091	3,843	1.6%	Red	↓
200	Public Health	386	0	0	0.0%	Green	↔
15,542	Corporate Services	6,360	400	336	5.3%	Amber	↑
6,500	LGSS Managed	13,560	-5	34	0.3%	Amber	↓
2,702	Commercial & Investment	1,867	84	165	8.8%	Amber	↓
22,803	CS Financing	22,803	750	750	3.3%	Amber	↔
323,740	**Service Net Spending**	**322,549**	**4,498**	**5,178**	**1.6%**	**Red**	↓
24,377	Funding Items	23,384	-405	-405	-1.7%	Green	↔
348,117	**Total Net Spending**	**345,933**	**4,093**	**4,773**	**1.4%**	**Red**	↓
	Memorandum items:						
7,746	LGSS Operational	9,420	90	70	0.7%	Amber	↑
212,873	Schools	212,873					
568,736	**Total Spending 2017/18**	**568,226**					

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

3 The budget of £387k stated for Public Health is its cash limit. In addition to this, Public Health has a budget of £26.0m from ring-fenced public health grant, which makes up its gross budget.

4 The 'Funding Items' budget (previously been referred to as 'Financing Items') comprises the £23m Combined Authority Levy and the £384k Flood Authority Levy. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.

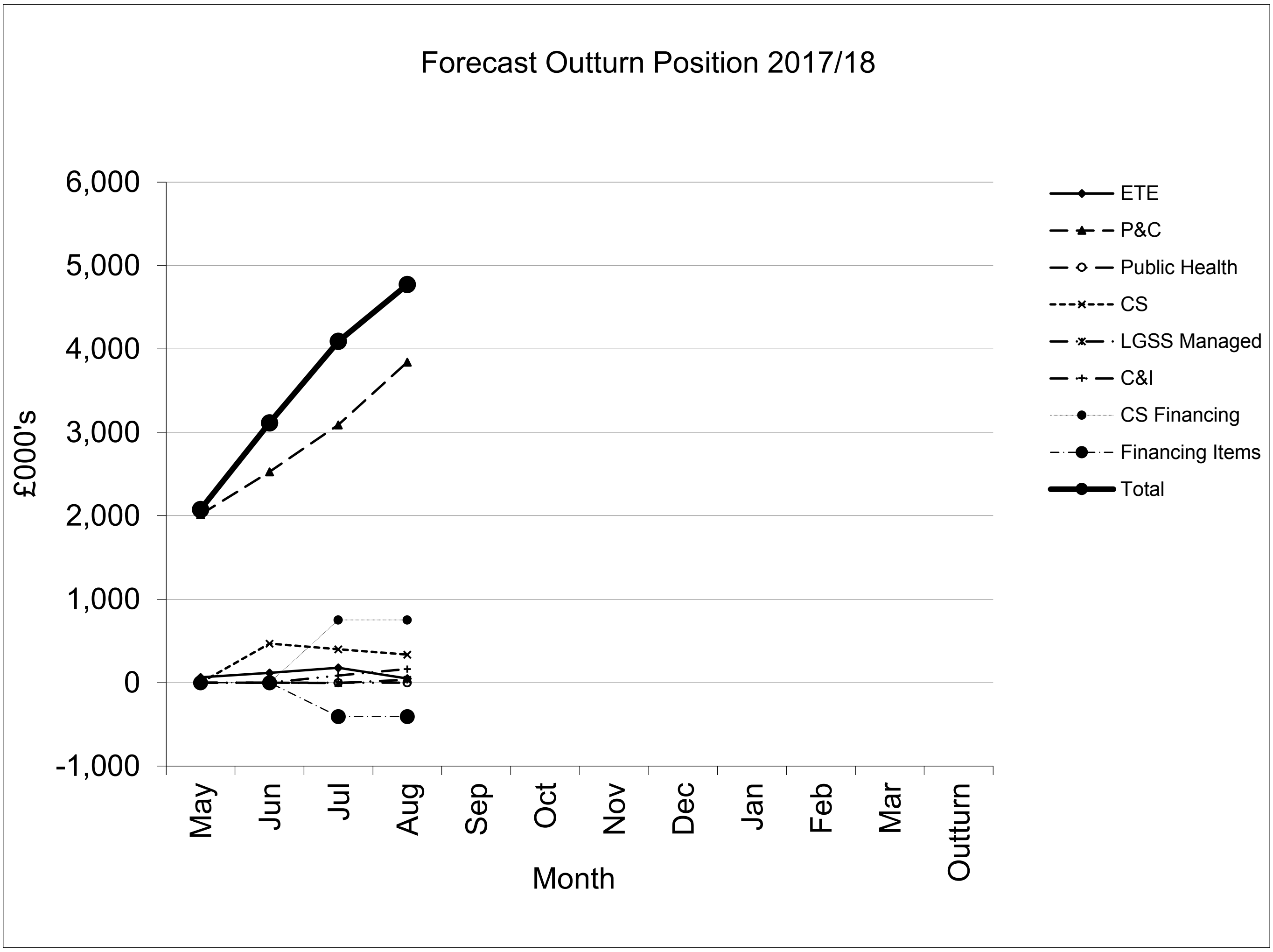
3.1.1 Although the position continues to be challenging, savings of £29.3m are on track against a target for 2017-18 of £33.4m, with additional 'funnel' savings that were not in the Business Plan of £1.2m. The council faces significant demand led pressures and risks particularly related to children's services, where numbers of looked after children are at very high levels in historical context, and continue to grow, in line with national trends.

