

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

To: **General Purposes Committee**

Date: **26th July 2016**

From: **Chief Finance Officer**

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

Forward Plan ref: **2016/028** *Key decision:* **Yes**

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

Recommendations: **General Purposes Committee is recommended to:**

- a) **Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action is required.**
- b) **Approve the changes to capital funding requirements as set out in section 6.9.**
- c) **Approve the allocation of the Staying Put Implementation Grant and the Special Educational Needs and Disability (SEND) Implementation Grant as set out in section 7.1.**
- d) **Consider and approve the proposals for the use of service reserves, as set out in Appendix 4.**
- e) **Consider and approve the virements within CFA, as set out in Appendix 5.**

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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 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 (Apr) | Forecast Year End Position (May) | Current Status | DoT (up is improving) |
|-----------------------------------------|--------------------------------|----------------------------------------|----------------------------------------|-------------------|-----------------------------|
| Revenue Budget | Variance (£m) | - | +£2.2m | Amber | - |
| Basket Key Performance Indicators | Number at target (%) | - | 41% (7 of 17) ¹ | Amber | - |
| Capital Programme | Variance (£m) | - | +0.031m | Amber | - |
| Balance Sheet Health | Net borrowing activity (£m) | - | £425m | 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 £2.2m. This is largely due to Corporate Services being unable to realise the full savings from the Corporate Capacity Review in year, and further pressures in Children, Families and Adults (CFA). See section 3 for details.
- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2016/17. There are 20 indicators in the Council's new basket, with data currently being available for 17 of these. Of these 17 indicators, 7 are on target. See section 5 for details.
- The Capital Programme is showing a forecast year end overspend of £0.031m (0%); this is within LGSS Managed. 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 £425m. This is largely as a result of changes in the

assumptions around the net expenditure profile of the capital programme and changes in expected cash flows since the Business Plan was produced in February 2016. See section 8 for details.

3. REVENUE BUDGET

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

Key to abbreviations

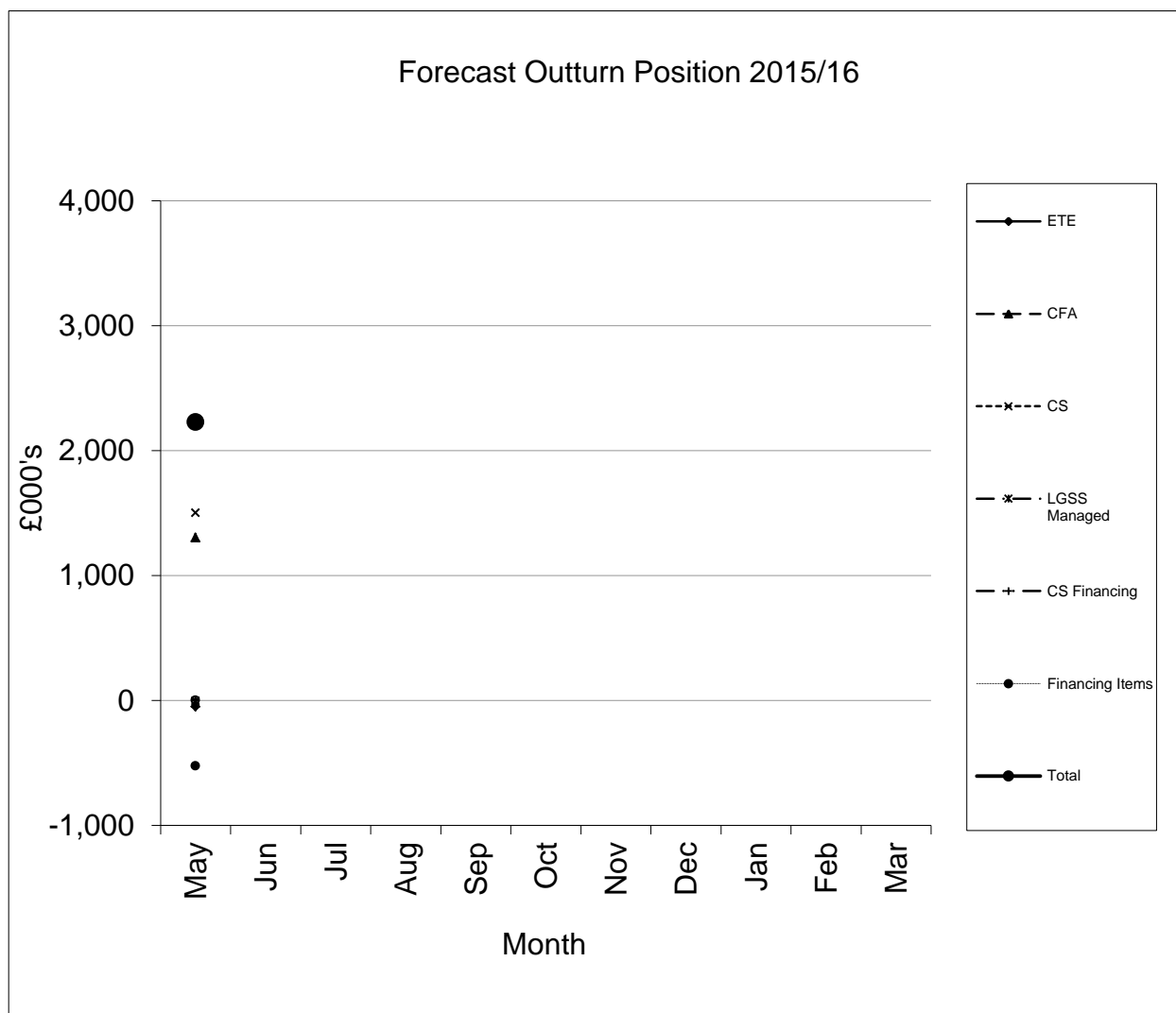
ETE – Economy, Transport and Environment
 CFA – Children, Families and Adults
 CS Financing – Corporate Services Financing
 DoT – Direction of Travel (up arrow means the position has improved since last month)

