Agenda Item No.5

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2018

To:	**General Purposes Committee**		
Date:	**27 November 2018**		
From:	**Chief Finance Officer**		
Electoral division(s):	**All**		
Forward Plan ref:	**2018/014**	*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) Approve £2.5m revised phasing of prudential borrowing from 2019/20 to 2018/19 for the Shire Hall Relocation Scheme, as set out in section 6.7;

b) Approve an additional £105k of prudential borrowing in 2018/19 for the Stanground (£62k) and Woodston (£43k) Closed Landfill Energy Projects, as set out in section 6.8;

c) Approve an additional £275k of prudential borrowing in 2018/19 for the replacement Mobile Libraries scheme, as set out in section 6.9;

d) Approve an additional £113k of prudential borrowing in 2018/19 for the Marwick Centre roof repairs project, as set out in section 6.10 and;

e) Approve the allocation of £239,873 School Improvement and Brokering Grant to People and Communities so that it can be used for its intended purpose, as set out in section 7.2.

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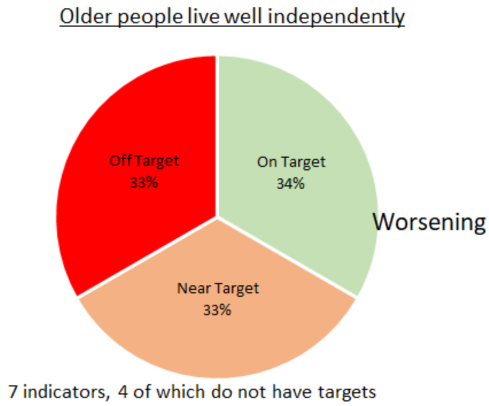
1. PURPOSE

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

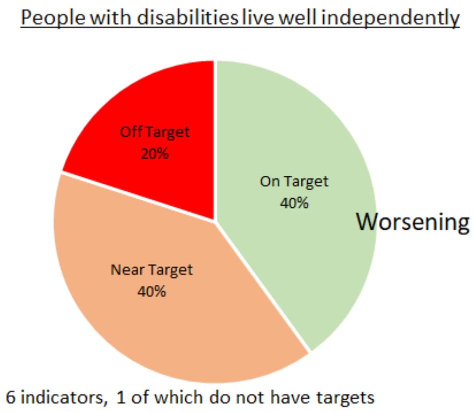
2. OVERVIEW

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. Ninety two indicators about outcomes are monitored by service committees; these have been grouped by outcome area and their status is shown below:

2.2 **Change in indicators:**



Older people live well independently – Worsening
Out of 7 indicators for this outcome 3 have targets. One indicator is rated green, one amber, and one red. The decrease in performance for these indicators reflects the change in the indicator 'Average monthly number of bed day delays (social care attributable) per 100,000 18+ population'. The number of bed day delays increased from 117 (July) to 137 (target = <114). The council is continuing to invest considerable amounts of staff and management time into improving performance in this area, and working with colleagues in health to ensure correct and timely discharges from hospital. The other two indicators did not change from the previous month (one green and one amber).

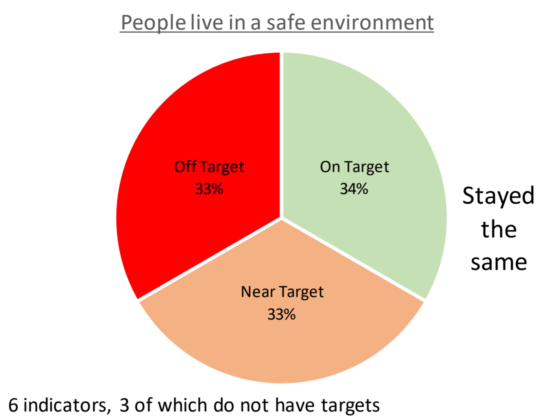


People with disabilities live well independently – Worsening
There are 6 indicators for this outcome and 5 have targets. 4 of these indicators' RAG ratings did not change; 2 rated green, one amber, and one red. The indicator rated red that did not change RAG rating was 'Proportion of adults with a primary support reason of learning disability support in paid employment (year to date)' which did rise from 0.5% in July to 0.8% in August, but is still significantly below the 6% target. This indicator relies on service users being assessed or reviewed in the year so is dependent on the review/assessment performance of the LD teams. Also note that this indicator is subject to some cumulative effects as clients are reviewed within the period. The overall worsening of performance in this indicator reflects a change in the RAG rating of the indicator 'Proportion of adults, in contact with secondary mental health services, who are in paid employment' which decreased from 12.6% in July to 12.2% in August (as the target is set 12.5% this change caused a

change in RAG rating from green to amber). There have been reductions in the number of people in contact with services, making this indicator more variable, while the numbers in employment change more gradually.

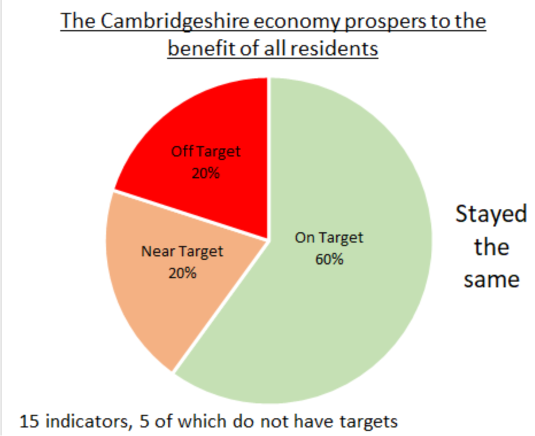
Adults and children are kept safe – Improving

There are 8 indicators for this outcome and 4 have targets. The improvement in performance for this outcome is reflected by the change in the indicator '% children whose referral to social care occurred within 12 months of a previous referral' which decreased from 20.8% to 15.9% (target = 20%), which changed the RAG rating from amber to green. The other three indicators did not change in their RAG rating, one was rated green and two red. The first red indicator that remained the same was 'Number of children with a Child Protection Plan per 10,000 population under 18', which increased from 35.7 to 38.9 in August (target = <30). The second red indicator that remained the same was 'The number of looked after children per 10,000 population under 18' which increased from 53.9 in July to 54.9 in August (target = <40). A number of actions are being taken to address this, see the People and Communities Finance and Performance report for further details.

