

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING
30TH SEPTEMBER 2016**

To: **General Purposes Committee**

Date: **29th November 2016**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/A**

Key decision: **N/A**

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

Recommendations: **General Purposes Committee (GPC) is recommended to:**

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

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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 (August) | Forecast Year End Position (September) | Current Status | DoT (up is improving) |
|-----------------------------------|-----------------------------|-------------------------------------|--|----------------|-----------------------|
| Revenue Budget | Variance (£m) | +£1.9m | +£1.5m | Amber | ↑ |
| Basket Key Performance Indicators | Number at target (%) | 31% (5 of 16) ¹ | 38% (6 of 16) ¹ | Amber | ↑ |
| Capital Programme | Variance (£m) | +£0.2m | £0.0m | Green | ↑ |
| Balance Sheet Health | Net borrowing activity (£m) | £418m | £421m | Green | ↔ |

¹ The number of performance indicators on target reflects the current position.

- 2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end overspend of £1.5m, which is a reduction of £0.4m on the overspend reported last month. The change in position is mainly due to a net decrease in Children, Families and Adults (CFA) and Corporate Services overspends. See section 3 for details.
- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2016/17. There are 18 indicators in the Council's new basket, with data currently being available for 16 of these. Of these 16 indicators, 6 are on target. However, 4 of the amber-rated indicators are within 5% of their target values. See section 5 for details.
- The Capital Programme is forecasting a balanced budget at year end. Although Economy, Transport and Environment (ETE), CFA, LGSS Managed and Assets & Investments (A&I) are all reporting in-year slippage on their capital programmes, totalling £8.13m, this is within the allowances made for capital programme variations, leading to a balanced outturn overall. See section 6 for details.
- Balance Sheet Health; the original forecast net borrowing position for 31st March 2017, as set out in the Treasury Management Strategy Statement (TMSS) is £479m. This projection has now fallen to £421m, which is £3m higher than reported last month. The

change since last month is due to the forecast for prudential borrowing in 2016/17 increasing from £73m to £76m. See section 7 for details.

3. REVENUE BUDGET

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

Key to abbreviations

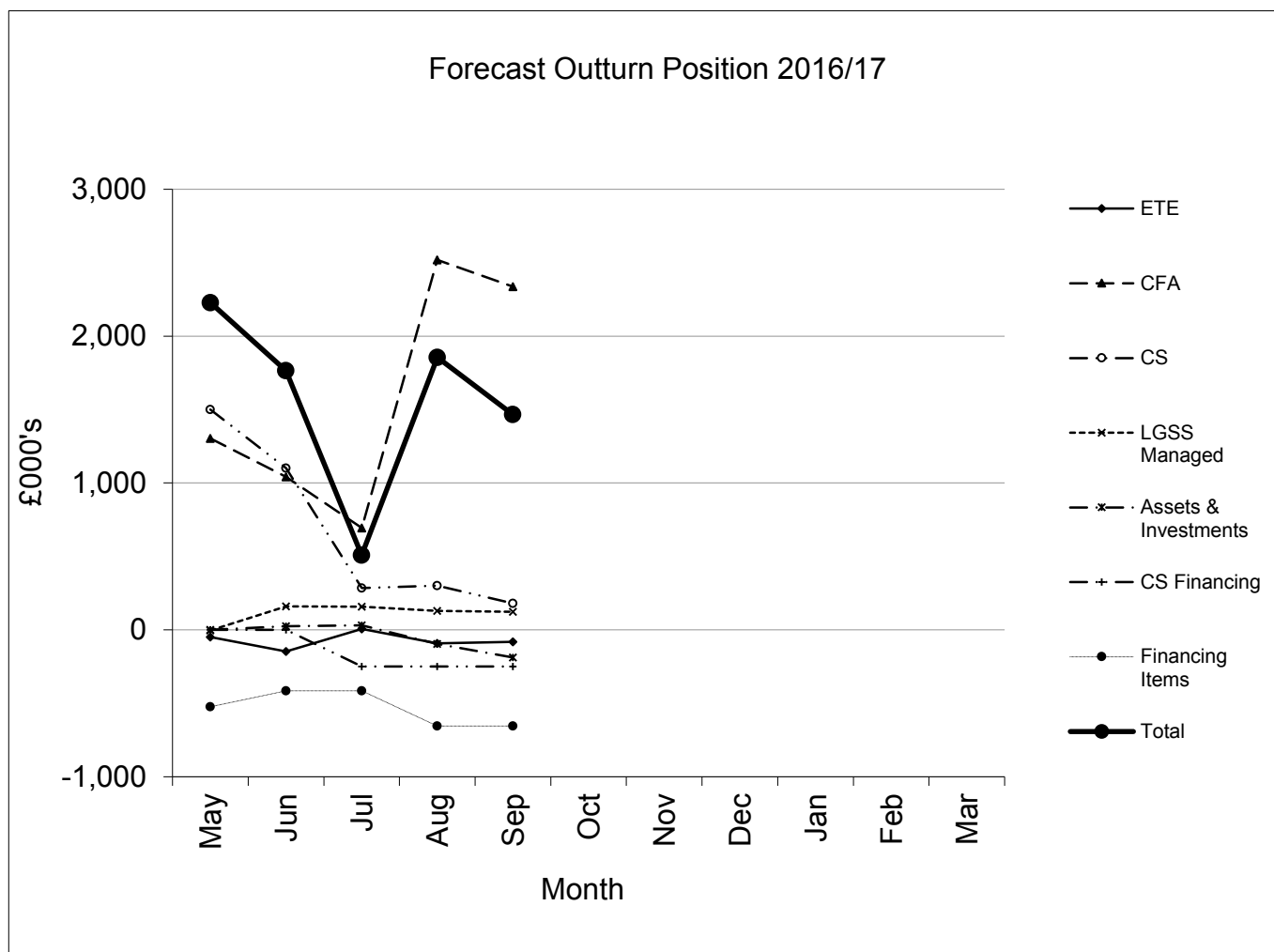
ETE – Economy, Transport and Environment
 CFA – Children, Families and Adults
 CS Financing – Corporate Services Financing
 DoT – Direction of Travel (up arrow means the position has improved since last month)