Robust action is being taken to improve the budgetary position in People & Communities and the Executive Director is currently developing actions plans to ensure that mitigating measures are brought forward.

3.1.2 The mitigating and offsetting measures identified so far to improve the position include:

- Underspends across concessionary fares, street lighting and parking enforcement;
- Savings from sharing posts with Peterborough City Council;
- Underspends on physical disability services as demand is lower than expected and an improving position on staffing spend in children's services (the forecast for business support costs is reducing);
- Additional income from charging for parking on the Shire Hall campus, and a one-off reduction in costs related to the Castle Hill site due to increased commercialisation of the estate;
- Additional funding through the business rates (retention of growth) pilot.

Further initiatives are being identified to add to this list.



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** +£0.050m (+0.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the ETE Finance & Performance Report.

3.2.2 **People & Communities:** +£3.843m (+1.6%) pressure is forecast.

Due to the material overspend in Children's Services, the full narrative regarding those variances, provided to the CYP Committee is available in Appendix 3 to this report.

	£m	%
• **Looked After Children (LAC) Placements** – a +£1.5m pressure is forecast, which is an increase of £881k on the pressure previously reported in July. Of this increase, £402k relates to a reduction in the level of savings expected to be made during 2017/18 as a result of demand management measures, with the remaining £479k being due to a combination of changes in placement fees and/or new placements. Overall there are 8 more looked after children at the end of August than at the end of the previous month, with 368 (an increase of 13) of these children in external LAC placements.	+1.522	(+9%)
A review of LAC commissioning practices (Access to Resources Team) is currently being undertaken and a plan being put together to identify placement capacity building and cost reductions, review and improve processes. Support has been secured of an experienced placement manager.		
• **Learning Disability Partnership** – a +£628k pressure is forecast across the Learning Disability Partnership budgets. This is an increase of £380k on last month's pressure and predominantly reflects client needs and numbers; the Huntingdonshire and Fenland teams report increased care costs, and the Young Adults Team continues to have a higher than expected demand pressure for the year.	+0.628	(+1%)
A further £3m of savings is expected in LD before year-end, with good progress during August to make fuller use of in-county provision instead of more costly placements elsewhere.		
• **Physical Disabilities** – an -£284k underspend is forecast for year-end. Care spending is decreasing compared to the first part of the year, as savings plans take effect, and there is an increase in the level of unspent direct payments that are being clawed-back.	-0.284	(-2%)
• **Financing Dedicated Schools Grant (DSG)** – a -£272k variance is forecast for year end. This represents the amount	-0.272	(-1%)

that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These pressures are: Early Years Specialist Support. (£44k), Education Placements (£100k); Commissioning Services (£100k); SEND Specialist Services (£43k).

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

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:** +£0.336m (+5.3%) pressure is forecast. 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:** +£0.034m (+0.3%) pressure is forecast. 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:** +£0.750m (3.3%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.7 **Commercial & Investment**: +£0.165m (+8.8%) pressure is forecast.

	£m	%
• **Cambridgeshire Catering & Cleaning Services (CCS)** – CCS has transferred into C&I from P&C. The service continues to report a forecast surplus contribution of £183k. However, a +£266k under recovery on its income target is forecast. A £216k pressure was identified when the budget was built due to a loss of some contracts. The increase in forecast from this estimate is due to higher than expected variable staff costs. Plans are being progressed with the Transformation Team to develop strategies through which the service can be competitive in price, make efficiencies, and increase customer engagement. The Management Team are considering a number of additional actions for potential delivery in-year, alongside wider considerations for a long term model and structure. As a result of support from the Transformation Team and the wider considerations, the Head of Service and Client Development posts are being held vacant, enabling an in-year saving of £70k to be held whilst appropriate structure and future model discussions take place.	+266	(+59%)

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

3.2.8 **LGSS Operational:** +£0.070m (+0.7%) pressure is forecast. Pressures in LGSS Operational are set against LGSS reserves at year-end, rather than using the General Fund. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS 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 P&C Finance & Performance Report (section 2.5).