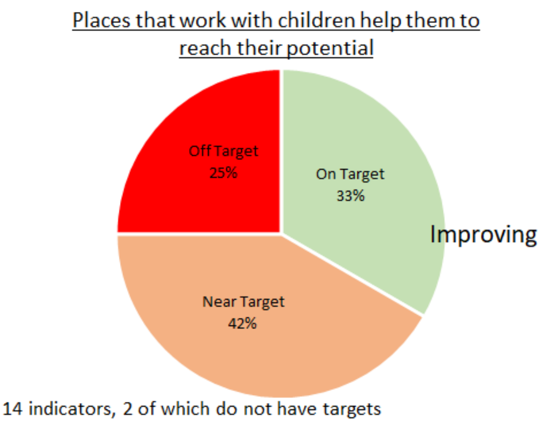


People live in a safe environment – Stayed the same

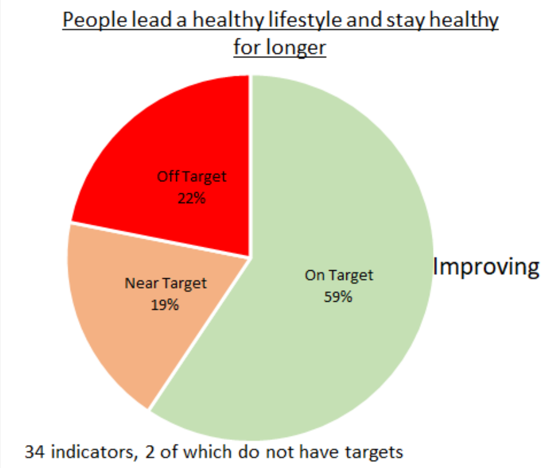
3 out of the 6 indicators for this outcome have targets; one rated green, one amber, and one red. All three have not changed RAG rating from the previous month. The indicator rated red was 'Killed or seriously injured (KSI) casualties - 12-month rolling total', the most recent data available for this indicator is from March 18 hence this indicator has not changed RAG rating, however there has been a downward trend in this figure since August 2017, and if this trend continues it is anticipated to be within 10% of the target at year end.



The Cambridgeshire economy prospers to the benefit of all residents – Stayed the same
There are 15 indicators for this indicator and 10 have targets; 6 were RAG rated green, 2 amber, and 2 red. All 10 indicators have not changed RAG rating from the previous month. The first indicator rated red was 'The average journey time per mile during the morning peak on the most congested routes', this was last measured in August 17 and an updated figure is not available hence the rating has not changed. The second red indicator was 'Classified road condition - narrowing the gap between Fenland and other areas of the County', this is an annual figure (2017/18) and will not be updated until the next financial year so will remain RAG rated red.



Places that work with children help them to reach their potential – Improving
There are 14 indicators for this outcome and 12 have targets. 4 were rated green, 5 amber, and 3 red. The overall improvement in performance for this indicator is reflected in the indicator '% of EHCP assessments completed within timescale' which improved from 57.6% to 69.5%, which was only 0.5% of the 70% target, and cause the RAG rating to improve from red to amber. The rest of the indicators' RAG ratings did not change from the previous month. There were three that stayed red. These were: 'KS4 Attainment 8 (All children)' which is an annual indicator and reflects 2016/17 data (2017/18 which will be released in October 18), '% of disadvantaged households taking up funded 2 year old childcare places' which dropped 4 percentage points since the spring term to 68.0% (75% target), and 'Ofsted - Pupils attending schools that are judged as Good or Outstanding (Special Schools)' which remains at 89.6%.



People lead a healthy lifestyle and stay healthy for longer – Improving
There are 34 indicators for this outcome and 32 have targets. 18 rated green, 7 amber, and 7 red. Only one indicators' RAG rating changed. This was 'Growth in cycling from a 2004/05 average baseline', which increased from 29% in 2016, to 74% in 2017 (the figure for which has just been published), this caused its RAG rating to change from amber to green. Out of the 7 indicators that remained red, 3 are quarterly indicators so there has been no change in the data since last month, these were: 'Number of Health Checks completed', 'Health visiting mandated check - Percentage of first face-to-face antenatal contact with a HV at >28 weeks', and 'Health visiting mandated check - Percentage of children who received a 2 -2.5 year review'. 2 indicators are monthly but were not updated this month as new data was not available at the time of publishing this report, these were: 'Number of visitors to libraries/community hubs - year-to-date' and 'Smoking Cessation - four week quitters'. There were then 2 indicators that remained red that had been updated this month, these were: 'Number of outreach health checks carried out' where the number of health checks carried out as a percentage of the target remained at 74%. The second was '% of Tier 2 clients recruited who complete the course and achieve 5% weight loss', which did increase from 20% in July to 21% in August, but this was still below the target.

Key Pressures

- Residential and nursing placements for older people are increasing against the April 18 baseline.

- The number of children in care has significantly increased this financial year.

- The number of children on a child protection plan has increased this financial year, though there has been a 9% decrease since August.

See following page for further details.

2.3 The master file of performance indicators is available here, (https://tinyurl.com/ycube3to) while the latest Corporate Risk Register can be found here, (https://tinyurl.com/ycrphsfv).