| Original Budget as per Business Plan £000 | Service | Current Budget for 2016/17 £000 | Forecast Variance - Outturn (August) £000 | Forecast Variance - Outturn (Sept) £000 | Forecast Variance - Outturn (Sept) % | Overall Status | DoT |
|---|-------------------------------|---------------------------------|---|---|--------------------------------------|----------------|----------|
| 59,952 | ETE | 61,967 | -93 | -82 | -0.1% | Green | ↓ |
| 242,563 | CFA | 242,316 | 2,520 | 2,338 | 1.0% | Red | ↑ |
| 182 | Public Health | 182 | 0 | 0 | 0.0% | Green | ↔ |
| 4,674 | Corporate Services | 4,830 | 301 | 181 | 3.7% | Amber | ↑ |
| 6,010 | LGSS Managed | 6,004 | 128 | 123 | 2.0% | Amber | ↑ |
| 2,711 | Assets & Investments | 2,714 | -96 | -188 | -6.9% | Green | ↑ |
| 34,206 | CS Financing | 34,206 | -250 | -250 | -0.7% | Green | ↔ |
| 350,298 | Service Net Spending | 352,219 | 2,510 | 2,122 | 0.6% | Amber | ↑ |
| 4,677 | Financing Items | 1,900 | -655 | -655 | -34.5% | Green | ↔ |
| 354,975 | Total Net Spending | 354,119 | 1,855 | 1,467 | 0.4% | Amber | ↑ |
| | Memorandum items: | | | | | | |
| 9,589 | LGSS Operational | 9,682 | 213 | 246 | 2.5% | Amber | ↓ |
| 222,808 | Schools | 222,808 | | | | | |
| 587,372 | Total Spending 2016/17 | 586,610 | | | | | |

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

² The forecast variance outturn does not include the £9.3m budget saving in 2016/17 following the change in Minimum Revenue Provision (MRP) policy, which was approved by Council on 16 February 2016.

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** -£0.082m (-0.1%) underspend is forecast at year-end. There are no new exceptions to report; for full and previously reported details see the [ETE Finance & Performance Report](#).

3.2.2 **Children, Families and Adults:** +£2.338m (1.0%) overspend is forecast at year-end.

- | | £m | % |
|---|--------|-------|
| <ul style="list-style-type: none"> Older People – All Localities – An underspend of -£1.5m is forecast for year end, which is an improvement of £605k on the position reported last month. There have been significant increases in the underspends forecast by Fenland and Hunts Localities (£265k and £399k increase respectively). All areas are expecting to continue the current trend of reducing commitments for longer term support and a new block contract for care home placements should deliver savings compared to previous spot purchasing patterns, particularly in the South of the county. These assumptions have been incorporated into the forecast outturns. | -1.500 | (-4%) |

- **Older People Mental Health** – An underspend of -£482k is forecast for year-end. This is an improvement of £276k on the position reported last month and is due to a revision in the projections for the underlying cost of care commitment, which has reduced by £116k this month following continued reduction in high cost nursing care package numbers. It is expected further savings in cost of care will be achieved before year-end, so this part of the forecast underspend has been increased to £341k. -0.482 (-6%)
- **Looked After Children (LAC) Placements** – An overspend of +£3.0m is forecast for year-end. This is an increase of £800k on the overspend reported last month. This is due to a combination of the underlying pressure from 2015/16 (£1.4m), as a result of having more LAC in care than budgeted, and the number of children in care and in placements not reducing as originally budgeted, and continuing to rise.

