Agenda Item No.5

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MAY 2018

To:	**General Purposes Committee**
Date:	**24th July 2018**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2018/012** *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 the carry forward of £104.5m capital funding from 2017/18 to 2018/19 and beyond as set out in section 6.7 and Appendix 6.

b) Approve -£3.3m rephasing of Place & Economy's (P&E) capital funding, -£6.6m of People & Communities (P&C) capital funding and -£0.5m of Commercial & Investment's capital funding for schemes as set out in section 6.7.

c) Approve that the Pothole Action Fund of £2.4m be allocated in full to P&E to use for its intended purpose of highway repair, as set out in section 6.7.

d) Note the reduction in the use of Section 106 funding of -£0.98m as set out in section 6.7.

e) Note the £4.4m additional contributions received in relation to Combined Authority Schemes, as set out in section 6.7.

f) Note the additional prudential borrowing of £12.0m in 2018/19 in relation to Ely Southern Bypass and £0.5m in 2018/19 in relation to the Libraries People's Network Refresh capital scheme as previously approved by GPC at the 29th May and 27th March 2018 meetings respectively, as set out in section 6.7.

g) Approve the allocation of the £309k SEND Implementation grant to the P & C directorate, see section 7.1.

h) Approve an increase in the revenue budget allocated to P & C of £0.685m, funded by a transfer from general reserves, as specified in Appendix 5 (section A).

i) Approve the allocation of £1.041m from the transformation fund towards the investments in P&C set out in Appendix 5, section B; and note the implications beyond the current financial year for recognition during business planning

j) Note the updated estimates of pressures and savings in future years, outlined in Appendix 5 (section C) for recognition in the business planning process.

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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

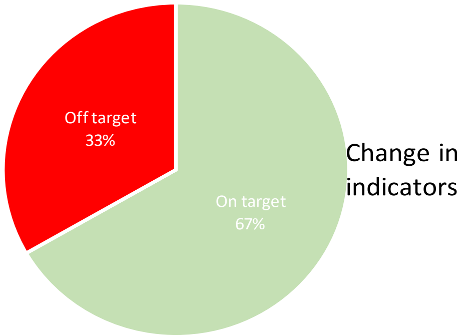
2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

Data available as at: 31 May 2018

Outcomes

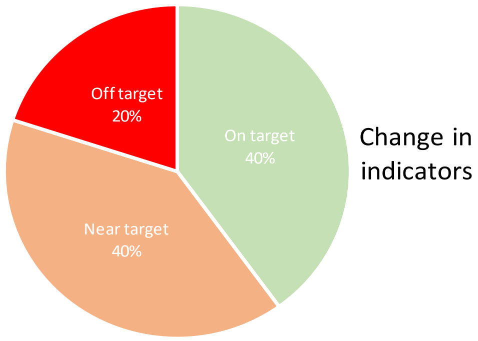
100 indicators about outcomes are monitored by service committees
They have been grouped by outcome area and their status is shown below

Older people live well independently



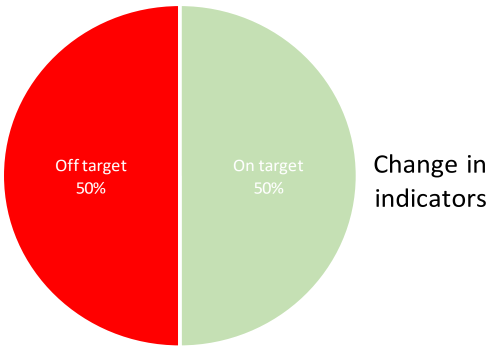
7 indicators, 4 of which do not have targets

People with disabilities live well independently



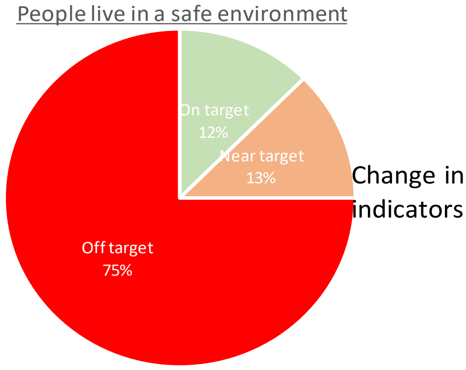
6 indicators, 1 of which does not have a target

Adults and children are kept safe



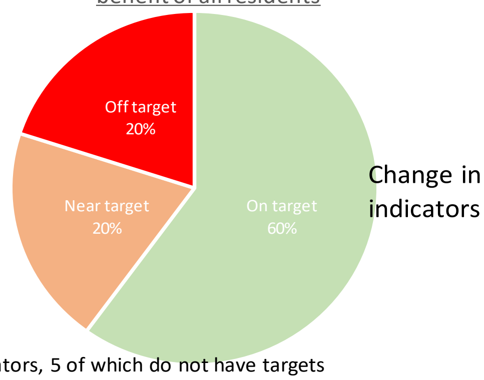
8 indicators, 4 of which do not have targets