Finance and Risk

Revenue budget forecast		Capital programme forecast
+£4.6m (1.3%) variance at end of year RED	This is a £0.346m decrease in the revenue forecast pressure since last month. This is a -£8.1m decrease in the forecast in-year capital expenditure compared to last month.	-£8.1m (-2.8%) variance at end of year GREEN

Residual risk score	Green	Amber	Red
Number of risks	0	8	2

*Latest Review: July 2018

Transformation Programme	Transformation Fund
43 Early ideas ↑ 195 Business cases in development ↑ 23 Projects being implemented ↓	12 projects rated Green ↔ 1 rated Amber (reflecting some need to re-phase savings) ↔ 2 rated Red (risk of non-delivery of savings or benefits) ↓

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Sep-18	Apr-18	Trend since Apr-18
Nursing	457	410	Increasing
Residential	870	847	Increasing
Community	2,230	2,023	Decreasing

Adults aged 18+ receiving long term services

	Sep-18	Apr-18	Trend since Apr-18
Nursing	30	26	Increasing
Residential	315	309	Increasing
Community	1,937	1,933	Increasing

Children open to social care

	Sep-18	Apr-18	Trend since Apr-18
Looked after children	737	715	Increasing
Child protection	495	483	Increasing
Children in need*	2,086	2,225	Decreasing

*Number of open cases in Children's Social Care (minus looked after children and child protection)

Public Engagement

	Sep-18	Apr-18	Trend since Apr-18
Contact Centre Engagement	13,829 Phone Calls	12,763	Increasing
	4,776 Other	5,316	Decreasing
Website Engagement (cambridgeshire.gov.uk)	187,559 Users	154,319	Increasing
	279,771 Sessions	229,409	Increasing

The number of service users is a key indicator of the demand for care budgets in social care, inforamtion about the contacts with the public across web and phone channels is a key indicator of both service delivery and transformation.

2.4 There was an error in the description of the number of Adults aged 18+ receiving long term services in the community reported on page 6 of August's IRPR. This was reported as "Increasing" but should have been reported as "Decreasing" as the number in August was 1,922 compared to 1,933 in April 18.

2.5 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£4.6m (+1.3%); a decrease of £0.3m on the forecast pressure reported in August; there have been decreases in People & Communities (P&C), Public Health and Commercial & Investment (C&I). The LGSS Operational forecast is a £51k pressure. See section 3 for details.

- The Capital Programme is forecasting a year-end underspend of -£8.1m. This includes use of the capital programme variations budget. See section 6 for details.

3. REVENUE BUDGET

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

Key to abbreviations

CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

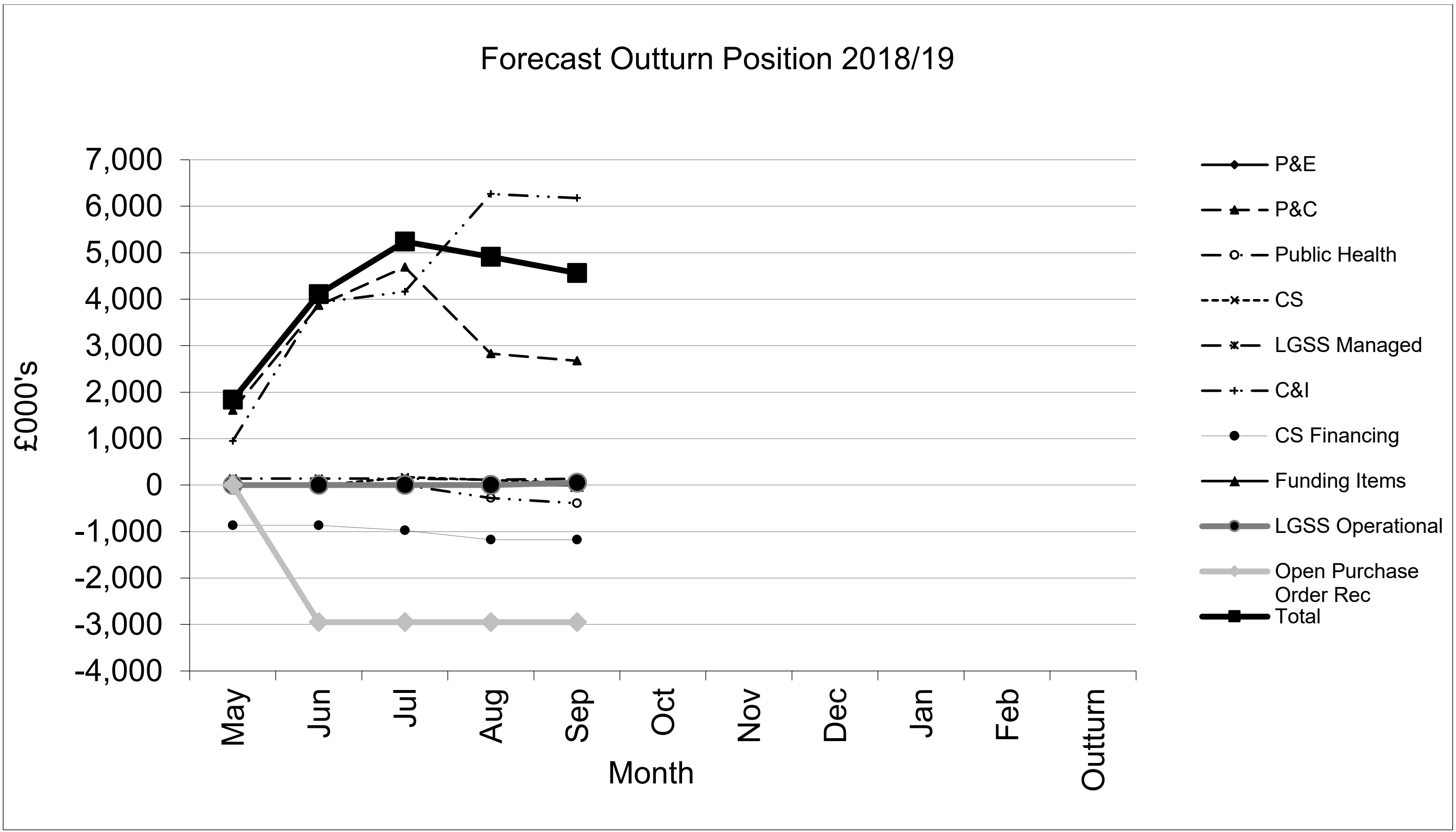
Forecast Variance (Aug) £000	Service	Current Budget for 2018/19 £000	Actual (Sep) £000	Forecast Variance (Sep) £000	Forecast Variance (Sep) %	Overall Status	DoT
0	Place & Economy	41,729	25,069	0	0.0%	Green	↔
2,827	People & Communities	243,264	130,384	2,671	1.1%	Red	↑
-281	Public Health	629	-3,024	-391	-	Green	↑
110	Corporate Services	6,793	5,050	44	0.6%	Amber	↑
115	LGSS Managed	11,186	8,689	136	1.2%	Amber	↓
6,263	Commercial & Investment	-8,707	2,738	6,177	-	Red	↑
-1,176	CS Financing	25,983	3,702	-1,176	-4.5%	Green	↔
7,858	**Service Net Spending**	**320,877**	**172,608**	**7,461**	**2.3%**	**Red**	↑
0	Funding Items	29,292	10,289	0	0.0%	Green	↑
-2,950	Open Purchase Order Reconciliation	0	0	-2,950	-	Green	↔
4,908	**Subtotal Net Spending**	**350,169**	**182,897**	**4,511**	**1.3%**	**Red**	↑
	Memorandum items:						
-2	LGSS Operational	8,835	5,184	51	0.6%	Amber	↓
4,906	**Grand Total Net Spending**	**359,004**	**188,081**	**4,562**	**1.3%**	**Red**	↑
	Schools	198,140					
	Total Spending 2018/19	**557,144**					