| Original Budget as per BP¹ £000 | Service | Current Budget for 2016/17 £000 | Forecast Variance - Outturn (May)² £000 | Forecast Variance - Outturn (May) % | Overall Status | D o T |
|-------------------------------------------------------------|-------------------------------|--------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|-----------------------|--------------|
| 59,952 | ETE | 59,952 | -50 | -0.1% | Green | - |
| 242,563 | CFA | 242,362 | 1,304 | 0.5% | Amber | - |
| 182 | Public Health | 182 | 0 | 0.0% | Green | - |
| 4,674 | Corporate Services | 4,778 | 1,501 | 31.4% | Red | - |
| 8,720 | LGSS Managed | 8,724 | -4 | 0.0% | Green | - |
| 34,206 | CS Financing | 34,206 | 0 | 0.0% | Green | - |
| 350,297 | Service Net Spending | 350,204 | 2,751 | 0.8% | Amber | - |
| 4,677 | Financing Items | 3,915 | -524 | -13.4% | Green | - |
| 354,974 | Total Net Spending | 354,119 | 2,227 | 0.6% | Amber | - |
| | Memorandum items: | | | | | |
| 9,589 | LGSS Operational | 9,682 | 0 | 0.0% | Green | - |
| 222,808 | Schools | 222,808 | | | | |
| 587,371 | 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 (MPR) 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:** - £0.050m (-0.01%) underspend is forecast at year end. There are no exceptions to report this month.

3.2.2 **Children, Families and Adults:** £1.304m (0.5%) overspend is forecast at year end.

It should be noted that these figures assume that GPC approval for budget virements within CFA, as set out in Appendix 5 will be forthcoming.

- | | £m | % |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------|
| <ul style="list-style-type: none"> Learning Disability Services – Learning Disability Services are forecast to overspend by £412k at year-end. It is expected that there will be a £1,200k shortfall in the delivery of savings from reassessing LD clients as a result of lead-in times for assessments. Experience so far is suggesting that average cost-reduction per client is lower than expected. | +0.412 | (1%) |

Partially offsetting this pressure, the LDP is expecting to exceed its target for savings on price increases negotiated at the beginning of the year by £806k. This has been achieved by

ensuring that higher cost providers in the independent sector absorb as much of the impact of the living wage increases as possible.

- Older People Localities** – An underspend of £675k is forecast for year-end. £275k of this is as a result of successful negotiations with care providers to ensure that higher cost providers in the independent sector absorb as much of the impact of the living wage increases as possible. The remaining £400k forecast underspend is due to care volumes being lower than previously anticipated.

| | |
|--------|-------|
| -0.675 | (-2%) |
|--------|-------|
- Strategic Management – Children’s Social Care** – An overspend of £475k is forecast for year-end. £179k of this is due to the use of agency staff within the First Response Emergency Duty Team in order to perform their statutory function. A further £296k of planned agency budget savings are not able to be met due to the continued need for use of agency staff across Children’s Social Care due to increasing caseloads.

| | |
|--------|------|
| +0.475 | (9%) |
|--------|------|
- Children’s Social Care Units** – The Children’s Social Care Units are forecasting to overspend by £614k. This is due to the use of agency staff to cover vacancies in essential posts until new staff have taken up post. This is to ensure that statutory responsibilities are fulfilled.

| | |
|--------|------|
| +0.614 | (8%) |
|--------|------|
- Looked After Children Placements** – An overspend of £750k is forecast for year-end. This is partly due to a £1.3m pressure carried forward from 2015/16, which was due to an increase in LAC numbers throughout the year. Subject to GPC approval, the LAC Placements budget will receive additional funding of £950k in 2016/17 from Older People’s Service, reducing the pressure to £350k. The remaining £400k forecast overspend is due to further increases in LAC numbers above predicted levels.

| | |
|--------|------|
| +0.750 | (5%) |
|--------|------|

3.2.3 **Public Health:** a balanced budget is forecast at year end. There are no exceptions to report this month.