The level of LAC savings for both the current year and future years has recently been subject to an in depth review. The outcome of this work has revealed that there is currently inadequate budget to support the number of LAC in the care system, both in-year and going forward. This has therefore been reflected within the forecast outturn position this month, for the impact on the delivery of in-year savings. The impact to future year savings is being dealt with as part of the current Business Planning process.

Furthermore, the recent cohort of children becoming LAC have included children requiring high cost placements due to their complex needs. It should, however, be noted that a significant amount of work has been undertaken focussing on procurement savings. To date, c.£1.4m of savings have successfully been delivered around this work, against an annual savings target of £1.5m. +3.000 (+15%)

Actions currently being taken to address the forecast overspend include:

- A weekly Section 20 panel to review children on the edge of care, specifically looking to prevent escalation by providing timely and effective interventions. The panel also reviews placements of children currently in care to provide more innovative solutions to meet the child's needs.
- A weekly LAC monitoring meeting chaired by the Executive Director of CFA, which looks at reducing the number of children coming into care and identifying further actions that will ensure further and future reductions. It also challenges progress made and promotes new initiatives.

- For full and previously reported details see the [CFA Finance & Performance Report](#).
 - As well as the mitigating actions restricting the forecast overspend to +£2.34m at this point, CFA is continuing to review all expenditure headings to identify further offsetting underspends in addition to the major improvements forecast in Older People's Services identified above.
- 3.2.3 **Public Health:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [PH Finance & Performance Report](#).
- 3.2.4 **Corporate Services:** +£0.181m (+3.7%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.5 **LGSS Managed:** +£0.139m (+2.3%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.6 **CS Financing:** -£0.250m (-0.7%) underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve. For full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.7 **LGSS Operational:** +£0.246m (+2.5%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.8 **Assets & Investments:** -£0.188m (-6.9%) underspend is forecast at year-end. There are no new exceptions to report this month; for full and previously reported details see the [A&I Finance & Performance Report](#).

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

4. KEY ACTIVITY DATA

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

5. PERFORMANCE TARGETS

5.1 As previously reported to GPC the key performance indicators are currently under review and a new set of indicators will be considered as part of the Business Plan.

| Corporate priority | Indicator | Service | What is good? High (good) or low | Date | Unit | Actual | Target | Status (Green, Amber or Red) | Direction of travel (up is good, down is bad) |
|------------------------|--|-------------------------------------|----------------------------------|----------------|--------|--|---|------------------------------|---|
| Developing our economy | Percentage of Cambridgeshire residents aged 16 - 64 in employment: 12-month rolling average | ETE | High | At-31-Mar-2016 | % | 78.7% | 80.3% (2015/16 target) | Amber | ↓ |
| | Additional jobs created* | ETE | High | To 30-Sep-2015 | Number | +6,300 (provisional) | + 3,500 (2015/16 target) | Green | ↓ |
| | 'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others* | ETE | Low | At-29-Feb-2016 | % | Gap of 6.4 percentage points Most deprived areas (Top 10%) = 11.5% Others = 5.1% | Most deprived areas (Top 10%) <=12% Gap of <7.2 percentage points (2015/16 target) | Green | ↔ |
| | The proportion of children in year 12 taking up a place in learning | CFA (Enhanced & Preventative – E&P) | High | August 16 | % | 93.4% | 96.5% | Amber | ↓ |
| | Percentage of 16-19 year olds not in education, employment or training (NEET) | CFA | Low | August 16 | % | 3.5% | 3.3% | Amber | ↓ |
| | The proportion pupils attending Cambridgeshire Primary schools | CFA (Learning) | High | August 16 | % | 82.0% | 82.0% | Green | ↑ |

| 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) |
|--------------------|---|----------------|----------------------------------|-------------|--------|--------|---------------------------------|-------------------------------|---|
| | judged good or outstanding by Ofsted | | | | | | | | |
| | The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted | CFA (Learning) | High | August 16 | % | 56.9% | 75.0% | Red | ↑ |
| | The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted | CFA (Learning) | High | August 16 | % | 94.8% | 100% | Amber | ↔ |
| | The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase | CFA | High | August 16 | % | 54.3% | 57% | Amber | ↑ |
| | Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+) | CFA | Low | July 16 | Number | 579 | 429 per month (4874.5 per year) | Red | ↓ |
| | Number of ASC attributable bed-day delays per 100,000 population (aged 18+) | CFA | Low | July 16 | Number | 124 | 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) |