1 The budget figures in this table are net.

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

3 The budget of £629k stated for Public Health consists of £391k cash limit and £238k funded from the carried forward Public Health reserve. In addition to this, Public Health has a budget of £25.4m from ring-fenced public health grant, which makes up its gross budget.

4 The 'Funding Items' budget comprises the £22.7m Combined Authority Levy, the £392k Flood Authority Levy and £6.2m change in general and corporate reserves budget requirement. 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.



3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** a balanced budget is forecast at year-end. Although not yet identified it is anticipated that further savings and underspends will be found within Place & Economy to fund the current projected pressures. There are no exceptions to report this month; for full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/yafmsh2t).

3.2.2 **People & Communities:** +£2.671m (+1.1%) pressure is forecast at year-end.

	£m	%
• **Learning Disability Services** – a +£2.252m pressure is forecast, which is an increase of £0.301m on the position previously reported in June 2018. Demand pressures continue to be higher than expected despite positive work that has reduced the overall number of people in high-cost out-of-area in-patient placements. An increased shortfall against the reassessment savings ask and conversion from residential to supported living packages is also expected. In addition, around £90k of pressure is forecast for the in-house provider units, due to lower than expected vacancy levels in-year. The provider units have managed within reducing budgets for a number of years, and this year they are working towards a 5% saving on their staffing costs. Staffing levels continue to be reviewed by the units in order to ensure staff members are being used as efficiently as possible, but a minimum level of staffing is required in units to ensure safe service delivery and to meet the regulatory standards of the Care Quality Commission.	+2.252	(+4%)
• **Funding to Special Schools and Units** – a +£1.0m pressure is forecast. This is a result of increasing numbers of young people with Education Health and Care Plans (EHCP), and a	+1.000	(+6%)

corresponding increase of young people taking up a place at Special Schools or Specialist Units. This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block and will be managed within the overall available DSG resources. Work is being undertaken across SEND Services 0-25 to reduce the pressure on this budget. This will comprise both short-term mitigations such as reviewing high-cost provision to ensure that the additional support being provided is still required, and longer term structural review looking at the role of all schools and units within the county's overall SEN provision.

• **Financing DSG** – a -£3.362m required contribution from DSG is forecast, which is an increase of -£1.053m on the position previously reported in August 2018. This represents the amount 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 primarily Funding to Special Schools and Units (£1.0m) as described above, and previously reported High Needs Top-Up Funding (£1.50m), SEN Placements (£0.52m) and Out of School Tuition (£0.29m). For this financial year the intention is to manage within overall available DSG resources.	-3.362	(-6%)
• **Central Financing** – a -£3.413m underspend is forecast. This reflects the allocation of the £3.413m smoothing fund reserve to support Children's Services pressures, as recommended by CYP Committee and approved by General Purposes Committee (GPC) at the October GPC meeting.	-3.413	(-97%)

- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of +£2.671m. For full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y9n3sor9).

3.2.3 **Public Health:** -£0.391m (-%) underspend 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, (https://tinyurl.com/ybtg99kt).

3.2.4 **Corporate Services:** +£0.044m (+0.7%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

3.2.5 **LGSS Managed:** +£0.136m (+1.2%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

3.2.6 **CS Financing:** -£1.176m (-4.5%) underspend 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, (https://tinyurl.com/yaydaz25).

3.2.7 **Commercial & Investment**: +£6.177m (-%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report, (https://tinyurl.com/y7zsf878). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*

3.2.8 **Open Purchase Order Reconciliation:** -£2.950m underspend is forecast. There are no exceptions to report this month.

3.2.9 **LGSS Operational:** +£0.051m (0%) pressure 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, (https://tinyurl.com/yaydaz25).

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

4. SAVINGS TRACKER

4.1 The "Savings Tracker" report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2018-19 Business Planning process. Currently, the Council is on track to deliver £29.8m of savings against its original plan. Green rated savings total £21.1m. The Savings Tracker as at mid-October is included as **Appendix 3** to this report.

It is also important to note the relationship with the reported positon within this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced positon.

4.2 A summary of Business Plan savings by RAG rating is shown below:

BLUE			GREEN			AMBER			RED			BLACK				
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Total Original Savings	Total Variance
	£000	£000		£000	£000		£000	£000		£000	£000		£000	£000	£000	£000
0	0	0	57	-21,076	58	4	-924	344	7	-15,317	7,085	6	-1,000	1,000	-38,317	8,487

The stretched targets for existing savings and additional savings identified within the funnel are supporting delivery of a further £4,918k in addition to the amounts shown above. For several proposals, due to delays or difficulties in recruiting, the delivery of savings in some cases may re-phased into 2019/20.

5. KEY ACTIVITY DATA

5.1 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 (https://tinyurl.com/y9n3sor9) (section 2.5).