3.2.4 **Corporate Services:** +£1.501m (31.4%) overspend is forecast at year end.

- | | £m | % | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--|--|
| <ul style="list-style-type: none"> Director, Policy & Business Support – An overspend of £1.5m is forecast at year-end. It is predicted that the Corporate Capacity Review will be unable to achieve the full year savings that were anticipated in Business Planning in the current year as a result of the timing of the consultation process. The forecast is based on an assumption that new structures will not be in place until 1 January 2017. In reality some changes will occur prior to this point and therefore the current forecast under achievement of the saving of £1.5m is the worst case. Furthermore officers are <table border="0" style="float: right; text-align: right;"> <tr> <td>+1.501</td> <td>(183%)</td> </tr> </table> | +1.501 | (183%) | | |
| +1.501 | (183%) | | | |

currently working on the implementation of a wider review of spans of control and tiers of management, as discussed at the GPC Workshop, that could see some further negation of this projection within the current financial year.

3.2.5 **LGSS Managed:** - £0.004m (-0%) underspend is forecast at year end. There are no exceptions to report this month.

3.2.6 **CS Financing:** a balanced budget is forecast at year end. There are no exceptions to report this month.

3.2.7 **LGSS Operational:** a balanced budget is forecast at year end. There are no 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 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-Dec-2015 | % | 80.4% | 80.3% (2015/16 target) | Green | ↔ |
| | 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-31-Aug-2015 | % | Most deprived areas (Top 10%) = 11.7% Others = 5% Gap of 6.7 percentage points | Most deprived areas (Top 10%) <=12% Gap of <7.2 percentage points | Green | ↔ |
| | The proportion of children in year 12 taking up a place in learning | CFA (E&P) | High | April 16 | % | 95.0% | 96.5% | Amber | ↓ |
| | Percentage of 16-19 year olds not in education, employment or training (NEET) | CFA | Low | April 16 | % | 3.4% | 3.3% | Amber | ↑ |
| | The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted | CFA (Learning) | High | April 16 | % | 80.5% | 82.0% | Amber | ↑ |
| | The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted | CFA (Learning) | High | April 16 | % | 46.2% | 75.0% | Red | ↓ |
| | The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted | CFA (Learning) | High | April 16 | % | 94.8% | 100% | Amber | ↑ |

| 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) |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------|---------------------|--------|--------|---------------------------------------|-------------------------------|-----------------------------------------------|
| Helping people live independent and healthy lives | 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 | <i>TBC new measure for 2016/17</i> | TBC | TBC |
| | The proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into re-ablement / rehabilitation services | CFA | High | 2014/15 | % | 69.8% | <i>TBC – new definition for 15/16</i> | TBC | TBC |
| | The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase | CFA | High | March 16 | % | 55.2% | 57% | Amber | ↑ |
| | Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+) | CFA | Low | March 16 | Number | 474 | 429 per month (4874.5 per year) | Red | ↓ |
| | Number of ASC attributable bed-day delays per 100,000 population (aged 18+) | CFA | Low | March 16 | Number | 125 | 114 | Amber | ↓ |
| | 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 (Q3 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 (CSC) | Low | April 16 | Rate per 10,000 | 47.35 | 40% | Red | ↓ |
| | The proportion of support plans created through the common assessment framework (CAF) that were successful | CFA (CYPS) | High | March 16 | % | 78.4% | 80% | Amber | ↑ |
| An efficient and effective organisation | The percentage of all transformed transaction types to be completed online | CS&T | High | 1 Jan – 31 March 2016 | % | 76.1% | 75% | Green | ↑ |
| | The average number of days lost to sickness per full-time equivalent staff member | LGSS HR | Low | May 2016 | Days (12 month rolling average) | 6.24 | 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 are identified below

- **The number of Looked After Children per 10,000 children**

The number of Looked After Children increased to 615 during April 2016. This includes 62 unaccompanied asylum-seeking children for whom CCC receives grant funding, who make up 10% of the current LAC population. There are work streams in the LAC Strategy which aim to reduce the rate of growth in the LAC population, or reduce the cost of new placements. These work streams cannot impact current commitment but aim to prevent it increasing.