| 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) |
|---|---|-----------------------------------|----------------------------------|----------------------------|---------------------------------|---------|-----------------------------|------------------------------|---|
| | Absolute gap in life expectancy between the most deprived 20% of Cambridgeshire's population and the least deprived 80% (all persons) | Public Health | Low | 2013-2015 (Q4 2015) | Years | 2.6 | N/A – contextual indicator | N/A – contextual indicator | ↔ |
| Supporting and protecting vulnerable people | The number of looked after children per 10,000 children | CFA (Children's Social Care) | Low | August 16 | Rate per 10,000 | 47.0 | 40 | Red | ↓ |
| | No/ % of families who have not required statutory services within six months of have a Think Family involvement. | CFA (E&P) | TBC | TBC | TBC | TBC | TBC new measure for 2016/17 | TBC | TBC |
| An efficient and effective organisation | The percentage of all transformed transaction types to be completed online | Customer Service & Transformation | High | 1 July – 30 September 2016 | % | 55.83%. | 75% | Red | ↓ |
| | The average number of days lost to sickness per full-time equivalent staff member | LGSS HR | Low | September 2016 | Days (12 month rolling average) | 6.59 | 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 percentage of all transformed transaction types to be completed online**
This is a substantial reduction on the quarter 1 score (70.4%) due to the vast number of concessionary renewals in quarter 2, which generally come from a segment of the population that does not have a high propensity to transact online.
- For full and previously reported details go to the respective Service Finance & Performance Report:
 - [ETE Finance & Performance Report](#)
 - [CFA Finance & Performance Report](#)
 - [PH Finance & Performance Report](#)
 - [CS & LGSS Finance & Performance Report](#)
 - [A&I Finance & Performance Report](#)