6. CAPITAL PROGRAMME

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

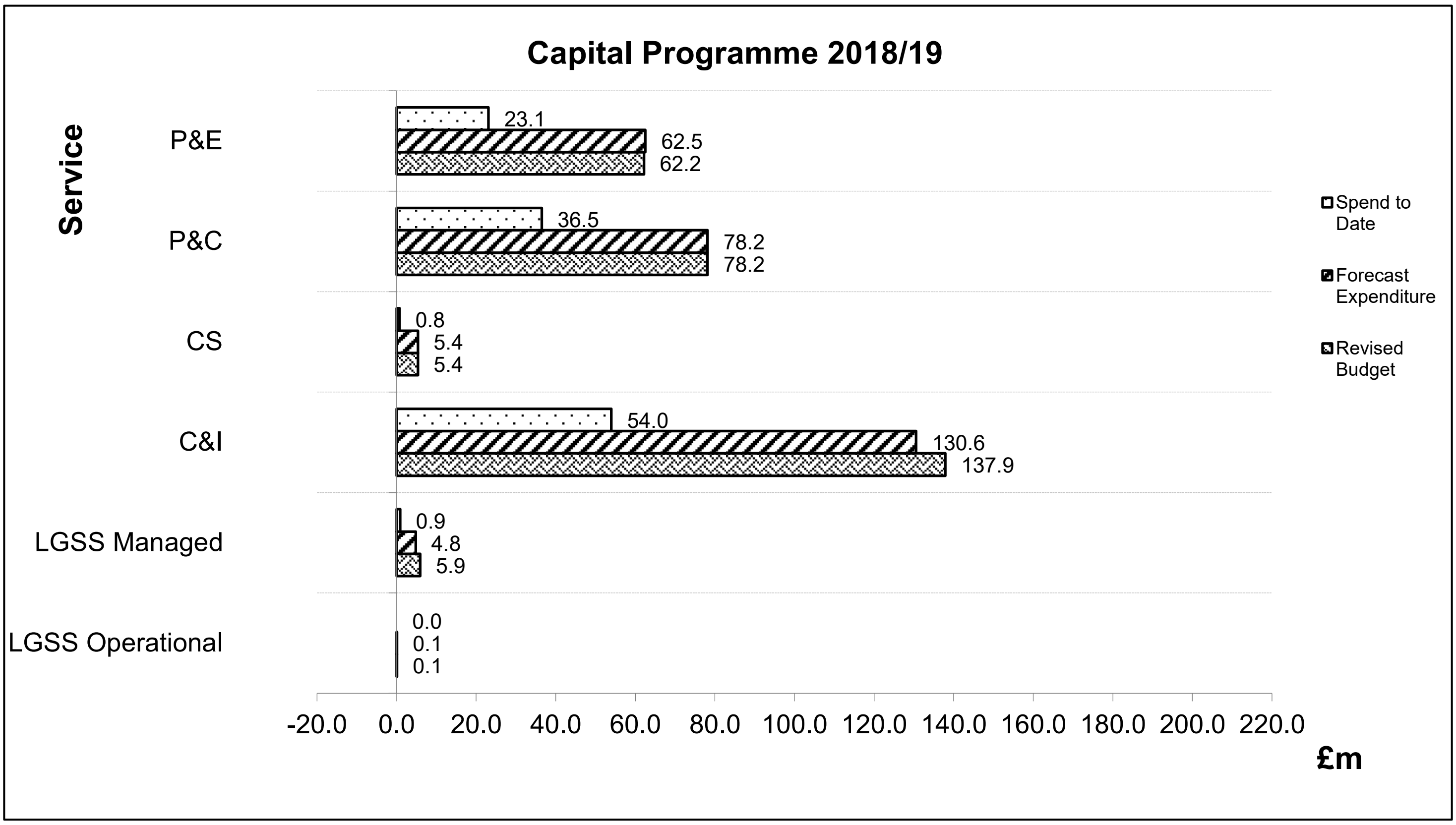
2018-19							TOTAL SCHEME	
Original 2018/19 Budget as per Business Plan £000	Forecast Variance - Outturn (August) £000	Service	Revised Budget for 2018/19 £000	Actual £000	Forecast Variance - Outturn (Sept) £000	Forecast Variance - Outturn (Sept) %	Total Scheme Revised Budget (Sept) £000	Total Scheme Forecast Variance (Sept) £000
35,956	-	P&E	62,169	23,082	366	0.6%	445,516	-
87,820	-0	P&C	78,157	36,463	-0	0.0%	669,433	15,801
2,038	-	CS	5,369	772	-	0.0%	19,437	-
6,415	-	LGSS Managed	5,915	934	-1,131	-19.1%	6,865	-125
123,274	-2,037	C&I	137,885	53,961	-7,294	-5.3%	283,926	-147
-	-	LGSS Operational	134	-	-	0.0%	2,025	-
-	2,037	Outturn adjustment	-	-	-	-	-	-
255,503	**-0**	**Total Spending**	**289,629**	**115,213**	**-8,059**	**-2.8%**	**1,427,202**	**15,529**

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 P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2018/19 of £26.1m and is currently forecasting a balanced budget at year-end

3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.



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 re-phasing exceeds this budget.

2018/19					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (Sept) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (Sept) £000**
P&E	-14,931	366	0	0.00%	366
P&C	-10,469	-7,595	7,595	72.55%	-0
CS	-951	0	0	0.00%	0
LGSS Managed	-1,479	-2,610	1,479	100.00%	-1,131
C&I	-33,805	-41,099	33,805	100.00%	-7,294
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
Total Spending	**-61,635**	**-50,938**	**42,879**	**69.57%**	**-8,059**

6.3 As at the end of September 2018, LGSS Managed and Commercial and Investment schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£1.1m and -£7.3m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no 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 **Place & Economy:** a +£0.4m (+0.6%) in-year pressure is forecast at year-end.