People live in a safe environment



13 indicators, 5 of which do not have targets

The Cambridgeshire economy prospers to the benefit of all residents



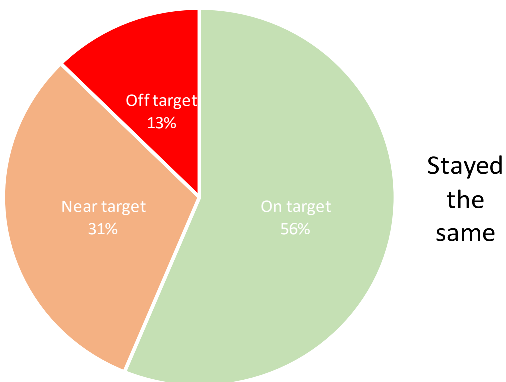
15 indicators, 5 of which do not have targets

Places that work with children help them to reach their potential

Change in indicators. Targets for these indicators have not yet been set.

14 indicators, 14 of which do not have targets

People lead a healthy lifestyle and stay healthy for longer



35 indicators, 3 of which do not have targets

Our Transformation Programme is on track	Sustain a high performing, talented, engaged and resilient workforce
29 Early ideas ↑ 124 Business cases in development ↑ 25 Projects being implemented ↑ Transformation Fund: 35 projects rated Green ↑ 4 rated Amber (reflecting some need to re-phase savings) ↔ 2 rated Red (risk of non-delivery of savings or benefits) ↓	As of the end of March 2018* we had lost 6.27 days on average per staff member to sickness during the last 12 months. This is lower than the average number of days lost per staff member at the end of 2016/17 (6.91 days).

*Due to the recent move to the new HR system, ERP Gold, sickness reporting is not currently available on the system. This is currently being worked on and will be updated when available.

Finance and Risk

[Revenue budget forecast]

+£1.8m (0.5%) variance at end of year

RED

[Capital programme forecast]

£0m (0%) variance at end of year

GREEN

Residual risk score	Green	Amber	Red
Number of risks	0	9	1

*Latest Review: May 2018

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	May-18	Apr-18	Trend since Apr-18
Nursing	455	446	Increasing
Residential	957	916	Increasing
Community	2,412	2,362	Increasing

Adults aged 18+ receiving long term services

	May-18	Apr-18	Trend since Apr-18
Nursing	26	25	Stayed the same
Residential	313	310	Increasing
Community	1,978	1,965	Increasing

Children open to social care

	May-18	Apr-18	Trend since Apr-18
Looked after children	712	715	Decreasing
Child protection	462	483	Decreasing
Children in need*	2,300	2,225	Increasing

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

Public Engagement

	May-18	Apr-18	Trend since Apr-18
Contact Centre Engagement	13,072 Phone Calls	12,763	Increasing
	5,663 Other	5,316	Increasing
Website Engagement (cambridgeshire.gov.uk)	155,281 Users	154,319	Increasing
	229,688 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.

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£1.8m (+0.5%); this is largely within People & Communities (P&C) (£1.1m pressure), Commercial & Investment (C&I) (£0.9m pressure) and Corporate Services (£0.5m pressure), partially offset by a forecast -£0.9m underspend in Corporate Services Financing. See section 3 for details.

- The Capital Programme is forecasting a balanced budget at year end. 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)