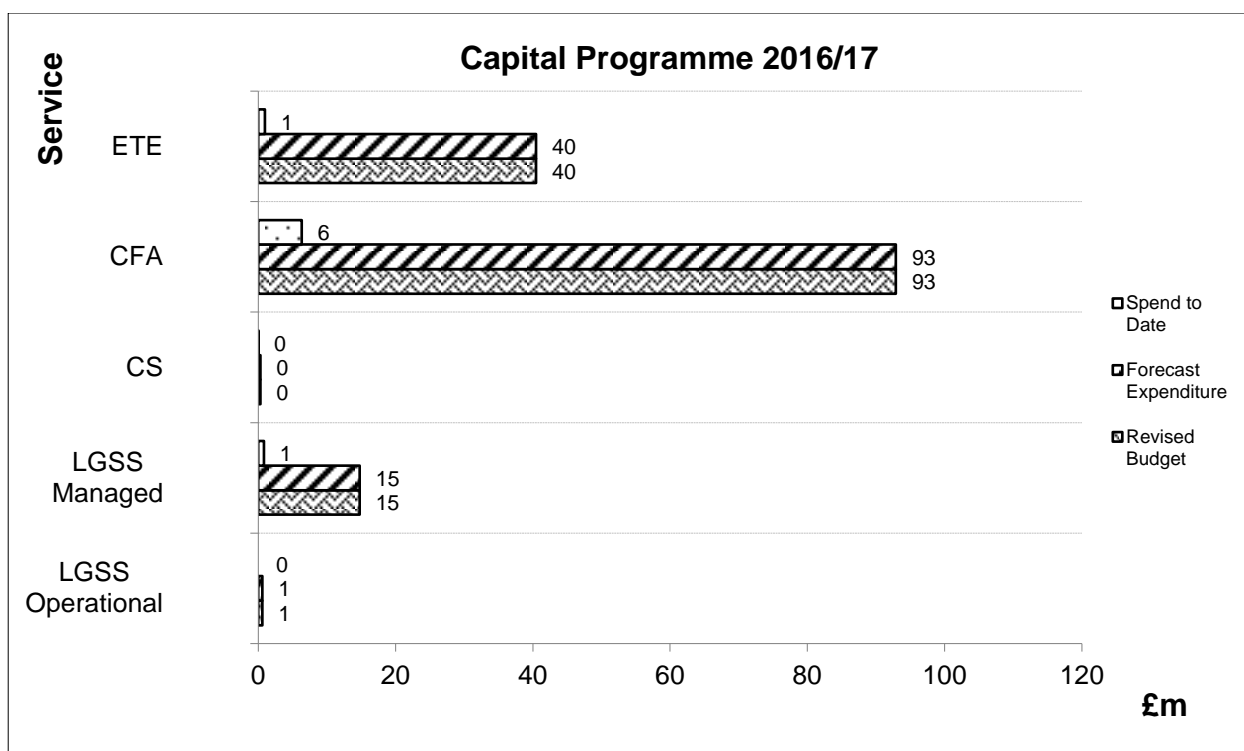
- **Delayed transfers of Care: BCF Average number of bed-day delays, per 100,000 of population per month (aged 18+)**

As reported in 2015/16, performance improved during March following the recent worsening trend. The Cambridgeshire health and social care system is experiencing a monthly average of 2,436 bed-day delays, which is 17% above the current BCF target ceiling of 2,088. In February there were 2,369 bed-day delays, down 403 compared to the previous month. We continue to work in collaboration with health colleagues to build on this work. However, since Christmas we have seen a rise in the number of admissions to A & E across the county with several of the hospitals reporting Black Alert. There continues to be challenges in the system overall with gaps in service capacity in both domiciliary care and residential home capacity. However, we are looking at all avenues to ensure that flow is maintained from hospital into the community

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 BP £000 | Service | Revised Budget for 2016/17 £000 | Forecast Variance - Outturn (May) £000 | Forecast Variance - Outturn (May) % | Total Scheme Revised Budget (May) £000 | Total Scheme Forecast Variance (May) £000 |
| 71,699 | ETE | 40,483 | - | 0.0% | 415,047 | - |
| 97,156 | CFA | 92,921 | 0 | 0.0% | 543,222 | 6,419 |
| 378 | Corporate Services | 324 | - | 0.0% | 645 | - |
| 15,457 | LGSS Managed | 14,765 | 31 | 0.2% | 165,851 | -2,003 |
| 1,104 | LGSS Operational | 618 | - | 0.0% | 1,704 | - |
| 185,794 | Total Service Capital Spending | 149,111 | 32 | 0.0% | 1,126,469 | 4,416 |



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

- 6.2 In response to the Council's historical underachievement of capital expenditure against planned budgets, the Council has created a Capital Programme Board (CPB) to provide support and challenge with respect to both the creation of an initial budget for a capital scheme and also the deliverability and ongoing monitoring of the programme. For the first reporting period, Services were asked to review the budgets set in the 2016-17 Business Plan and amend them for any additional information that has been provided since the Business Plan was set at the start of the year. This includes rolling forward additional in-year underspends from the 2015-16 budget, as well as rephasing of 2016-17 and future year spend.
- 6.3 This has result in roll-forwards of £15.8m being brought forward to 2016-17, rephasing of -£31.5m in 2016-17 and suggested increased costs over the whole ten-year programme of £9.7m. Approval of the 2016-17 element of these increased costs is requested in section 6.9; approval for increases in later years will be sought as part of the 2017-18 Business Planning process. Services were asked to provide justification for these changes and the CPB challenged and suggested amendments as required. For further detail of these changes, please see sections 6.9 for roll forwards and rephasing and section 6.7 for changes to total scheme costs. The detail of all these changes is also outlined in Appendix 3.
- 6.4 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, and the impact this has on the revenue financing of the related debt for the programme, the CPB has also recommended that a 'Capital Programme Variations' line be included for each Service which effectively reduces the programme budget. This is allocated service-wide rather than against individual schemes as it is not possible to identify in advance which particular schemes will be affected by land-purchase