	£m	**%**
• **£90m Highways Maintenance schemes** – an in-year pressure of £1.4m is forecast. The Capital Maintenance Programme was presented to committee in March 2017 for ratification and the budget was applied on this basis. However, this was carried out before the £1.7m allocation of Highways Contract Efficiency savings were declared. It was agreed that the savings would not be apportioned out amongst all the areas utilising the new Highways contract but allocated to the schemes being funded by Prudential Borrowing. Unfortunately, due to the Prudential borrowing funds only being available for carriageway works, there was £2.2m of schemes allocated to this funding stream which are being delivered by the Eastern Highways Alliance Framework contract and therefore not subject to the Highways Contract Efficiency savings. Furthermore, as the capital maintenance programme had already been agreed by members, it was decided to proceed with the approved programme given historically not all programmed schemes have been delivered, resulting in an underspend. However, at this point in time the schemes that are not proceeding relate to drainage rather than carriageway works and therefore there is a pressure on the schemes being delivered from the Prudential Borrowing funding. Although this is being monitored by the Highways Service and will be updated on a monthly basis, historic experience demonstrates that until the schemes are prepared for delivery the obstacles for completion will not have materialised and therefore there is a potential for this pressure to reduce further.	+1.4	(+27%)
• **King's Dyke** – an in-year pressure of +£0.002m is forecast, which is a decrease of -£0.75m on the pressure previously reported in June 2018. An update has been received regarding the Cambridgeshire and Peterborough Combined Authority (CPCA) meeting the funding gap; the forecast has been revised accordingly.	-0.0	(-0%)
• **P&E 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. The forecast position is currently an in-year pressure of +£0.4m, therefore the £0.6m utilisation of the capital variations budget reported last month has reduced to zero as there is no underspend to offset.	+0.0	(+0%)

- For full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/yafmsh2t).

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

	£m	%
• **Basic Need – Primary** – an in-year underspend of -£1.2m is forecast, which is an increase of £0.3m on the underspend previously reported in June 2018. This is mainly due to rephasing on the following schemes: o Ermine Street Primary has experienced revised phasing of £140k. o Littleport 3rd Primary has experienced £180k revised phasing as the scheme is now not required until September 2021.	-1.2	(-4%)
• **P&C 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 £7.6m underspend is balanced by use of the capital variations budget; this is an increase of £0.3m on the use of variations budget reported last month and relates to the underspend on Basic Need – Primary schemes as reported above.	+7.6	(+73%)

- For full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y9n3sor9).

6.4.3 **Corporate Services:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

6.4.4 **LGSS Managed:** a -£1.3m (-21.4%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	£m	%
• **Cambridgeshire Public Sector Network Replacement** – an in-year underspend of -£2.5m is forecast. This is due to revised phasing in the timing of this project; the previous contract was extended so the process to move buildings across to the new network has started on a revised timescale compared to the original budget.	-2.5	(-45%)
• **LGSS Managed 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 up to the point when re-phasing exceeds this budget. Therefore £1.5m of the above Cambridgeshire Public Sector Network Replacement underspend is balanced by full utilisation of the capital variations budget.	+1.5	(+100%)

- For full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

6.4.5 **Commercial & Investment**: a -£7.3m (-5.3%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	£m	%
• **St Ives Smart Energy Grid** – an in-year underspend of	-3.3	(-99%)

-£3.3m is forecast. This is due to revised phasing on this project. Construction is expected to start at the end of this financial year; as a result the majority of the expenditure on this project will take place in future years.

- **Community Hubs – East Barnwell** – an in-year underspend of -£1.8m is forecast. Options for the use of this site are being assessed, and an application for planning permission is currently being made. As a result the majority of the expenditure on this project is anticipated to take place in future years. -1.8 (-95%)

- For full and previously reported details see the C&I Finance & Performance Report, (https://tinyurl.com/y7zsf878). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*

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, (https://tinyurl.com/yaydaz25).

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 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the P&E Finance & Performance Report, (https://tinyurl.com/yafmsh2t).

6.5.2 **People & Communities:** a +£15.8m (+2%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the P&C Finance & Performance Report, (https://tinyurl.com/y9n3sor9).

6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

6.5.4 **LGSS Managed:** 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 CS & LGSS Finance & Performance Report, (https://tinyurl.com/yaydaz25).

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, (https://tinyurl.com/y7zsf878). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*

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, (https://tinyurl.com/yaydaz25).

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 Funding[1] £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.5	4.1	-0.4	2.4	**23.6**	23.6	-
Basic Need Grant	24.9	-	-	-	**24.9**	24.9	-
Capital Maintenance Grant	4.0	-	0.2	-	**4.2**	4.2	-
Devolved Formula Capital	1.0	0.7	-	-0.1	**1.6**	1.6	-
Specific Grants	6.5	4.4	-1.0	-	**9.9**	8.2	-1.8
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.5	-0.6	**12.9**	11.8	-1.0
Capital Receipts	81.1	-	-15.9	-	**65.2**	45.1	-20.1
Other Contributions	12.1	-	-3.6	5.7	**14.1**	14.3	0.2
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	97.3	92.3	-70.9	14.5	**133.1**	147.8	14.6
TOTAL	**255.5**	**104.5**	**-92.2**	**21.9**	**289.6**	**281.6**	**-8.1**

[1] Reflects the difference between the anticipated 2017/18 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2018/19 Business Plan, and the actual 2017/18 year end position.

6.7 Key funding changes (of greater than £0.25m or requiring approval):

Funding	**Service**	**Amount (£m)**	**Reason for Change**
Revised Phasing	C&I	+£2.5	A report on the Cambs 2020 Programme is being taken to C&I Committee in November. The report to C&I Committee can be found here. As part of that report, it is recommended that C&I Committee requests General Purposes Committee to approve the rephasing of the Shire Hall Relocation budget to move £2.5m budget from 2019/20 into 2018/19. This is to be funded from prudential borrowing, and will therefore increase the prudential borrowing requirement in 2018/19 by £2.5m. The change to the full scheme budget will be submitted for approval as part of the 2019/20 Business Planning process; the rephasing of the

			2018/19 funding from 2019/20 requires GPC approval now to fund the design work. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (total borrowing £18.3m) will start in 2022/23 at £940k and decreases each year thereafter. **General Purposes Committee is asked to approve +£2.5m revised phasing of prudential borrowing from 2019/20 to 2018/19 for the Shire Hall Relocation Scheme.**

6.8 In addition to the above funding changes for 2018/19, additional funding of £105k is requested in 2018/19 for the Stanground (£62k) and Woodston (£43k) Closed Landfill Energy Projects. These schemes relate to the development of clean energy projects at the Stanground and Woodston Closed Landfill sites with a view to generate income over the medium to longer term; the estimated 25 year net returns are £36.9m and £9.0m respectively. The outline business case was approved by the Commercial & Investment (C&I) Committee in September 2018; the report to C&I Committee can be found here. The full scheme budgets will be submitted for approval as part of the 2019-20 Business Planning process; the 2018/19 funding requires GPC approval now to fund initial planning and design work. The schemes will be funded by borrowing; the annual cost of borrowing for these schemes (total borrowing £9.75m for Stanground, £2.53m for Woodston) will start in 2020/21 at £709k for Stanground and £184k for Woodston, and decrease each year thereafter.