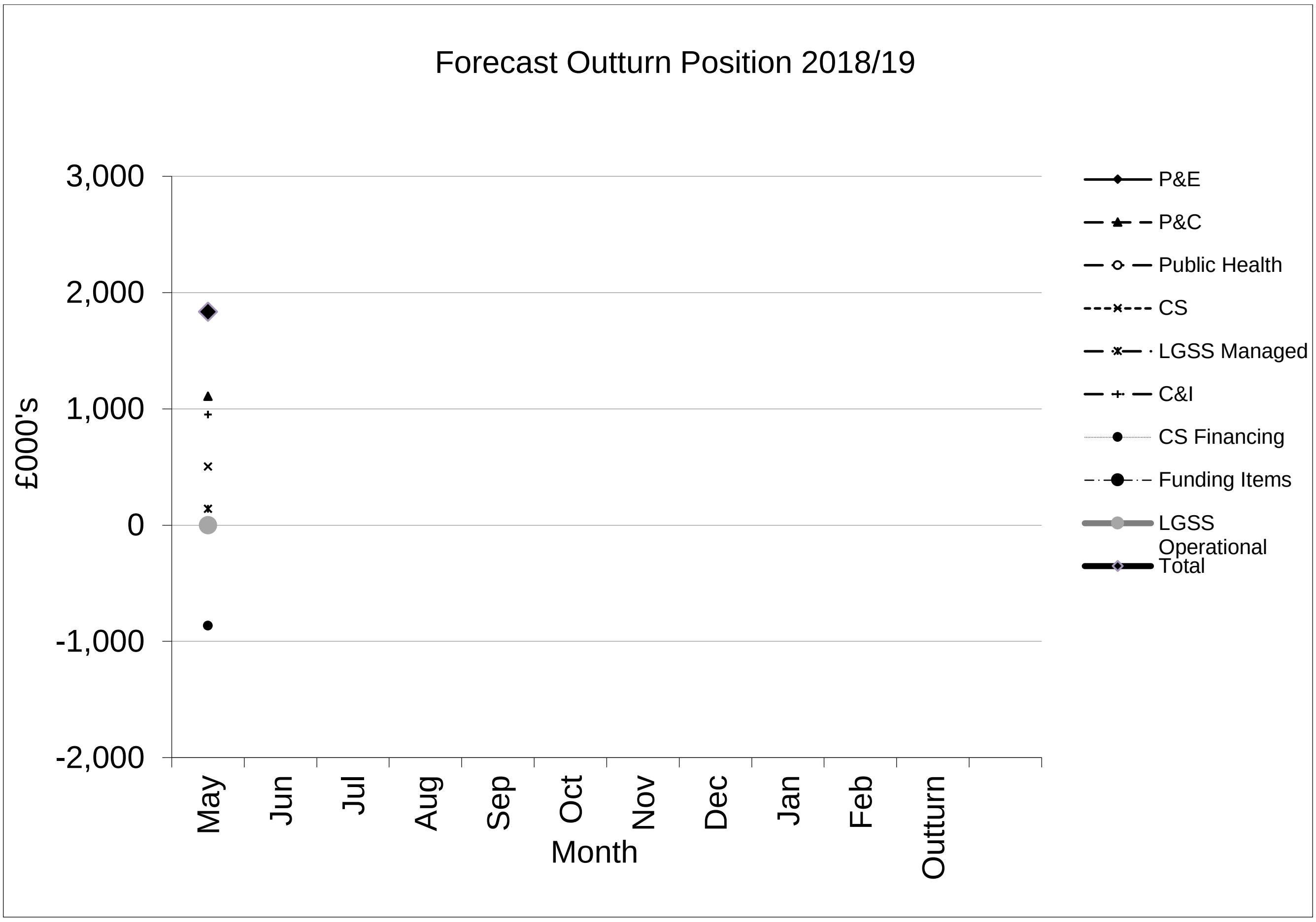
Forecast Variance (April) £000	Service	Current Budget for 2018/19 £000	Actual (May) £000	Forecast Variance (May) £000	Forecast Variance (May) %	Overall Status	DoT
0	Place & Economy	41,512	7,518	0	0.0%	Green	↔
0	People & Communities	239,329	49,715	1,107	0.5%	Red	↓
0	Public Health	629	-6,080	0	-	Green	↔
0	Corporate Services	6,549	1,826	504	7.7%	Amber	↓
0	LGSS Managed	11,186	1,747	140	1.3%	Amber	↓
0	Commercial & Investment	-8,622	3,111	949	-	Amber	↓
0	CS Financing	25,983	-3,451	-866	-3.3%	Green	↑
0	**Service Net Spending**	**316,566**	**54,386**	**1,834**	**0.6%**	**Red**	↓
0	Funding Items	33,601	7,465	0	0.0%	Green	↔
0	**Subtotal Net Spending**	**350,167**	**61,850**	**1,834**	**0.5%**	**Red**	↓
	Memorandum items:						
0	LGSS Operational	8,835	TBC	0	0.0%	Green	↔
0	**Grand Total Net Spending**	**359,002**	**61,850**	**1,834**	**0.5%**	**Red**	↓
	Schools	198,140					
	Total Spending 2018/19	**557,142**					

[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 is its cash limit. 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 £10.6m 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 savings and underspends will be found within Place & Economy to offset the current projected pressures in Waste Management and Coroners reported below:

	£m	**%**
• **Waste Management** – a +£500k pressure is forecast for year-end. Contract changes that deliver full year savings totalling £1.3m have been identified; however, delays to reaching formal agreement with the contractor that will allow the contract changes to deliver a series of positive initiatives is likely to result in a shortfall in delivered savings. It is anticipated that agreement will be reached to allow savings to commence in September resulting in a savings shortfall of approximately £500,000 this financial year.	+0.500	(+1%)
Until agreement is reached with the contractor on the contract changes the variable nature of the Mechanical Biological Treatment (MBT) Plant creates uncertainty in the forecast and actual performance could improve, resulting in an underspend, or worsen, resulting in an overspend.		
• **Coroners** – a +£290k pressure is forecast for year-end. This projection is due to a combination of ongoing workload pressure and a need to reduce the backlog of cases built up over previous years. Since the creation in 2015 of the combined coronial jurisdiction that covers both Cambridgeshire and Peterborough, the number of referrals made to the coroner service has risen considerably. The funding available at the point of merger	+0.290	(+32%)

supported the referral levels experienced in 2013/14 which were significantly lower than our current numbers. The significant increase in referrals was not expected, beyond the level of demography bids projected in the Council's business plan. In addition there is a pressure on payroll costs for Coroners. In addition to rising workloads, the service also has a backlog of historical inquests. A replacement case management system was purchased in July 2017 and this has made improved processes possible, with significant progress being made in reducing the backlog. For more details the service annual report to the Highways and Community Infrastructure Committee on 10th July can be found here, https://tinyurl.com/yc2nq4jt.

- For full details see the P&E Finance & Performance Report, https://tinyurl.com/ycl7ztq2.

3.2.2 **People & Communities:** +£1.107m (+0.5%) pressure is forecast at year-end. However, as previously reported to SMT there are continued pressures in relation to children in care which are likely to result in an increased forecast in the coming months once further discussions around potential mitigation has been finalised.

	£m	%
Looked After Children (LAC) Placements – a +£0.7m pressure is forecast. This initial pressure is a result of the full year impact of increased numbers of looked after children in the last quarter of 2017/18. It should be noted that there is expected to be demand pressures on this budget during the year, over and above those forecast and budgeted for. This position will be closely monitored throughout the year and subsequent forecasts will be updated to reflect the latest demand expectations. In addition, there is a £1.5m saving target attached to the budget, where plans to deliver this are being closely monitored. *~ A more detailed update, reflecting the likely increase in this pressure is provided as part of Appendix 5 (section D).*	+0.739	(+4%)

Overall LAC numbers at the end of May 2018, including placements with in-house foster carers, residential homes and kinship, were 712. This includes 57 unaccompanied asylum seeking children (UASC). External placement numbers (excluding UASC but including 16+ and supported accommodation) at the end of May were 374, 5 more than at the end of April. The Access to Resources team are working with providers to ensure that support and cost matches need for all children. Actions being taken to address the forecast pressure are outlined in the P&C Finance & Performance Report, https://tinyurl.com/y8xrpyf7.

SEN Placements – a +£0.5m pressure is forecast. This is due to a continuing increase in placements in high cost provision. One factor is that overall there are rising numbers of children and young people who are looked after (LAC), have an Education, Health and Care Plan (EHCP) and have been placed in a 52 week placement. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive. The SEN Placement budget is funded from the High	+0.518	(+6%)

Needs Block (HNB) element of the Dedicated Schools Grant (DSG). It is the aim that any pressures on DSG funded services will be managed from within the overall available DSG for 2018/19.

• **Out of School Tuition** – a +£0.3m pressure is forecast. This is due to a combination of a higher number of children remaining on their existing packages and a higher number of children accessing new packages due to a breakdown of placement, than the budget can accommodate.	+0.291	(+26%)
• **Financing DSG** – a -£0.8m variance is forecast for year end. 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 SEN Placements (£518k) and Out of School Tuition (£291k) as described above. For this financial year the intention is to manage within overall available DSG resources.	-0.809	(-2%)

- For full details see the P&C Finance & Performance Report, https://tinyurl.com/y8xrpyf7.

3.2.3 **Public Health:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the PH Finance & Performance Report, https://tinyurl.com/y7frmvlo.

3.2.4 **Corporate Services:** +£0.504m (+7.7%) pressure is forecast.

	£m	%
• **IT & Digital Service** – a +£504k pressure is forecast. Changes in Children's Services, agreed at the Children's and Young People's committee, have led to a change in approach for the IT system for Children's Services. At its meeting on 29 May General Purposes Committee supported a recommendation to procure a new Children's IT System that could be aligned with Peterborough City Council. A consequence of this decision is that the Mosaic system will no longer be rolled out for Children's Services. Therefore £504k of costs for Mosaic, which were formerly charged to capital, will fall back as a revenue pressure in 2018/19.	+0.504	(+24%)

It is anticipated that this pressure will be reflected in People & Communities (reflecting the CYP Committee recommendation to GPC) in future reporting periods

- For full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

3.2.5 **LGSS Managed:** +£0.189m (+1.7%) pressure is forecast. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

3.2.6 **CS Financing:** -£0.866m (-3.3%) underspend is forecast at year-end.