issues, environmental factors etc. which create the slippage. This budget is forecast to be fully achieved at the start of the financial year (and in this report), but as forecast underspends start to be reported, these will be net off against the forecast outturn for the variation budget, resulting in a forecast balanced budget up until the point if/when slippage exceeds the variation budget. The allocations for these negative budget adjustments have been calculated as follows, based on slippage that each service has achieved in previous years, taking into account specific circumstances that have led to those variations:

| Service | Variation % | Budget £000 | Variation Calculation £000 |
|------------------------------------|----------------|----------------|----------------------------------|
| Economy, Transport and Environment | 20% | 52,502 | 10,500 |
| Children, Families and Adults | 10% | 102,820 | 10,282 |
| Corporate Services | 20% | 405 | 81 |
| LGSS Managed | 20% | 19,048 | 3,810 |
| LGSS Operational | 20% | 773 | 155 |
| TOTAL | | 175,548 | 24,828 |

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

6.5.1 **Economy, Transport and Environment:** a balanced budget is forecast at year end. There are no exceptions to report this month.

6.5.2 **Children, Families and Adults:** a balanced budget is forecast at year end. There are no exceptions to report this month.

6.5.3 **Corporate Services:** a balanced budget is forecast at year end. There are no exceptions to report this month.

6.5.4 **LGSS Managed:** +£0.031m (0.2%) overspend is forecast at year-end. There are no exceptions to report this month.

6.5.5 **LGSS Operational:** a balanced budget is forecast at year end. There are no exceptions to report this month.

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

6.6.1 **Economy, Transport and Environment:** a total scheme balanced budget is forecast. There are no exceptions to report this month.

6.6.2 **Children, Families and Adults:** +£6.4m (1%) total scheme overspend is forecast.

- | | £m | % |
|----------------------------------------------------------|-----|------|
| • Basic Need – Primary | | |
| | 5.1 | (2%) |
| • Fulbourn Primary; £1.1m increase. Further planning has | | |

indicated cost of project will be £0.1m higher than originally anticipated. There is also a further £1.0m increase relating to future years costs.

- Melbourn Primary; £2.1m increase. Increased project scope includes replacement of two temporary classroom structures causing increase of £0.2m. There is also a further £1.9m increase relating to future years costs.
- Wyton Primary; £2.3m increase. Project now in 2 phases due to delays in housing development - phase 1 - replacement of existing 1 form entry primary school; phase 2 - new 2 form entry primary school. Due to the delay in phase 2 costs are now anticipated to be £2.3m higher for the whole project.
- **Adult Social Care**
 - £0.2m increase in costs on Equipment Spend previously headed as Better Care Fund moved from Strategic Investments. £1.6m additional Disabled Facilities Grant expenditure per year for 5 years (total £7.8m) to reflect increased grant settlement. 1.3 (6%)
 - -£0.4m cost reduction in Strategic Investment and Enhanced Frontline to reflect anticipated 2016/17 spend priorities.

For further details please see Appendix 3.

6.6.3 Corporate Services: a total scheme balanced budget is forecast. There are no exceptions to report this month.

6.6.4 LGSS Managed: -£2.0m (-1%) total scheme underspend is forecast.

- | | £m | % |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|
| • EPAM Fenland - As reported in 2015/16, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m. This work is expected to be completed in 2016/17. | -1.1 | (-17%) |
| • Carbon Reduction Scheme - The works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2015/16, the agreed work plan is expected to deliver a total scheme underspend of £0.65m. This work is expected to be completed in 2016/17. | -0.7 | (-39%) |

6.6.5 LGSS Operational: a total scheme balanced budget is forecast. There are no exceptions to report this month.

6.7 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 | 13.7 | - |
| Section 106 Contributions & Community Infrastructure Levy (CIL) | 30.3 | 1.1 | -3.7 | - | 27.7 | 27.7 | - |
| Capital Receipts | 10.3 | - | - | - | 10.3 | 6.2 | -4.0 |
| Other Contributions | 10.7 | 0.2 | -8.8 | 0.1 | 2.2 | 2.2 | - |
| Prudential Borrowing | 83.4 | 9.7 | -29.5 | 1.1 | 64.8 | 68.9 | 4.0 |
| Total | 185.8 | 15.8 | -56.3 | 3.8 | 149.1 | 149.1 | 0.0 |

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.