5. PERFORMANCE AND RISK

5.1 The work to review all indicators and report exceptions against these is still ongoing; once all Service Committees have reviewed their indicators, exceptions will be reported to GPC.

5.2 The master file of performance indicators is available here, while the latest Corporate Risk Register can be found here.

6. CAPITAL PROGRAMME

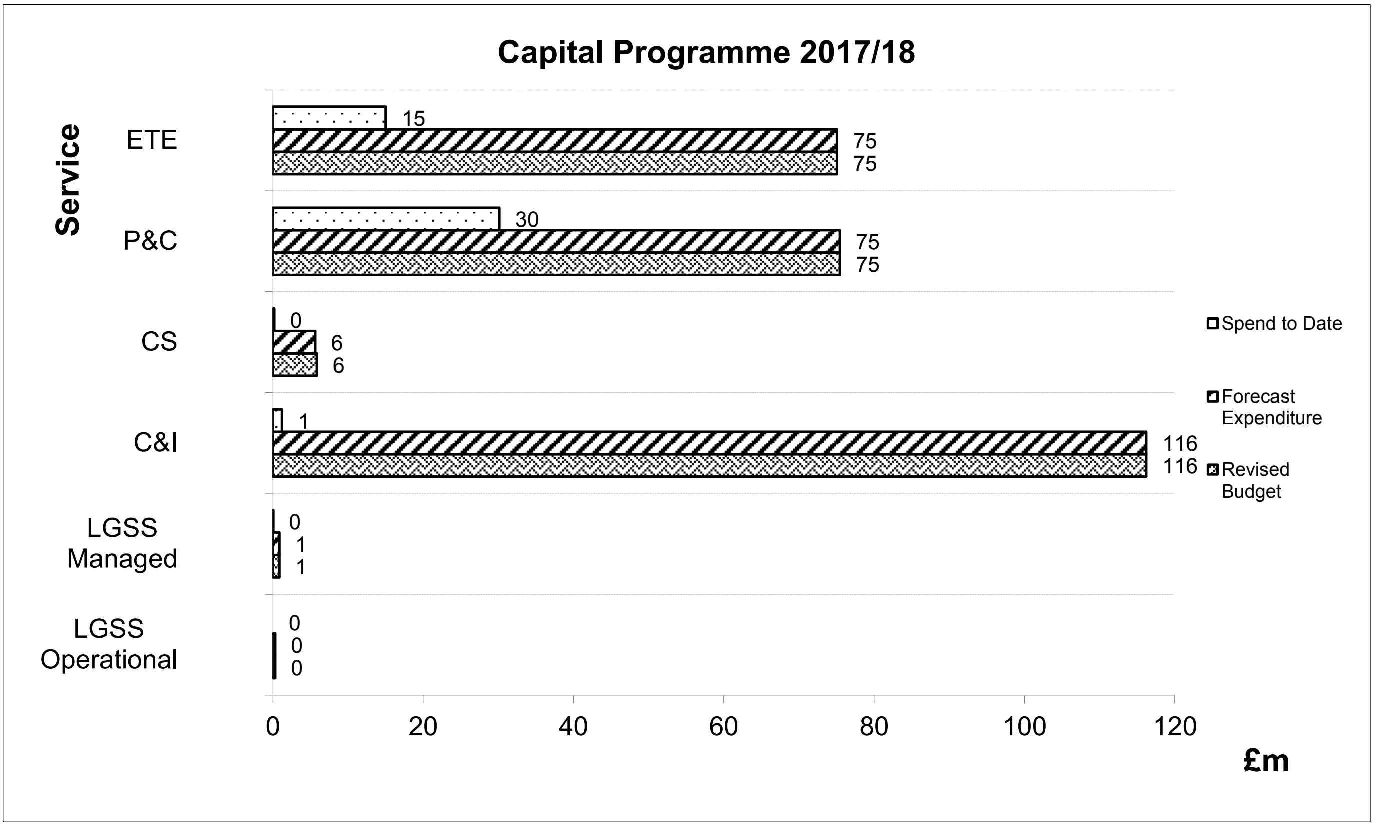
6.1 A summary of capital financial performance by service is shown below:

2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per Business Plan £000	Service	Revised Budget for 2017/18 £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
66,263	ETE	75,074	-	-	0.0%	432,267	-
77,408	P&C	75,442	-0	0	0.0%	575,941	12,083
5,489	CS & Transformation	5,862	-237	-237	-4.0%	11,993	-
160	LGSS Managed	851	-	-	0.0%	9,617	-
116,476	C&I	116,208	-	-	0.0%	218,059	-140
100	LGSS Operational	301	-	-	0.0%	1,408	-
-	Outturn adjustment	-	237	237	-	-	-
265,896	**Total Spending**	**273,738**	**0**	**0**	**-4.0%**	**1,249,285**	**11,943**

Notes:

1. The ‘Revised Budget’ incorporates any changes in the funding available to what was originally budgeted. 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 2017/18 of £11.1m and is currently forecasting a balanced budget at year-end



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 are 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.