	£m	%
• **Minimum Revenue Provision (MRP)** – an -£866k underspend is forecast. The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP). Following analysis of capital schemes completed in 2017/18 and	-0.866	(-3%)

how they were funded, the MRP payment for 2018/19 has been amended. The Council was able to use funding it was holding as the accountable body for other organisations to fund £16m of capital expenditure, rather than using Prudential Borrowing. This has delayed the MRP payment for these schemes until we take out Prudential Borrowing to repay the funding used.

- For full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

3.2.7 **Commercial & Investment**: +£0.949m (-11.0%) pressure is forecast.

	£m	%
• **Commercial Investments –** a +£500k pressure is forecast. The Council has considered and bid on a number of real estate / property acquisition opportunities, but to date has not been successful at a price deemed to deliver a satisfactory commercial return. Consideration is being given to wider opportunities and procurement of external investment advice is being progressed. A £500k pressure against target is considered to be the minimum non-delivery in 2018/19, with the potential for this to rise, although the longer term plan to generate commercial investment income in this way remains sound.	+0.500	(-5%)
• **Cambridgeshire Catering & Cleaning Services**– a +£449k pressure is forecast. This is due to the closure of the Cambridgeshire Catering & Cleaning Service, following a Committee decision. The service has had a £449k recurring surplus budget expectation. As the service winds down approximately 33% of SLAs are phased to end in August 2018, with the remainder ending in October 2018. This pressure is the non-delivery of the recurring surplus, but it is likely to rise as the one-off costs of closure are quantified and confirmed further.	+0.449	(-158%)

- For full details see the C&I Finance & Performance Report, https://tinyurl.com/yag94nz3. *(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 **LGSS Operational:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

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

4. KEY ACTIVITY DATA

4.1 The latest key activity data for: Looked After Children (LAC); Special Educational Needs (SEN) Placements; Adult Social Care (ASC); Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest P&C Finance & Performance Report (section 2.5), https://tinyurl.com/y8xrpyf7.

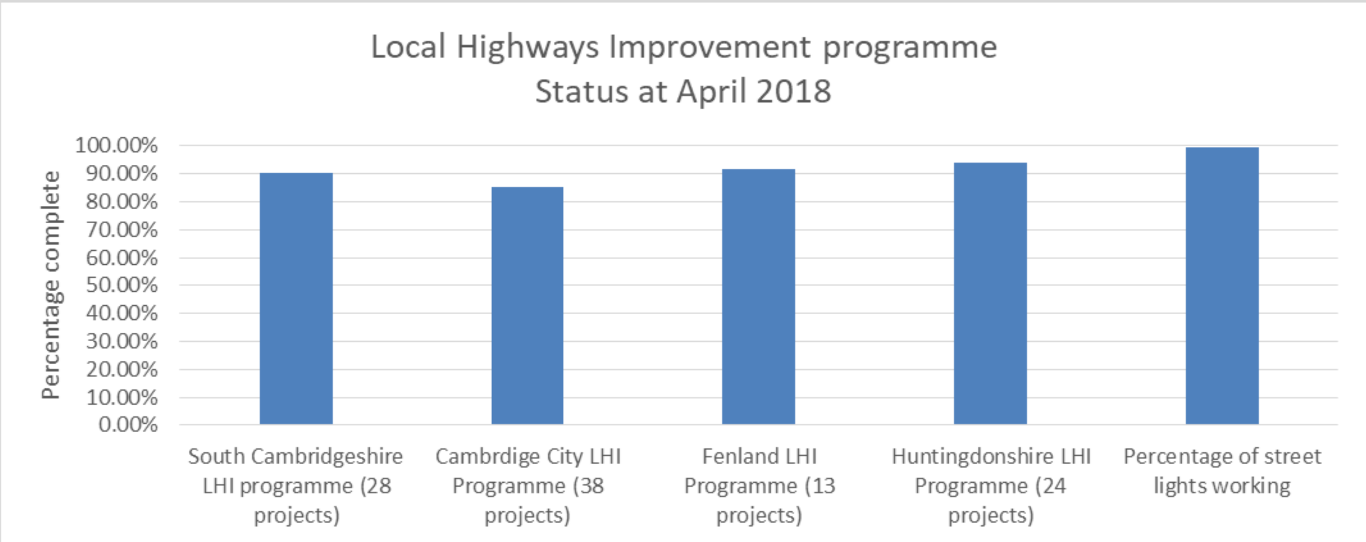
5. PERFORMANCE AND RISK

5.1 **Change in indicators:** The performance indicators included in this report have been revised compared to the last (2017/18) financial year. The new indicator set is larger than the old indicator set to better reflect the wide scope of P&C services. Some indicators have been updated to align with new national definitions to enable comparison. Others have been removed where for example they are only reported annually. The focus is intended to be on indicators that are reported to service committees that are relevant, timely and strategic. Further information (including 'drilling down' into information on specific client groups) is available on request, and is monitored within directorate performance monitoring for all of the indicators in the set reported at service committee / GPC level. The revised set of indicators includes 14 of the previous set and 24 new indicators. The pie charts do not show direction of travel because the new set of indicators is not comparable to the old set. Next month the direction of travel will be shown as normal. More detail on the change to P&C indicators is shown in Appendix 4.