General Purposes Committee is asked to approve additional Prudential Borrowing of £62,000 and £43,000 in 2018/19 for the Stanground and Woodston Closed Landfill Energy Projects.

6.9 In addition to the above funding changes for 2018/19, additional funding of £275k is requested in 2018/19 for two replacement mobile libraries. This scheme will ensure that the Mobile Library Service continues as an essential part of the statutory service and is fit for purpose. The existing mobile libraries are at end of their life and require replacing within the next three months to avoid critical service failure. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2019/20 at £32k and decreases each year thereafter.

General Purposes Committee is asked to approve additional Prudential Borrowing of £275,000 in 2018/19 for the replacement Mobile Libraries scheme.

6.10 In addition to the above funding changes for 2018/19, additional funding of £113k is requested in 2018/19 for roof repairs to the Marwick Centre. The Council owns the freehold of the Marwick Centre in March which is currently occupied by Fenland Area Community Trust (FACET), a registered charity who provide training and day care to adults with learning disabilities. Roof repairs are required to the centre following storm damage but FACET are unable to pay the full cost of the work. At the October Commercial & Investment (C&I) Committee meeting, the C&I Committee approved that in consideration for CCC paying for the roof works of £113,350 plus VAT, FACET will pay back 50% of the costs over the duration of the lease, which has approximately 21 years remaining. The 50% of the costs of the works plus interest will be recovered through an increase in the lease payment by FACET. The CCC insurers recovery team will continue to seek a claim against the original roof contractor. The C&I Committee recommends to the General Purposes Committee (GPC) that an additional £113,350 be approved in the

C&I 2018/19 capital programme to cover this cost of roof repairs. The report to C&I Committee can be found here. The scheme will be funded by borrowing in the first instance; the annual cost of borrowing for this scheme will start in 2019/20 at £6k and decreases each year thereafter.

General Purposes Committee is asked to approve additional Prudential Borrowing of £113,350 in 2018/19 for the Marwick Centre roof repairs project.

6.11 In addition to the above funding changes for 2018/19, additional funding of £22k is required in 2018/19 for a database system to manage financial and non-financial obligations indicated in relevant Section 106 legal agreements (s106s). S106 contributions are a major source of income for the Council; an average of £26m per annum has been collected from s106 agreements over the last 4 years. Monitoring is currently carried out via a spreadsheet but this is becoming unmanageable; a database system has been identified as an internal audit recommendation to mitigate risks around monitoring records and tracking triggers for developer contributions becoming due. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2019/20 at £5k and decreases each year thereafter. This project was agreed under delegated authority in consultation with the Chair of the Committee and is included here for information.

7. FUNDING CHANGES

7.1 Where there has been a material change in 2018/19 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the GPC for approval.

7.2 School Improvement Grant

The School Improvement Monitoring and Brokering Grant is an un-ringfenced grant from the Education Funding Agency (EFA) that has been allocated to Local Authorities to allow them to continue to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. However as an un-ringfenced grant it is for the Council to determine how it allocates such funding.

Allocations are based on the number of maintained schools in each Local Authority as at 1st September 2018; following the revised calculation, Cambridgeshire County Council's allocation of the £50m grant is £239,873 higher than budgeted for.

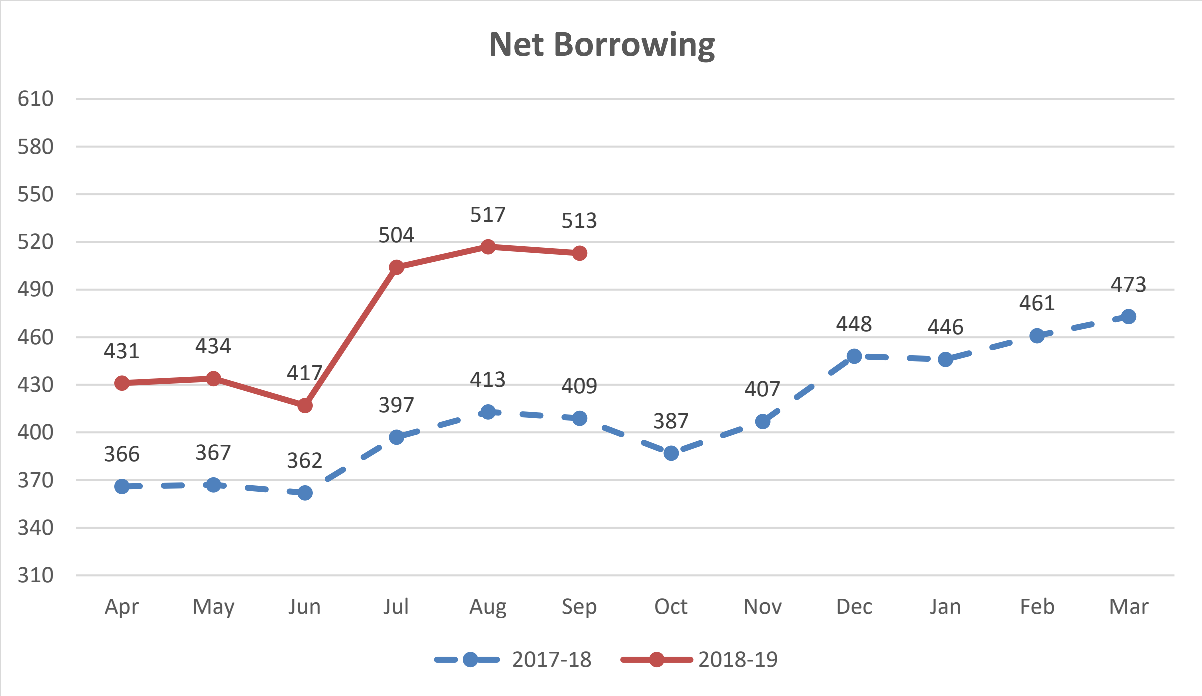
General Purposes Committee is asked to approve the allocation of £239,873 School Improvement and Brokering Grant to People and Communities so that it can be used for its intended purpose.