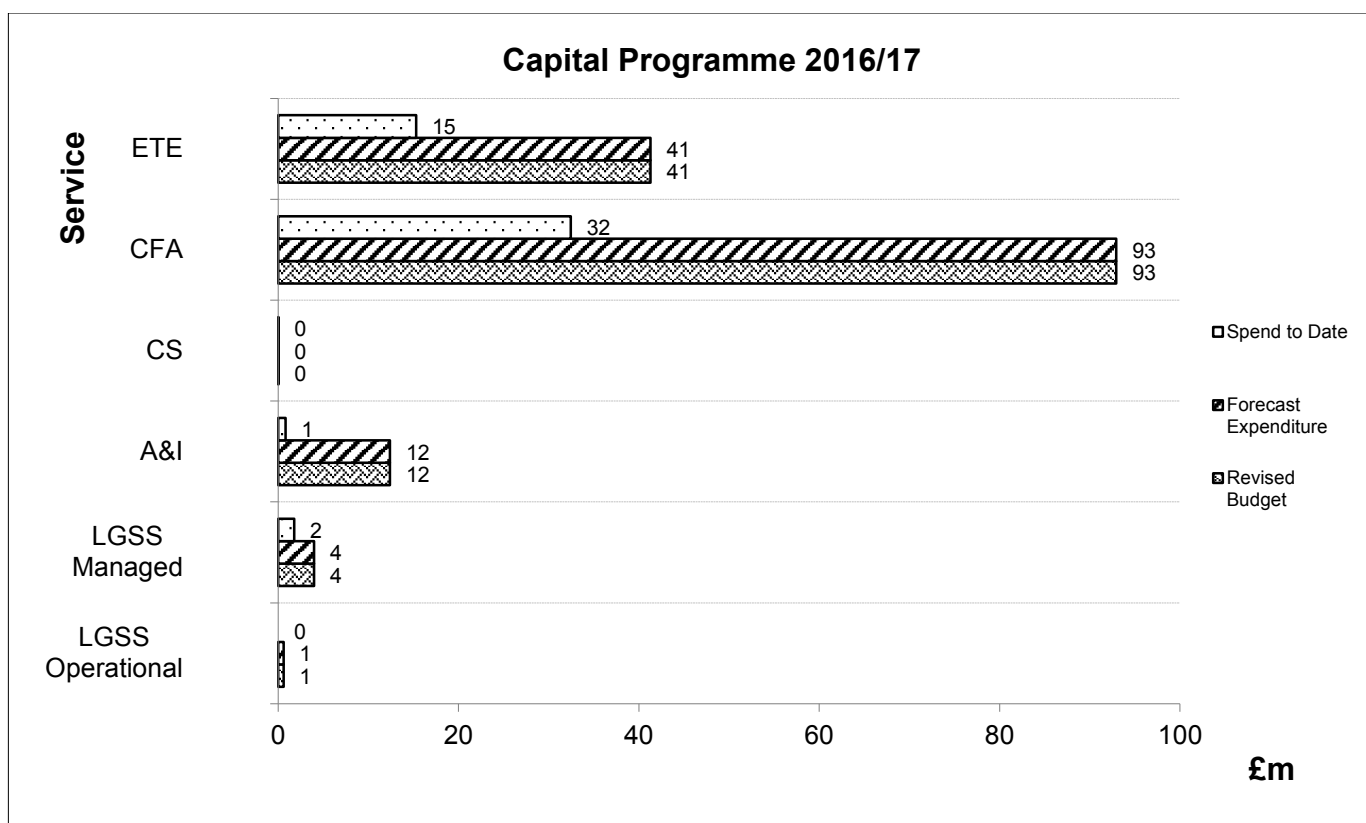
6. CAPITAL PROGRAMME

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

| 2016/17 | | | | | | TOTAL SCHEME | |
|---|---------------------------|---|---|---|--|--|---|
| Original 2016/17 Budget as per Business Plan £000 | Service | Revised Budget for 2016/17 £000 | Forecast Variance - Outturn (August) £000 | Forecast Variance - Outturn (Sept) £000 | Forecast Variance - Outturn (Sept) % | Total Scheme Revised Budget (Sept) £000 | Total Scheme Forecast Variance (Sept) £000 |
| 71,699 | ETE | 41,293 | - | - | 0.0% | 415,691 | - |
| 97,156 | CFA | 92,921 | 0 | 0 | 0.0% | 543,222 | 31,629 |
| 33 | Corporate Services | 48 | - | - | 0.0% | 300 | - |
| 4,405 | LGSS Managed | 3,996 | - | - | 0.0% | 15,628 | -0 |
| 11,397 | A&I | 12,398 | 195 | -0 | 0.0% | 240,310 | -1,867 |
| 1,104 | LGSS Operational | 618 | - | - | 0.0% | 1,704 | - |
| 185,794 | Total Spending | 151,274 | 195 | -0 | 0.0% | 1,216,855 | 29,761 |

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted, including the capital programme variations budget allocated to each service. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported ETE capital figures do not include City Deal, which has a budget for 2016/17 of £7.4m and is currently forecasting an in-year underspend of £0.15m.



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

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

| 2016/17 | | | | | |
|-----------------------|---|---|--|---|---|
| Service | Capital Programme Variations Budget £000 | Forecast Variance - Outturn (September) £000 | Capital Programme Variations Budget Used £000 | Capital Programme Variations Budget Used % | Revised Forecast Variance - Outturn (September) £000 |
| ETE | -10,500 | -4,573 | 4,573 | 43.55% | 0 |
| CFA | -10,282 | -1,687 | 1,687 | 16.41% | 0 |
| Corporate Services | -12 | 0 | 0 | 0.00% | 0 |
| LGSS Managed | -1,029 | -1,857 | 1,857 | 180.47% | 0 |
| A&I | -2,850 | -13 | 13 | 0.46% | -0 |
| LGSS Operational | -155 | 0 | 0 | 0.00% | 0 |
| Total Spending | -24,828 | -8,130 | 8,130 | 32.75% | -0 |

- 6.3 Slippage in the capital programme for LGSS Managed is forecast to exceed its capital programme variations budget allocation of £1m. However, at this stage it is not anticipated that the capital programme as a whole will slip beyond the overall variations budget, but it is not clear where any offsetting under-utilisation of the variations budget will be realised. Thus the outturn on LGSS Managed does not currently lead to an overall forecast underspend on the capital programme, but this will be closely monitored with any changes to the position reflected in future reports.
- 6.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.5m or greater are identified below.

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

| | £m | % |
|--|------|--------|
| <ul style="list-style-type: none"> King's Dyke – a -£3.3m in-year underspend is forecast. This is a movement of -£0.7m on the position reported last month. Due to land access and legal issues with the landowner it is now unlikely that expenditure on the scheme will begin before 2017/18. The works package is not due to be approved by the Economy and Environment Committee until March 2017. | -3.3 | (-96%) |
| <ul style="list-style-type: none"> ETE Capital Variation – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. There has been a movement of +£0.5m in the outturn for ETE capital variation since last month. | +4.6 | (+44%) |
| <ul style="list-style-type: none"> For full and previously reported details see the ETE Finance & Performance Report. | | |

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

| | £m | % |
|---|------|-------|
| <ul style="list-style-type: none"> Basic Need – Primary – a -£3.2m in-year underspend is forecast, which is a movement of -£0.5m on the position reported last month. This is largely due to movement on the following schemes: <ul style="list-style-type: none"> Ramnoth Primary, Wisbech: -£1.2m (-38%) as the start of work on site has been delayed from October to December 2016. Grove Primary: +£0.3m (+27%) – movement of +£0.2m since last month due to increased costs associated with asbestos removal. Histon additional places: +£0.35m. Work has begun earlier than anticipated. | -3.2 | (-8%) |
| <ul style="list-style-type: none"> For full and previously reported details see the CFA Finance & Performance Report. | | |

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](#).