5.2 **Targets:** Some targets have not been set at this point in the year. This particularly affects the outcome 'places that work with children to help them to reach their potential', where the targets for the 14 indicators that make up this outcome have not been set yet. Work will be undertaken over the next few weeks to propose a set of targets for indicators that are included in this report, based on previous trends and maintaining or improving CCC position relative to statistical neighbours and national averages.

Key exceptions:

People live in a safe environment – indicators in this outcome area are showing that the 2017-18 programme of Local Highways Improvements had not yet been completed in April 2018. Most areas are approximately 90% complete as shown below:



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

6. CAPITAL PROGRAMME

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

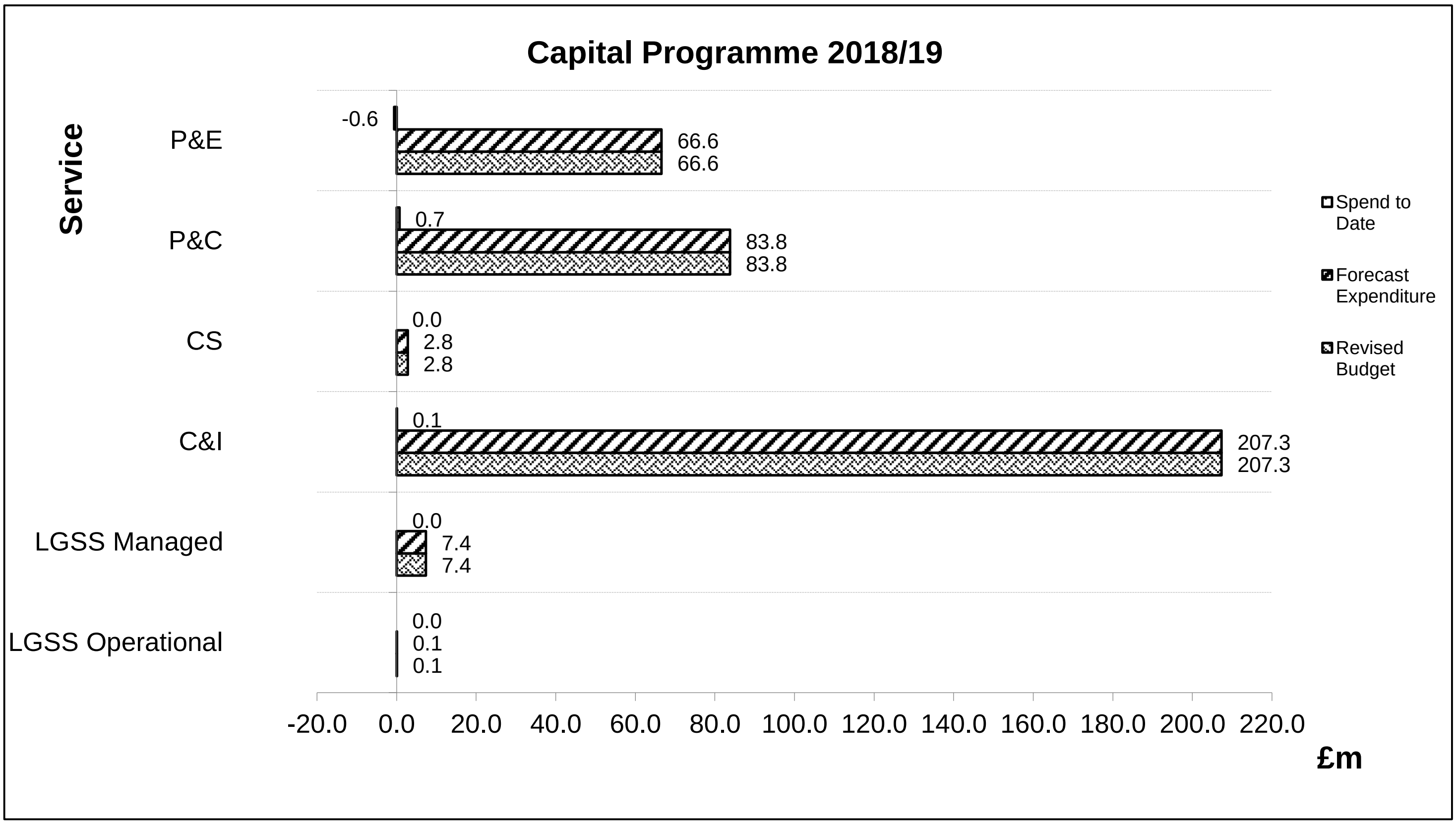
2018-19					TOTAL SCHEME	
Original 2018/19 Budget as per Business Plan £000	Service	Revised Budget for 2018/19 £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %	Total Scheme Revised Budget (May) £000	Total Scheme Forecast Variance (May) £000
35,956	P&E	66,584	-	0.0%	363,088	-
87,820	P&C	83,779	-0	0.0%	667,905	14,273
2,038	CS	2,789	-	0.0%	15,730	-
6,415	LGSS Managed	7,394	-	0.0%	8,344	-
123,274	C&I	207,348	-	0.0%	332,820	-147
-	LGSS Operational	134	-	0.0%	2,025	-
-	Outturn adjustment	-	-	-	-	-
255,503	**Total Spending**	**368,028**	**-0**	**0.0%**	**1,389,912**	**14,126**