2017/18					
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	-15,234	-857	857	5.63%	0
P&C	-10,305	-546	546	5.30%	0
CS & Transformation	-279	-516	279	100.00%	-237
LGSS Managed	-643	-73	73	11.35%	0
C&I	-1,000	-755	755	75.50%	0
LGSS Operational	-20	0	0	0.00%	0
Outturn adjustment	-	-	237	-	237
Total Spending	**-27,481**	**-2,746**	**2,746**	**9.99%**	**0**

6.3 Although slippage on Corporate Services and Transformation schemes have exceeded the capital programme variations budget allocated to them, it is not currently thought that slippage across the whole programme will exceed the total capital programme variations budget. However, it is not known where any balancing variances will occur, so an adjustment has been made to the outturn.

6.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.

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

	£m	%
• **Archives Centre/Ely Hub** – an in-year underspend of -£703k is forecast. The original schedule for this scheme has slipped, therefore the scheme has been reprofiled to more accurately reflect the revised schedule. However, the scheme is still on track to complete in 2018/19.	-0.7	(-36%)
• **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. Therefore the net £0.9m underspend is balanced by use of the capital variation budget.	+0.9	(+6%)

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

6.4.2 **People & Communities:** a balanced budget is forecast at year-end.

	£m	%
• **Basic Need – Secondary** – there is accelerated spend of +£1.5m, which is a movement of +£1.1m on the position last reported in May. This is due to movements in the outturns of the following schemes: o Bottisham Village College is forecasting an in year overspend of +£900k due to accelerated spend. Revised contractor cash flow reports are ahead of the scheme's original schedule. o Cromwell Community college is experiencing accelerated spend of +£150k in-year to complete the design work to ensure the scheme can achieve the September 2019 completion date.	+1.5	(+5%)
• **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. Therefore the net £0.5m underspend is balanced by use of the capital variation budget, which has decreased by £1.0m when this was last reported in June.	+0.5	(+5%)

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

6.4.3 **Corporate Services:** a -£0.2m (-4.0%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. 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 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.

6.4.5 **Commercial & Investment**: a balanced budget is forecast at year-end.

	£m	%
• **Sawston Community Hub** – an in-year underspend of -£500k is forecast. This is due to delays in the build start date which may push some works back into 2018/19 and retention costs which will now be due in 2018/19; the total scheme cost is not affected.	-0.5	(-36%)
• **Renewable Energy Soham** – an in-year underspend of -£255k is forecast for year-end. Of this underspend, £140k represents a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget, and £116k budget will be required to meet retention costs, which are now not due until 2018/19.	-0.3	(-34%)
• **C&I 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. Therefore the net £0.8m underspend is balanced by use of the capital variation budget.	+0.8	(+76%)

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

6.4.6 **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.

6.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:

6.5.1 **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.

6.5.2 **People & Communities:** a +£12.3m (+2%) total scheme overspend is forecast.

	£m	%
• **Basic Need – Primary** – a total scheme underspend of -£9.9m is forecast, which is an increase of -£0.3m on the underspend	-9.9	(-3%)

reported in June due to some of the budget for contingencies and risk items no longer being required for the Hatton Park project.

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

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

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

6.5.5 **Commercial & Investment**: a -£0.1m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.

6.5.6 **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.

6.6 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	0.5	8.0	8.5	**37.5**	37.5	-
Basic Need Grant	32.7	-	-	-	**32.7**	32.7	-
Capital Maintenance Grant	4.0	-	0.4	-	**4.5**	4.5	-
Devolved Formula Capital	1.1	0.8	-0.1	-0.0	**1.8**	1.8	-
Specific Grants	23.1	0.5	-7.6	-	**16.1**	16.1	-
S106 Contributions & Community Infrastructure Levy	22.0	1.6	-4.4	0.0	**19.2**	19.2	-
Capital Receipts	83.9	-	-	-	**83.9**	83.9	-
Other Contributions	15.1	0.4	-4.7	1.8	**12.6**	12.6	-
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	63.5	9.6	-10.1	2.6	**65.6**	65.6	0.0
TOTAL	**265.9**	**13.4**	**-18.5**	**12.9**	**273.7**	**273.7**	**0.0**

[1] Reflects the difference between the anticipated 2016/17 year end position, as incorporated within the 2017/18 Business Plan, and the actual 2016/17 year end position.