6.4.4 **LGSS Managed:** a balanced budget is forecast at year-end.

| | £m | % |
|--|------|---------|
| <ul style="list-style-type: none"> • Sawston Community Hub – a -£0.9m in-year underspend is forecast due to a delay in obtaining planning permission. As a result construction work is not expected to begin until February 2017 and some of the expenditure planned for 2016/17 will now be re-phased to 2017/18. | -0.9 | (-86%) |
| <ul style="list-style-type: none"> • Microsoft Enterprise Agreement – the final payment on the contract is due in 2017/18, not 2016/17 as originally budgeted. Therefore there will be a -£0.5m in-year underspend, with this expenditure to be re-phased into 2017/18. | -0.5 | (-50%) |
| <ul style="list-style-type: none"> • 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. Slippage in the capital programme for LGSS Managed has exceeded its capital variation budget allocation. However, as the variation budget across the Council as a whole has not yet been fully utilised, at this stage this does not lead to an overall forecast underspend on the capital programme. | +1.9 | (+180%) |
| <ul style="list-style-type: none"> • For full and previously reported details see the CS & LGSS Finance & Performance Report. | | |

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

6.4.6 **Assets & Investments:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [A&I Finance & Performance Report](#).

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

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

6.5.2 **Children, Families and Adults:** a +£31.5m (+6%) total scheme overspend is forecast.

| | £m | % |
|--|-------|--------|
| <ul style="list-style-type: none"> • Basic Need – Primary – a +£28.1m (+13%) total scheme overspend is forecast, which is an increase of £15.5m on the overspend reported last month. This is due to total scheme overspends emerging for the following schemes: | +28.1 | (+13%) |
| <ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Histon additional places: +£10.0m (+167%) increased scheme costs caused by the scope of the project significantly | | |

increasing to include additional places for both infant and junior age ranges.

- St Ives, Eastfield/ Westfield/ Wheatfields: +£4.0m (+133%) increased cost due to additional building works required as the school are not planning to amalgamate into an all-through primary.
- Sawtry Infants: +£0.9m (+26%) increase in scheme costs after more detailed costings have been completed.
- Grove Primary: +£0.3m (+22%) increase in costs associated with asbestos removal.
- Burwell Primary phase one: +£0.3m (+13%) increase in scheme costs after more detailed planning and revised costing has been undertaken.

With the exception of Grove Primary, all these changes relate to future years and will be addressed in the 2017/18 Business Plan.

- **Basic Need – Secondary** – a +£2.6m (+1%) total scheme overspend is forecast. This is a movement of +£2.1m on the position reported last month and is largely caused by a £2.5m total scheme overspend on the Cambridge City three form entry scheme. This is in relation to St Bede's School where additional works are required to rectify fire damage, for which additional funding will be received from insurance payments. Other total scheme overspends have reduced by £0.4m, partially offsetting the £2.5m. +2.6 (+1%)
- For full and previously reported details see the [CFA Finance & Performance Report](#).

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

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

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

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

6.6 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 | 20.5 | 0.2 | -1.7 | 1.0 | 20.0 | 20.0 | - |
| Basic Need Grant | 3.8 | - | - | - | 3.8 | 3.8 | -0.0 |
| Capital Maintenance Grant | 4.6 | - | - | 0.1 | 4.7 | 4.7 | - |
| Devolved Formula Capital | 1.1 | 0.9 | - | -0.0 | 1.9 | 1.9 | -0.0 |
| Specific Grants | 21.1 | 3.6 | -12.7 | 1.6 | 13.7 | 10.2 | -3.5 |
| S106 Contributions & Community Infrastructure Levy | 30.3 | 1.1 | -3.7 | 0.1 | 27.8 | 27.8 | 0.0 |
| Capital Receipts | 10.3 | - | - | -5.9 | 4.3 | 4.3 | -0.0 |
| Other Contributions | 10.7 | 0.2 | -8.8 | 0.8 | 2.9 | 2.9 | -0.0 |
| Revenue Contributions | - | - | - | - | - | - | - |
| Prudential Borrowing | 83.4 | 10.2 | -29.3 | 7.8 | 72.1 | 75.6 | 3.5 |
| TOTAL | 185.8 | 16.3 | -56.1 | 5.3 | 151.3 | 151.3 | -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.