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 £23.1m 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 (May) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (May) £000**
P&E	-8,778	0	0	0.00%	0
P&C	-12,120	-171	171	1.41%	-0
CS	-2,113	0	0	0.00%	0
LGSS Managed	0	0	0	-	0
C&I Non-Housing	-2,764	0	0	0.00%	0
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
Subtotal	**-25,775**	**-171**	**171**	**0.67%**	**-0**
C&I Housing	0	0	0	0.00%	0
Total Spending	**-25,775**	**-171**	**171**	**0.67%**	**-0**

6.3 The C&I Housing scheme budget does not have a capital programme variations budget associated with it; it is therefore shown as a separate line in the above capital programme variations table.

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 balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the P&E Finance & Performance Report, https://tinyurl.com/ycl7ztq2.

6.4.2 **People & Communities:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the P&C Finance & Performance Report, https://tinyurl.com/y8xrpyf7.

6.4.3 **Corporate Services:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

6.4.4 **LGSS Managed:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

6.4.5 **Commercial & Investment**: a balanced budget is forecast at year-end. There are no exceptions to report this month; for full details see the C&I Finance & Performance Report https://tinyurl.com/yag94nz3.
(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 details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

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 details see the P&E Finance & Performance Report, https://tinyurl.com/ycl7ztq2.

6.5.2 **People & Communities:** a +£14.3m (+2%) total scheme overspend is forecast

	£m	**%**
• **Basic Need – Primary** – a total scheme pressure of +£7.3m is forecast. This is due to changes since the Business Plan was approved in response to adjustments to development timescales and updated school capacity information. The following schemes require the cost increases to be approved by GPC for 2018/19 (the impact in following years will be dealt with as part of the 2019-20 business planning process).	+7.3	(+2%)

- St Ives, Eastfield / Westfield / Wheatfields; £7,000k overall scheme increase, of which £300k will materialise in 2018/19. The scope of the project has changed to amalgamate Eastfield infant & Westfield junior school into a new all through primary.

- St Neots, Wintringham Park; £5,150k increase in total scheme cost, of which £3,283k will materialise in 2018/19. The scope has increased to build a 3FE Primary and associated Early Years, which will be offset by the deletion of the St Neots Eastern Expansion scheme (see below).

- Wing Development; Total scheme cost £10,200k, of which £400k additional costs will be in 2018/19. A new school is required as a result of new development; it is anticipated that this scheme will be funded by both the Education Funding Agency (EFA) as an approved free school, and S106 funding.

- Bassingbourn Primary School; Total scheme cost of £3,150k, of which £70k is expected to be spent in 2018/19. This is a new scheme to increase capacity to fulfil demand required from returned armed forces families.

The following scheme has reduced in cost since business plan approval.

- St Neots – Eastern expansion; £4,829k reduction. The only requirement is spend on a temporary solution at Roundhouse Primary. The Wintringham Park scheme will be progressed to provide places.

- **Specialist Provision** – a total scheme pressure of +£6.9m is forecast. This is due to increased costs on the following schemes:
  - Highfields Special School; Total scheme cost of £6,870k, of which £250k additional cost in 2018/19. This is a new scheme to extend accommodation for the current capacity and create teaching space for an extended age range to 25. +6.9 (+26%)

- For full details see the P&C Finance & Performance Report, https://tinyurl.com/y8xrpyf7.

6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

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, https://tinyurl.com/y74veyz8.

6.5.5 **Commercial & Investment**: a -£0.1m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full details see the C&I Finance & Performance Report https://tinyurl.com/yag94nz3.
(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 details see the CS & LGSS Finance & Performance Report, https://tinyurl.com/y74veyz8.