6.7 Key funding changes (of greater than £0.5m or requiring approval):

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding – Department for Transport (DfT) Grant	ETE	£1.2	Cambridgeshire County Council has received a grant payment of £1.2m from the Department for Transport's Safer Roads Fund, which was made available to help tackle some of the country's most dangerous local 'A' roads. The funding was awarded for the A1303 Road Safety Improvements scheme. This scheme will enable a proactive whole route approach to reduce the risk of collisions along the route, which will coincide with a focussed education campaign. The A1303 is a rural route within Cambridgeshire, between 2012 and 2016, 22 collisions were recorded. **General Purposes Committee is asked to note the £1.2m additional funding that has been received by ETE.**

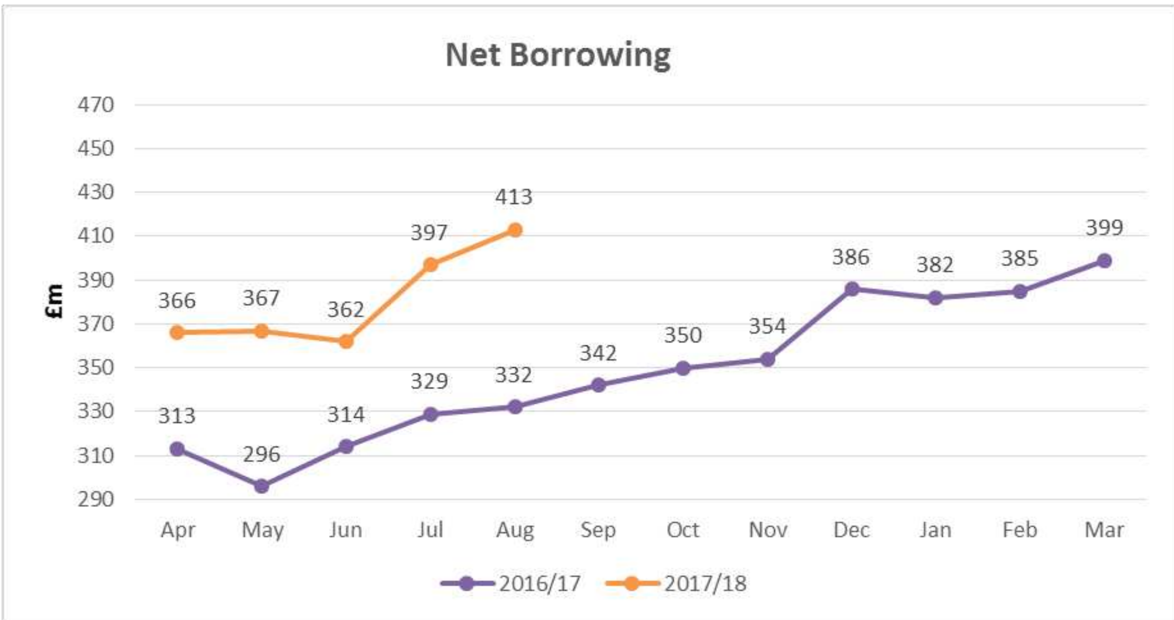
7. BALANCE SHEET

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

Measure		Year End Target	Actual as at the end of September
Level of debt outstanding (owed to the council) 91-360 days, £m	Adult Social Care	£1.9m	£2.5m
	Sundry	£0.1m	£0.2m
Level of debt outstanding (owed to the council) 361+ days, £m	Adult Social Care	£4.8m	£6.9m
	Sundry	£1.8m	£2.6m
Invoices paid by due date (or sooner)		97.6%	99.6%

7.2 Following consideration of a progress report on debt management at the September meeting of General Purposes Committee, this report contains revised debt management targets for the year ending March 2018. As the report last month set out, the debt collection environment is increasingly complex and challenging and it is emphasised that these are year-end targets and it will take time for the actions reported to the Committee in September to take full effect

7.3 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 2017 were £19m (excluding 3rd party loans) and gross borrowing was £431.94m.



7.4 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2017-18 TMSS was set in February 2017, it was anticipated that net borrowing would reach £466m at the end of this financial year. Net borrowing at the beginning of this financial year as at 1st April 2017 was £399m, this reduced to £366m at the end of April 2017 thus starting at a lower base than originally set out in the TMSS (£466m). This is to be reviewed as the year progresses and more information is gathered to establish the full year final position.