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

| Funding | Service | Amount (£m) | Reason for Change |
|------------------------|----------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rolled Forward Funding | All Services | £15.8 | The Capital Programme Board has reviewed overspends and underspends at the end of 2015/16, and many of these are a result of changes to the timing of expenditure, rather than variations against total costs. As such, this funding is still required in 2016/17 to complete |

| | | | |
|---------------------------------------------------|--------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | <p>projects. Of the £15.8m funding to be carried forward, £9.7m relates to prudential borrowing, however as this only relates to a shift in funding of one year there is no significant impact on the Debt Charges budget as a result.</p> <p>General Purposes Committee is asked to approve the carry forward of £15.8m of funding to 2016/17 and beyond.</p> |
| Revised Phasing | All Services | -£24.8 | <p>The Capital Programme Board has recommended that a 'Capital Programme Variations' line be included for each Service, which effectively reduces the capital programme budget. The overall capital variation budget is recommended to be held at £24.8m.</p> <p>General Purposes Committee is asked to approve the -£24.8m revised phasing of funding relating to the capital programme variations budget.</p> |
| Revised Phasing | ETE | -£30.3 | <p>The following schemes require their funding to be rephased as they are now due to incur these costs in 2017/18:</p> <ul style="list-style-type: none"> • Ely Crossing -£11.8m • Kings Dyke -£9.1m • Soham Station -£4.5m • Guided Busway -£1.6m • Huntingdon West of Town Centre Link Road -£1.5m • Highways Maintenance -£1.5m • Connecting Cambridgeshire -£1.1m • Cambridge Cycling Infrastructure -£0.9m • Cycling City Ambition Fund -£0.8m <p>Other schemes that are below the de-minimis reporting limit of £0.5m total +£2.5m rephasing for 2016/17, giving the net total rephasing requirement of -£30.3m.</p> <p>General Purposes Committee is asked to approve the -£30.3m rephasing of ETE's funding for these schemes.</p> |
| Additional/Reduction in Funding (Specific Grants) | ETE | £1.0 | <p>Cambridgeshire County Council has received £0.973m of grant funding from DfT for the purpose of permanently removing potholes, either through permanent patching repairs or preventative resurfacing works.</p> <p>General Purposes Committee is asked to</p> |

| | | | |
|--------------------------------------------------------|--------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | approve that the Pothole Action Fund and Highways Maintenance Grant of £0.973m be allocated in full to ETE |
| Additional/Reduction in Funding (Other Contributions) | ETE | £0.1 | <p>£0.100m of residual capital funding from previous years' unused Integrated Transport Block funding is required to fund scheme development, design and implementation work for the A14 scheme in 2016/17.</p> <p>General Purposes Committee is asked to approve the use of £0.1m of residual capital funding to support this work.</p> |
| Additional/Reduction in Funding (Prudential Borrowing) | LGSS Managed | £0.5 | <p>£0.512m additional funding is required for the Renewable Energy Soham scheme because of increased costs due to currency changes relating to solar panels and additional grid connection costs.</p> <p>General Purposes Committee is asked to approve the increase of £0.512m to the Prudential Borrowing requirement in 2016/17.</p> |
| Revised Phasing | CFA | -£1.0 | <p>The following schemes require their funding to be rephased as they are now due to incur these costs in 2017/18:</p> <ul style="list-style-type: none"> • Burwell Primary -£1.2m • Little Paxton -£0.7m • Wisbech Primary -£1.0m • Sawtry Primary -£1.2m • Hatton Park +£0.7m • The Shades +£1.5m • Hampton Gardens +£0.8m <p>Other schemes that are below the de-minimis reporting limit of £0.5m total +£0.1m rephasing for 2016/17, giving the net total rephasing requirement of -£1.0m.</p> <p>General Purposes Committee is asked to approve the -£1.0m rephasing of CFA's funding for these schemes.</p> |
| Additional/Reduction in Funding (Specific Grants) | CFA | £1.6 | <p>Cambridgeshire County Council has received an additional £1.566m in Disabled Facilities Grant for capital schemes.</p> <p>General Purposes Committee is asked to approve that this additional grant be allocated in full to CFA.</p> |

| | | | |
|--------------------------------------------------------|-----|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional/Reduction in Funding (Prudential Borrowing) | CFA | £0.5 | <p>The following schemes require additional funding in 2016/17 above what was allocated in the Business Plan:</p> <ul style="list-style-type: none"> • The Shades +£1.200m • Huntingdon Primary +£0.205m <p>Other schemes that are below the de-minimis reporting limit of £0.5m will require reduced funding in 2016/17, giving the net total of £0.5m additional Prudential Borrowing requirement. For additional information, please see Appendix 3.</p> <p>General Purposes Committee is asked to approve the increase of £0.5m to the Prudential Borrowing requirement in 2016/17.</p> |
| Additional/Reduction in Funding (Specific Grants) | CFA | £0.1 | <p>Fulbourn Primary requires £0.130m additional funding in 2016/17 above what was allocated in the Business Plan. This is to be met from grant funding.</p> <p>Additional funding will also be required in future years, but this will be dealt with as part of the Business Planning process. For additional information, please see Appendix 3.</p> <p>General Purposes Committee is asked to approve the use of £0.130m grant funding to support this scheme in 2016/17.</p> |

- 6.9 Capital receipts for 2016/17 are currently forecast to be £4.0m less than originally budgeted. Any changes to this position will be reported throughout the year. Any shortfall in capital receipts will need to be met with additional prudential borrowing, which General Purposes Committee will be asked to approve as part of the 2016/17 outturn report.