8. BALANCE SHEET

8.1 At the September meeting of the General Purposes Committee (GPC) new debt reduction targets were approved and actions being taken to manage income collection and debt recovery were noted. Allocation of income received to accounts is currently taking longer than normal due to the time taken to establish ERP Gold as business as usual for debt management. The report to GPC can be found here. The debt position against the new targets will be reported in the Integrated Resources & Performance Report on a monthly basis. The position as at the end of September 2018 is shown below:

Measure		**Year End Target**	**Actual as at the end of Sept 2018**
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.05m
	Sundry	£1.71m	£3.76m

8.2 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of September 2018 were £50m (excluding 3rd party loans) and gross borrowing was £563m. Of this gross borrowing, it is estimated that £115m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



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 2018-19 TMSS was set in February 2018, it was anticipated that net borrowing would reach £683m at the end of this financial year. Based upon latest projections of Balance Sheet cash-backed reserves and the Capital Programme borrowing requirements, this is now forecast to be lower at £630m. This position will be monitored as the year progresses to establish the full year final position.

8.4 From a strategic perspective, the Council is currently utilising cash backed balances and undertaking shorter term borrowing to generate net interest savings. This approach carries with it interest rate risk, and officers are monitoring options as to the timing of any potential longer term borrowing should underlying rates be forecast to rise in a sustained manner.

8.5 There is a link between the annual capital programme borrowing requirement, the net borrowing position and consequently net interest charges. However, the Debt Charges budget is formulated in the context of additional factors including projected levels of cash backed reserves, forecast movements in interest rates, and the overall 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, due to the timing difference between outgoing payments (payroll, supplier payments etc) and income streams (grants, Council tax etc). Cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend.

8.7 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report (https://tinyurl.com/yc7cu9ar).

8.8 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in Appendix 2.

9. ALIGNMENT WITH CORPORATE PRIORITIES

9.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

9.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

9.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

10. SIGNIFICANT IMPLICATIONS

10.1 Resource Implications

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

10.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

10.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

10.4 Equality and Diversity Implications

There are no significant implications within this category.

10.5 **Engagement and Consultation Implications**

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

10.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

10.7 **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**
P&E Finance & Performance Report (September 18) P&C Finance & Performance Report (September 18) PH Finance & Performance Report (September 18) CS and LGSS Cambridge Office Finance & Performance Report (September 18) C&I Finance & Performance Report (September 18) Performance Management Report & Corporate Scorecard (September 18) Capital Monitoring Report (September 18)	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	P&E	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	239,124	629	41,428	25,983	7,207	11,126	-8,188	8,871	33,685
Post BP adjustments	208				203	58	-433	-36	
Greater Cambridge Partnership budgets not reported in CCC budget					-863				
Use of earmarked reserves for Community Transport			84						-84
Cleaning contract savings transfer					36		-36		
Organisational structure review	-70				70				
Use of earmarked reserves for Community Transport			211						-211
Funding from General Reserves for Children's services reduced grant income expectation as approved by GPC	295								-295
Funding from General Reserves for New Duties – Leaving Care as approved by GPC	390								-390
Savings forthcoming from change in LEP governance arrangements applied to corporate savings target			-43		43				
Grand Arcade shop rental income transfer from Libraries to Property Services			50				-50		
Use of Smoothing Fund Reserve for P&C	3,413								-3,413
Transfer of advocacy budget to Corporate Services	-95				95				
Current budget	**243,264**	**629**	**41,730**	**25,983**	**6,791**	**11,184**	**-8,707**	**8,835**	**29,292**
Rounding	2	0	0	0	-1	-1	1	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 September 2018		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	13,392	2,568	15,960	11,398	
- Services					Service reserve balances transferred to General Fund after review
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	0	0	0	0	
subtotal	13,392	2,568	15,960	11,398	
Earmarked					
- Specific Reserves					
5 Insurance	3,175	151	3,327	3,327	
subtotal	3,175	151	3,327	3,327	
- Equipment Reserves					
6 P&C	64	0	64	64	
7 P&E	30	0	30	0	
8 CS	30	-27	3	3	
9 C&I	680	-626	54	0	
subtotal	804	-653	151	67	
Other Earmarked Funds					
10 P&C	514	0	514	514	
11 PH	2,567	0	2,567	2,069	
12 P&E	5,382	-261	5,121	3,780	Includes liquidated damages in respect of the Guided Busway
13 CS	2,628	-186	2,442	2,865	
14 LGSS Managed	63	0	63	0	
15 C&I	552	106	658	658	
16 Transformation Fund	21,877	7,591	29,468	21,606	Savings realised through change in MRP policy
17 Innovate & Cultivate Fund	844	-66	778	446	
18 Smoothing Fund	0	0	0	0	This table has been presented on the basis of the £3.413m draw down approved in the August IR&PR section 6.2.
subtotal	34,427	7,184	41,611	31,938	
SUB TOTAL	**51,799**	**9,250**	**61,049**	**46,730**	
Capital Reserves					
- Services					
18 P&C	778	0	778	778	
19 P&E	10,200	14,164	24,364	1,000	
20 LGSS Managed	0	0	0	0	
21 C&I	0	29,925	29,925	0	
22 Corporate	43,561	15,409	58,970	47,498	Section 106 and Community Infrastructure Levy balances.
subtotal	54,539	59,498	114,037	49,276	
GRAND TOTAL	**106,338**	**68,748**	**175,086**	**96,006**	

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 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 September 2018		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	55	0	55	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,715	0	3,715	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	**7,328**	**0**	**7,328**	**7,273**	