7.5 From a strategic perspective, the Council is currently reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved.

7.6 Although there is 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.

7.7 The Council's cash flow profile varies considerably during the year as payrolls and payment 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

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

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

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

8.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

8.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

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

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Consultation Implications

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

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 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
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	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 17) P&C Finance & Performance Report (August 17) PH Finance & Performance Report (August 17) CS and LGSS Cambridge Office Finance & Performance Report (August 17) C&I Finance & Performance Report (August 17) Performance Management Report & Corporate Scorecard (August 17) Capital Monitoring Report (August 17) Report on Debt Outstanding (August 17) Payment Performance Report (August 17)	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)

	P&C	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	237,311	200	38,682	22,803	15,542	6,500	2,702	7,746	3,915
Post BP adjustments	-292		-18		-69	521		-142	
Apprenticeship Levy	335	8	61		-456	6	5	40	
Transfer Digital Strategy budget to CS - CCR	-1,286				1,286				
Transfer Strengthening Communities budget to CS - CCR1			-756		756				
Property demerger from LGSS and rationalisation of property services			58			-7		-51	
Organisational structure review	-293				293				
Transfer budget for Court of Protection team to CS	-52							52	
Transfer surplus NHB funding from City Deal					-256				256
Transfer budget from reablement for In Touch maintenance	-10				10				
Allocation of inflation to Waste budget			200						-200
Drug and Alcohol Treatment service transfer to PH	-178	178							
Workforce development budget transferred to LGSS	-1,361							1,361	
Budget transfer per CCR	-43				43				
Property commissioning transfer budget to P&C	-11							11	
Dial a Ride budget to Total Transport	12		-12						
LAC demography	2,913				-2,913				
Waste demography			170		-170				
Welfare benefits budget to Financial Assessments and Adult Early Help	80				-142			62	
Combined Authority levy adjustment			1,327						-1,327
Budget transfer to Transformation Team					39			-39	
ETE use of earmarked reserves			287						-287
Current budget	**237,123**	**386**	**39,998**	**22,803**	**13,965**	**7,020**	**2,707**	**9,041**	**2,357**
Rounding	0	0	0	0	0	0	0	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2017	2017-18		Forecast Balance 31 March 2018	Notes
		Movements in 2017-18	Balance at 31 August 17		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	15,808	1,546	17,353	12,332	
- Services					Service reserve balances transferred to General Fund after review
1 P&C	540	-540	0	0	
2 ETE	2,229	-2,229	0	0	
3 CS	-64	64	0	0	
4 LGSS Operational	609	-29	580	51	
subtotal	20,162	-1,188	17,933	12,383	
Earmarked					
- Specific Reserves					
5 Insurance	3,269	0	3,269	3,269	
subtotal	3,269	0	3,269	3,269	
- Equipment Reserves					
6 P&C	859	0	859	114	
7 ETE	218	0	218	218	
8 CS	57	0	57	57	
subtotal	1,134	0	1,134	389	
Other Earmarked Funds					
9 P&C	1,289	-512	777	563	
10 PH	2,960	0	2,960	2,302	
11 ETE	6,003	435	6,438	4,883	Includes liquidated damages in respect of the Guided Busway - current balance £1.5m.
12 CS	2,656	0	2,656	2,642	
13 LGSS Managed	146	0	146	146	
14 C&I	362	27	389	389	
15 Transformation Fund	19,525	-439	19,086	11,641	Savings realised through change in MRP policy
16 Innovation Fund	1,000	0	1,000	1,000	
subtotal	33,941	-489	33,452	23,566	
SUB TOTAL	**58,505**	**-1,677**	**55,788**	**39,607**	
Capital Reserves					
- Services					
17 P&C	1,827	27,297	29,124	0	
18 ETE	7,274	32,826	40,100	5,200	
19 LGSS Managed	72	-3	69	69	
20 C&I	0	3,076	3,076	0	
21 Corporate	29,782	480	30,261	18,411	Section 106 and Community Infrastructure Levy balances.
subtotal	38,955	63,676	102,630	23,680	
GRAND TOTAL	**96,808**	**61,998**	**158,418**	**63,287**	

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 2017	2017-18		Forecast Balance 31 March 2018	Notes
			Movements in 2017-18	Balance at 31 August 17		
		£000s	£000s	£000s	£000s	
- Short Term Provisions						
1	ETE	669	0	669	0	
2	P&C	200	0	200	0	
3	CS	64	0	64	64	
4	LGSS Managed	3,056	-911	2,145	2,145	
5	C&I	24	0	24	24	
	subtotal	4,013	-911	3,102	2,233	
- Long Term Provisions						
6	LGSS Managed	3,613	-3,613	0	0	
	subtotal	3,613	-3,613	0	0	
GRAND TOTAL		**7,626**	**-4,524**	**3,102**	**2,233**	

APPENDIX 3 - Narrative from the report to Children and Young People Committee about budget pressures

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
7) SEN Placements	**8,973**	**4,717**	**100**	**1%**

The SEN Placements budget is reporting a £100k pressure. There are rising numbers of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. These are cases where the child cannot remain living at home. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive. Four additional such cases recently placed further pressure on this budget.