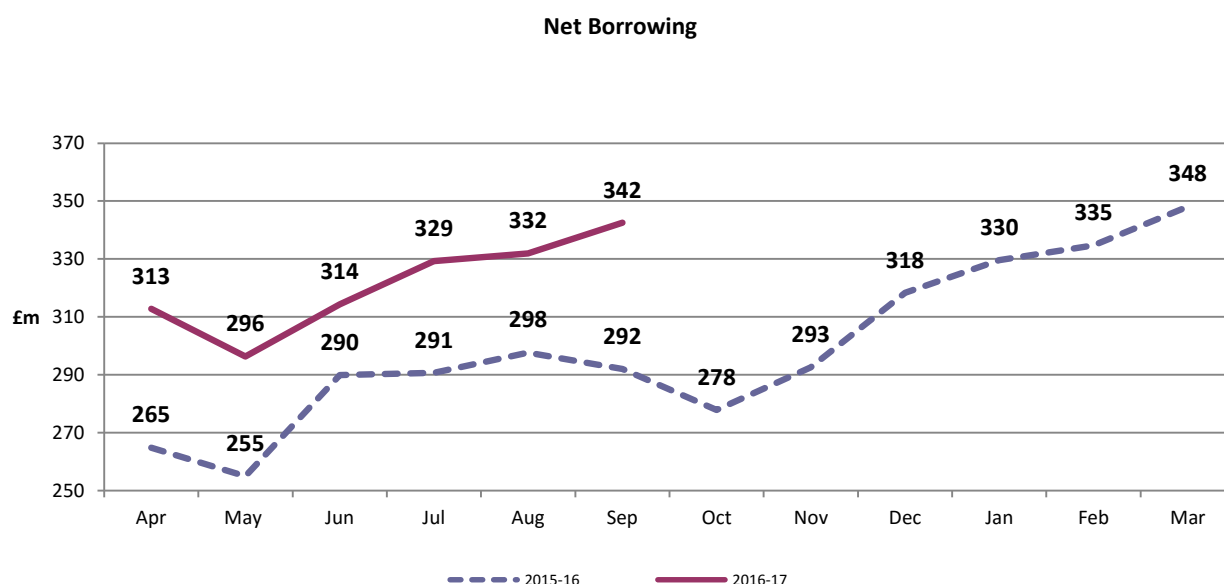
6.7 Capital receipts for 2016/17 are currently forecast to be £5.9m less than originally budgeted, which is £1.9m less than previously reported. Any further changes to this position will be reported throughout the year. Any shortfall in capital receipts will need to be met with additional prudential borrowing, which General Purposes Committee will be asked to approve as part of the 2016/17 outturn report.

7. BALANCE SHEET

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

| Measure | Year End Target | Actual as at the end of September |
|--|-----------------|-----------------------------------|
| Level of debt outstanding (owed to the council) – 4-6 months, £m | £0.4m | £0.7m |
| Level of debt outstanding (owed to the council) – >6 months, £m | £1.0m | £2.0m |
| Invoices paid by due date (or sooner) | 97.5% | 99.6% |

7.2 The graph below shows net borrowing (investments less borrowing) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of September were £19.6m (excluding 3rd party loans) and gross borrowing was £362.1m.



7.3 Key exceptions are identified below:

| Key exceptions | Impacts and actions |
|--|--|
| Less borrowing activity than planned –original net borrowing forecast was £479m. Actual net borrowing at 30th September was £342m. | <p>A £250k underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve.</p> <p>The impact of lower borrowing on the Debt Charges budget would normally result in a favourable forecast variance (due to lower interest payments). However the Debt Charges budget was reduced in anticipation of capital expenditure slippage during the budget setting process, so the magnitude of the variance reported is muted.</p> <p>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.</p> |

7.4 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).

7.5 A schedule of the Council's reserves and provisions can be found in [appendix 2](#).

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

8.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

8.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

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

9.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

9.3 Equality and Diversity Implications

There are no significant implications within this category.

9.4 Engagement and Consultation Implications

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

9.5 Localism and Local Member Involvement

There are no significant implications within this category.