7. GRANT ALLOCATIONS 2016/17

- 7.1 Where there has been a material change in 2016/17'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.

Staying Put Implementation Grant

This is a revenue grant that local authorities will receive in 2016/17, with Cambridgeshire County Council's allocation being £162,713.

The Children and Families Act 2014 introduced a new duty on local authorities to support people to continue to live with their former foster carers once they turn 18. This duty came into force in May 2014. The purpose of the grant is to provide support to local authorities towards expenditure incurred in respect of a young person aged 18 and their former foster carer to continue to live together in a 'Staying Put' arrangement.

This funding has not been budgeted for. To ensure that this funding is spent in line with expectation the General Purposes Committee is asked to approve that the Staying Put grant of £162,713 is allocated in full to CFA.

Special Educational Needs and Disability (SEND) Implementation Grant

The SEND Implementation Grant is a one-off revenue grant for 2016/17 to be received from the Department for Education (DfE). Cambridgeshire County Council's allocation is £406,677, to be received in four quarterly instalments, which was not originally budgeted to be received. This is an un-ringfenced grant, although it is intended to provide support for costs incurred by local authorities in implementing the national SEND Reforms, including transferring children and young people from statements and young people in further education or training who had Learning Difficulty Assessments to Education, Health and Care plans (EHCPs).

Approximately £200k of the grant is required to support continuing SEND Reform work throughout 16/17 and 17/18, with the remaining balance being used to partially offset the in-year CFA pressure, particularly within Learning Disabilities (LD) and Looked After Children (LAC).

General Purposes Committee is therefore asked to approve that the grant is allocated in full to CFA.

- 7.2 The below grants are deemed to be non-material changes and are therefore for information purposes only:

Local Reform and Community Voices Grant

For 2016/17 £313,079 was budgeted in the Business Plan. However, Cambridgeshire County Council's allocation for 2016/17 has been announced as £317,728. The additional £4,649 of funding will be treated as a general resource and is therefore shown in the "Financing Items" section of this report.

New Homes Bonus Returned Funding

This funding is allocated by Government as part of the New Homes Bonus. For 2016/17 £141,351 was budgeted in the Business Plan. However, Cambridgeshire County Council's 2016/17 allocation has been finalised as £136,313, leaving a shortfall of £5,038.

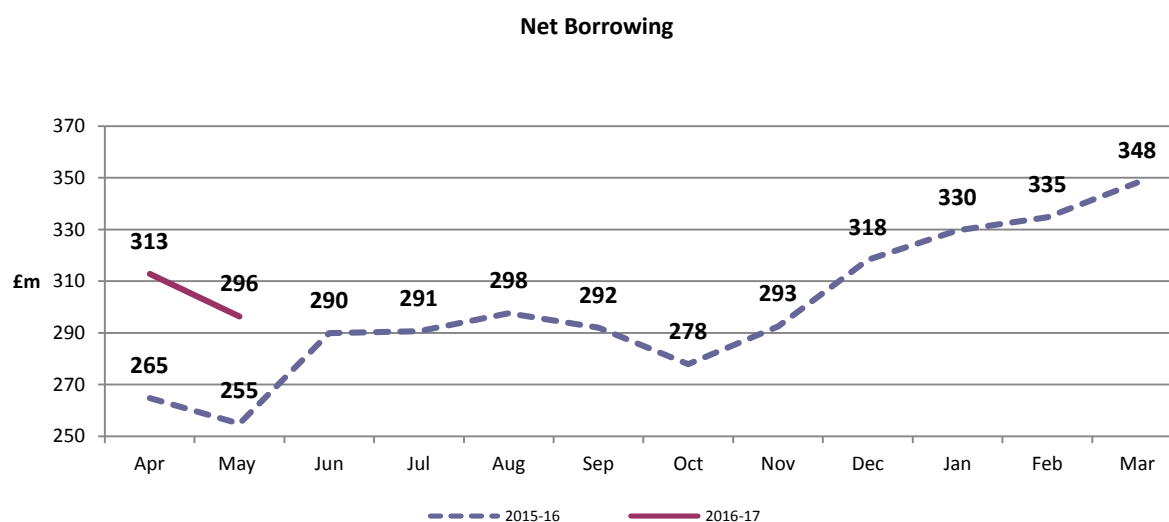
This shortfall will therefore be met from corporate reserves at year end.