The SEN Placement budget is funded from the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG).

Actions being taken:

- SEND Sufficiency plan to be implemented. This sets out what is needed, how and when;
- Three new special schools to accommodate the rising demand over the next 10 years .One school is opening in September 2017 with two more planned for 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan;
- Deliver SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;
- Work on coordination of reviews for ISEPs to look at returning in to county; and
- a full review of all High Needs spend is required due to the ongoing pressures and proposed changes to national funding arrangements.

Service	Current Budget for 2017/18 (£'000)	Actual (£'000)	Forecast Variance Outturn (£'000)	%
8) Commissioning Services	**3,888**	**1,134**	**100**	**3%**

The Out of School Tuition budget is forecasting a pressure of £100k due to an increasing number of children with a Statement of Special Educational Needs / Education, Health and Care Plans (EHCP) out of school in receipt of alternative (tuition) packages. A new process has been established to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school. There are delays in securing permanent school places which results in alternative education packages lasting longer.

Service	Current Budget for 2017/18 (£'000)	Actual (£'000)	Forecast Variance Outturn (£'000)	%
9) Strategic Management – Children & Safeguarding	**2,546**	**2,016**	**886**	**35%**

The Children and Safeguarding Director budget is forecasting pressure of £886k. This is a reduction of £70k on the July 2017 position, as further mitigations have been identified.

The Children's Change Programme (CCP) is on course to deliver savings of £669k in 2017/18 to be achieved by integrating children's social work and children's early help services in to a district-based delivery model. However, historical unfunded pressures of £886k still remain. These consist of £706k around the use of agency staffing and unfunded posts of £180k (independent reviewing officers).The previous Business Support service pressure of £122k is now being managed in year and managed out entirely by 2018/19. Agency need has been reduced based on a 15% usage expectation in 2017/18 but use of agency staff remains necessary to manage current caseloads. All local authorities have agency social workers, many with a much higher % and therefore a budget to accommodate this need is necessary.

Actions being taken:

A business support review is underway to ensure we use that resource in the most effective manner in the new structure. All the budget pressures continue to be monitored and reviewed at the workforce work stream project meetings, by Senior Management Team and at the P&C Delivery Board with any residual pressures being managed as part of the 2018/19 Business Planning round.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
10) Children in Care	**12,448**	**5,470**	**-128**	**-1%**

The Fostering budget is currently forecasting an under spend of -£128k.

Whilst there continues to be an increase in the overall numbers of approved in-house foster carers and placements, a number of carers have not been available for placements for a variety of reasons. The Service Manager is forensically reviewing these arrangements to ensure timescales for placements becoming available are mapped. Future expected growth in placements has been factored into the forecast and there has been an increase in in-house placements over the last month due to new approvals and existing carers becoming available for placements after the summer period. There has also been an increase in the number of staying –put arrangements. Growth in in-house provision is an important positive factor contributing to the reduction in external LAC placement budget.

11) Looked After Children Placements	**17,454**	**5,797**	**1,522**	**9%**

A pressure of £1.5m is being forecast, which is an increase of £0.9m from what was reported in July. Of this increase, £0.4m relates to a reduction in the forecast LAC savings (of which £0.2m are expected to be delivered in 18/19, later than planned, instead), with the remaining £0.5m being due to a combination of changes in placement fees (higher prices) and/or new placements (more placements).

Overall LAC numbers at the end of August 2017, including placements with in-house foster carers, residential homes and kinship, are 687, 8 more than July 2017 (please note July's figure has been restated to 679). This includes 65 unaccompanied asylum seeking children (UASC).

External placement numbers (excluding UASC but including 16+ and supported accommodation) at the end of August are 368, an increase of 13 from the 355 reported at the end of July.

External Placements Client Group	Budgeted Packages	31 July 2017 Packages	31 Aug 2017 Packages	Variance from Budget
Residential Disability – Children	1	1	1	0
Child Homes – Secure Accommodation	0	0	0	0
Child Homes – Educational	16	20	20	+4
Child Homes – General	22	33	36	+14
Independent Fostering	263	269	277	+14
Supported Accommodation	15	24	28	+13
Supported Living 16+	25	8	6	-19
TOTAL	**342**	**355**	**368**	**+26**

'Budgeted Packages' are the expected number of placements by Mar-18, once the work associated to the saving proposals has been undertaken and has made an impact.