9.6 Public Health Implications

There are no significant implications within this category.

| Implications | Officer Clearance |
|--|--|
| | |
| Have the resource implications been cleared by Finance? | Yes Name of Financial Officer: Chris Malyon |
| | |
| Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law? | No Name of Legal Officer: Not applicable |
| | |
| Are there any Equality and Diversity implications? | No Name of Officer: Not applicable |
| | |
| Have any engagement and communication implications been cleared by Communications? | No Name of Officer: Not applicable |
| | |
| Are there any Localism and Local Member involvement issues? | No Name of Officer: Not applicable |
| | |
| Have any Public Health implications been cleared by Public Health | No Name of Officer: Not applicable |

| Source Documents | Location |
|---|--|
| ETE Finance & Performance Report (September 16) CFA Finance & Performance Report (September 16) PH Finance & Performance Report (September 16) CS and LGSS Cambridge Office Finance & Performance Report (September 16) A&I Finance & Performance Report (September 16) Performance Management Report & Corporate Scorecard (September 16) Capital Monitoring Report (September 16) Report on Debt Outstanding (September 16) Payment Performance Report (September 16) | 1 st Floor, Octagon, Shire Hall, Cambridge |

APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)

[illegible]

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 30 September 16 | | |
| | £000s | £000s | £000s | £000s | |
| <u>General Reserves</u> | | | | | |
| - County Fund Balance | 18,921 | -27 | 18,894 | 19,671 | |
| - Services | | | | | |
| 1 CFA | 1,623 | -1,062 | 561 | -1,777 | |
| 2 PH | 1,138 | -155 | 983 | 638 | |
| 3 ETE | 3,386 | -2,015 | 1,371 | 0 | |
| 4 CS | 1,218 | 0 | 1,218 | 206 | |
| 5 LGSS Operational | 1,013 | 0 | 1,013 | 252 | |
| subtotal | 27,299 | -3,259 | 24,040 | 18,990 | |
| <u>Earmarked</u> | | | | | |
| - Specific Reserves | | | | | |
| 6 Insurance | 2,864 | 0 | 2,864 | 2,864 | |
| subtotal | 2,864 | 0 | 2,864 | 2,864 | |
| - Equipment Reserves | | | | | |
| 7 CFA | 782 | -80 | 702 | 98 | |
| 8 ETE | 218 | 0 | 218 | 250 | |
| 9 CS | 57 | 0 | 57 | 57 | |
| subtotal | 1,057 | -80 | 977 | 405 | |
| <u>Other Earmarked Funds</u> | | | | | |
| 10 CFA | 4,097 | -2,070 | 2,027 | 939 | Includes liquidated damages in respect of the Guided Busway - current balance £2.4m. |
| 11 PH | 2,020 | 0 | 2,020 | 1,445 | |
| 12 ETE | 6,631 | -377 | 6,254 | 4,919 | |
| 13 CS | 1,274 | 0 | 1,274 | 1,207 | |
| 14 LGSS Managed | 149 | 43 | 192 | 192 | |
| 15 Assets & Investments | 233 | 71 | 304 | 327 | |
| 16 LGSS Operational | 130 | 0 | 130 | 130 | |
| 17 Transformation Fund | 9,891 | -158 | 9,733 | 18,984 | Savings realised through change in MRP policy |
| subtotal | 24,425 | -2,491 | 21,934 | 28,143 | |
| | | | | | |
| SUB TOTAL | 55,645 | -5,830 | 49,815 | 50,402 | |
| | | | | | |
| <u>Capital Reserves</u> | | | | | |
| - Services | | | | | |
| 18 CFA | 2,428 | 7,776 | 10,204 | 425 | Section 106 and Community Infrastructure Levy balances. |
| 19 ETE ¹ | 11,703 | 13,767 | 25,470 | 10,200 | |
| 20 LGSS Managed | 422 | -322 | 100 | 100 | |
| 21 Assets & Investments | 230 | 85 | 315 | 230 | |
| 22 Corporate | 39,388 | 1,308 | 40,695 | 21,154 | |
| subtotal | 54,171 | 22,614 | 76,784 | 32,109 | |
| | | | | | |
| GRAND TOTAL | 109,815 | 16,784 | 126,599 | 82,511 | |

Notes:

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

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

| Fund Description | Balance at 31 March 2016 | 2016-17 | | Forecast Balance 31 March 2017 | Notes |
|--------------------------------|--------------------------------|-------------------------|-------------------------------|--------------------------------------|-------|
| | | Movements in 2016-17 | Balance at 30 September 16 | | |
| | £000s | £000s | £000s | £000s | |
| - Short Term Provisions | | | | | |
| 1 ETE | 712 | -33 | 679 | 0 | |
| 2 CS | 1,312 | 0 | 1,312 | 1,312 | |
| 3 LGSS Managed | 5,545 | 0 | 5,545 | 5,545 | |
| 4 Assets & Investments | 50 | 0 | 50 | 50 | |
| subtotal | 7,619 | -33 | 7,586 | 6,907 | |
| - Long Term Provisions | | | | | |
| 5 LGSS Managed | 3,613 | 0 | 3,613 | 3,613 | |
| subtotal | 3,613 | 0 | 3,613 | 3,613 | |
| | | | | | |
| GRAND TOTAL | 11,232 | -33 | 11,199 | 10,520 | |