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 May |
|------------------------------------------------------------------|-----------------|-----------------------------|
| Level of debt outstanding (owed to the council) – 4-6 months, £m | £0.4m | £1.2m |
| Level of debt outstanding (owed to the council) – >6 months, £m | £1.0m | £2.1m |
| Invoices paid by due date (or sooner) | 97.5% | 99.7% |

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 May were £61.8m and gross borrowing was £358.1m.



8.3 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 2016-17 TMSS was set in February 2016, it was anticipated that net borrowing would reach £479m at the end of this financial year. Net borrowing at the beginning of this year (£348m) started at a lower base than originally set out in the TMSS (£417m). As a result the outturn projection is forecast to be substantially lower than originally expected, currently £425m.

8.4 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.

8.5 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.

- 8.6 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.

- 8.7 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 31 st May was £296m. | At this early stage in the year, no outturn variance is factored in for the forecast for Debt Charges. The impact of lower borrowing on the Debt Charges budget will be included in next month's report, when a detailed assessment of the savings will be established. 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. |

- 8.8 A schedule of the Council's reserves and provisions can be found in [appendix 2](#).
- 8.9 The reserves schedule incorporates 2015/16 service underspends into service general reserve balances. May Service Committees endorsed proposals for the use of these underspends by services, however, these proposals now require approval by General Purposes Committee.

General Purposes Committee is asked to consider and approve the use of service underspends, as set out in Appendix 4.

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.

| Source Documents | Location |
|-----------------------------------------------|-------------------------------------------------|
| There are no source documents for this report | 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 | LGSS Operational | Financing Items |
|-----------------------------------------------------|----------------|---------------|---------------|---------------|--------------------|--------------|------------------|-----------------|
| | £'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 | 9,589 | 5,355 |
| 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 | |
| Current budget | 242,363 | 182 | 59,952 | 34,206 | 4,778 | 8,724 | 9,682 | 5,355 |
| Rounding | 1 | 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 May 16 | | |
| | £000s | £000s | £000s | £000s | |
| General Reserves | | | | | |
| - County Fund Balance | 18,921 | 0 | 18,921 | 19,445 | |
| - Services | | | | | |
| 1 CFA | 1,623 | 0 | 1,623 | - | |
| 2 PH | 1,138 | 0 | 1,138 | 638 | |
| 3 ETE | 3,386 | 0 | 3,386 | 0 | |
| 4 CS | 1,218 | -1,501 | -283 | -283 | |
| 5 LGSS Operational | 1,013 | 0 | 1,013 | 1,013 | |
| subtotal | 27,299 | -1,501 | 25,798 | 20,813 | |
| Earmarked | | | | | |
| - Specific Reserves | | | | | |
| 6 Insurance | 2,864 | 0 | 2,864 | - | |
| subtotal | 2,864 | 0 | 2,864 | 0 | |
| - Equipment Reserves | | | | | |
| 7 CFA | 782 | 0 | 782 | - | |
| 8 ETE | 218 | 0 | 218 | 250 | |
| 9 CS | 57 | 0 | 57 | 57 | |
| subtotal | 1,057 | 0 | 1,057 | 307 | |
| Other Earmarked Funds | | | | | |
| 10 CFA | 4,097 | -94 | 4,003 | - | Includes liquidated damages in respect of the Guided Busway. |
| 11 PH | 2,020 | 0 | 2,020 | 1,450 | |
| 12 ETE | 6,631 | -55 | 6,576 | 5,019 | |
| 13 CS | 1,274 | 0 | 1,274 | 1,274 | |
| 14 LGSS Managed | 382 | 23 | 405 | 405 | Savings realised through change in MRP policy |
| 15 LGSS Operational | 130 | 0 | 130 | 130 | |
| 16 Transformation Fund | 9,891 | 0 | 9,891 | 9,891 | |
| subtotal | 24,425 | -126 | 24,299 | 18,169 | |
| SUB TOTAL | 55,645 | -1,627 | 54,018 | 39,289 | |
| Capital Reserves | | | | | |
| - Services | | | | | |
| 17 CFA | 2,428 | 16,096 | 18,524 | 2,364 | Section 106 and Community Infrastructure Levy balances. |
| 18 ETE | 29,482 | 27,203 | 56,685 | 43,572 | |
| 19 LGSS Managed | 652 | 80 | 732 | 0 | |
| 20 Corporate | 39,388 | -277 | 39,111 | 17,189 | |
| subtotal | 71,950 | 43,102 | 115,052 | 63,125 | |
| GRAND TOTAL | 127,594 | 41,475 | 169,070 | 102,414 | |

¹ CFA's forecast balance for reserves as at 31 March 2017 is currently unavailable, pending GPC approval of the use of reserve balances.

² 2015/16 service underspends are incorporated into services' general reserve balances. GPC approval is required for the use of these underspends

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 May 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 | 5,595 | 0 | 5,595 | 5,595 | |
| subtotal | 7,619 | 0 | 7,619 | 6,907 | |
| - Long Term Provisions | | | | | |
| 4 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 | |