Actions being taken to address the forecast overspend include:

- Weekly panel to review high-cost placements by commissioning, Access to Resources and operational managers to ensure that the plans for children remain focussed and that resources are offering the best value for money. This is chaired by the Assistant Director.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%

Looked After Children Placements continued;

- Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time.
- All new admissions to care have to be agreed at Assistant Director or Service Director level.
- Development of a 'No Wrong Door' model to bring together the residential home, specialist fostering placements, supported lodgings and supported accommodation, with outreach services under one management arrangement. This will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of and delivery of an all-inclusive team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned services.
- A new Head of Service, with expertise in children's services commissioning, has been re-deployed from elsewhere in the P&C directorate to lead the commissioning team. As part of this work a LAC workshop was held recently and proposals are being drawn up as a result of this.

12) Adoption	**4,406**	**2,029**	**450**	**10%**

The Allowances budget is forecasting a pressure of £450k.

Our contract with Coram Cambridgeshire Adoption (CCA) provides for 38 adoptive placements pa. In 2017/18 we are forecasting an additional requirement of 20 adoptive placements. There is a need to purchase inter agency placements to manage this requirement and ensure our children receive the best possible outcomes. The forecast assumes £270k to manage our inter agency requirement and a further £30k to increase our marketing strategy in order to identify more suitable adoptive households.

The adoption/Special Guardianship Order (SGO) allowances overspend of £150k is based on the continuation of historical adoption/SGO allowances and a lower than expected reduction from reviews of packages or delays in completing reviews of packages. The increase in Adoption orders is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets.

Actions being taken:
Ongoing dialogue continues with CCA to look at more cost effective medium term options to recruit more adoptive families to meet the needs of our children. Rigorous oversight of individual children's cases is undertaken before Inter Agency placement is agreed.

A programme of reviews of allowances continues which is resulting in some reduction of packages, which is currently off-setting any growth by way of new allowances.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
13) Legal Proceedings	**1,540**	**638**	**450**	**29%**

The Legal Proceedings budget is forecasting a £450k pressure.

Numbers of care applications have increased by 52% from 2014/15 (105) to 2016/17 (160), mirroring the national trend and continue to rise. Aside from those areas which we are working on to reduce costs ie. advice/use of appropriate level of Counsel, the volume of cases remaining within the system indicates an estimated £450k of costs in 2017/18. This assumes overrun costs through delay in cases can be managed down as well as requests for advice being better managed.

Actions being taken:
Work is ongoing to better manage our controllable costs by use of a legal tracker but this was only implemented in June 2017 so the impact is yet to be felt. The tracker should enable us to better track the cases through the system and avoid additional costs due to delay. We have invested in two practice development posts to improve practice in the service and will also seek to work closer with LGSS Law with a view to maximising value for money.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	%
14) Children's Disability Service	**6,527**	**2,877**	**168**	**3%**

The Children's Disability Service is forecasting a pressure of £168k.

The Community Support Services budget has seen an increase both in the number of support hours, a high cost individual case (£35k) and in the number of joint funded health packages (also including some with high allocations of hours). Contributions to Adult Services (£45k) have increased and the service is also carrying a £50k pressure from 2016/17.

Actions being taken:
We will be reviewing the costs of current packages and in particular support levels for our young people.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	%
15) Childrens' Innovation & Development Service	**47**	**-860**	**104**	**220%**

There is a pressure of £104k against Grafham Water which was identified during budget build.

The budget includes an internal loan of £97k in 17/18 relating to building and improvement works carried out a number of years ago. Although prices have been increased for all user groups and the centre is running at high capacity, the centre is currently unable to generate sufficient income to cover the additional costs of the loan as well as a targeted £27k over-recovery.

This long standing issue will be addressed through a review of options for Grafham Water going forwards, with the aim of achieving a realistic and sustainable budget. We will look to mitigate the pressure in the short term via any emerging underspends elsewhere within the directorate.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	%
16) Executive Director	**211**	**139**	**219**	**103%**

It is not likely that the £219k Business Support saving will not be achieved in 17/18 through efficiencies identified within the business support functions. As such, there is a pressure of £219k being reported. However, work is ongoing to identify strategies to realise this saving.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	%
17) Financing DSG	**-39,991**	**-16,663**	**-272**	**-1%**

Within P&C, spend of £40.0m is funded by the ring fenced Dedicated Schools Grant. The DSG pressure of £272k is made up from Early Years Specialist Support. (£44k), Education Placements (£100k); Commissioning Services (£100k); SEND Specialist Services (£43k) and for this financial year will be met by DSG reserve carry forwards.