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.5	4.1	-	2.4	**24.1**	24.1	-
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	-	-	**1.7**	1.7	-
Specific Grants	6.5	4.4	0.1	-	**11.0**	11.0	-
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.4	-0.9	**12.6**	12.6	-
Capital Receipts	81.1	-	-	-	**81.1**	81.1	-
Other Contributions	12.1	-	-3.0	4.6	**13.7**	13.7	-
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	97.3	92.3	-7.5	12.6	**194.7**	194.7	-
TOTAL	**255.5**	**104.5**	**-10.6**	**18.7**	**368.0**	**368.0**	**-**

[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
Rolled Forward Funding	All Services	£104.5	The Capital Programme Board has reviewed overspends and underspends at the end of 2017/18, 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 2018/19 to complete projects. Of the £104.5m funding to be carried forward, £92.3m relates to prudential borrowing, of which £83.3m relates to a rephasing of the Housing Schemes which has yet to be finalised. The impact of the £83.3m shift in Housing Schemes funding relates to the C&I revenue area; as the revised rephasing is finalised it will be detailed in that budget. The remaining £9m change in prudential borrowing relates to the Debt Charges budget; however as this only relates to a shift in funding of one year there is no significant impact anticipated as a result. Further details are available in Appendix 6, which shows capital roll-forwards. **General Purposes Committee is asked to approve the carry forward of £104.5m of funding to 2018/19 and beyond**
Revised Phasing	P&E	-£3.3	There have been some changes to schemes since the 2018/19 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2018/19 funding requirement: • Waste – Household Recycling Centre (HRC) Improvements (-£407k) • King's Dyke (-3,004k) Other schemes below the de-minimus make up the difference. **General Purposes Committee is asked to approve the -£3.3m rephasing of P&E's funding for these schemes.**
Revised Phasing	P&C	-£6.6	There have been some changes to schemes since the 2018/19 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2018/19 funding requirement: • Sawtry Junior (-£950k) • St Ives Eastfield (+300k) • St Neots, Wintringham Park (+£3,283k) • Chatteris New School (-£4,508k) • Barrington (+£892k) • St Neots Eastern Expansion (-£2,079k) • Northstowe Secondary (+£7,505k) • Cambridge City Secondary (-£399k)

			• Alconbury Weald Secondary and Special (-£6,920k) • Cambourne Village College (+£275k) • Cromwell Community College (+£250k) • Orchard Park Primary (-£971k) • Spring Common Special School (-£3,450k) • Highfields phase 2 (+£250k) • WING Primary (+£400k) Other schemes below the de-minimus make up the difference. **General Purposes Committee is asked to approve the -£6.6m rephasing of P&C's funding for these schemes.**
Revised Phasing	C&I	-£0.5	There have been some changes to schemes since the 2018/19 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2018/19 funding requirement: • MAC Joint Highways Depot (-482k) **General Purposes Committee is asked to approve the -£0.5m rephasing of C&I's funding for this scheme.**
Additional/Reduction in Funding (Specific Grants)	P&E	+£2.4	Cambridgeshire County Council has received £2.4m of grant funding from DfT for the purpose of repairing potholes and protecting local roads from future severe weather, either through permanent patching repairs or preventative resurfacing works. **General Purposes Committee is asked to approve that the Pothole Action Fund of £2.4m be allocated in full to P&E to use for its intended purpose of repairing potholes.**
Additional/Reduction in Funding (Section 106 contributions)	P&E	-£1.0	Reduced Section 106 funding of -£981k is required to be utilised regarding Cambridge Cycling Infrastructure schemes as some of these schemes will now come under the umbrella of the Greater Cambridge Partnership. **General Purposes Committee is asked to note this reduction in funding.**
Additional/Reduction in Funding (Other Contributions)	P&E	+£4.4	£4.4m additional contributions have been received in relation to Combined Authority Schemes. **General Purposes Committee is asked to note this additional funding.**

Additional/Reduction in Funding (Prudential Borrowing)	P&E	+£12.0	An additional £12m of funding by prudential borrowing has been added to the 2018/19 budget allocation for the Ely Southern Bypass. The total additional prudential borrowing of £13m for 2018/19 and future years was approved by the General Purposes Committee on 29th May 2018. **General Purposes Committee is asked to note this additional prudential borrowing.**
Additional/Reduction in Funding (Prudential Borrowing)	LGSS Managed	+£0.5	An additional £495k of funding by prudential borrowing has been added to the 2018/19 budget allocation for the Libraries People's Network refresh scheme. An allocation up to this level was approved by the General Purposes Committee on 27th March 2018. **General Purposes Committee is asked to note this additional prudential borrowing.**

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 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.

SEND Implementation Grant (new burdens)

The SEND Implementation Grant is an un-ringfenced grant from the Department for Education (DfE) that has been allocated to Local Authorities to continue to support transition to the new system for special educational needs and disability (SEND), in particular in the final year of the transition. The DfE has confirmed that Local Authorities can spend this grant to help with additional costs associated with the ongoing implementation of the reforms. Cambridgeshire County Council's allocation is £309,214, which has not been budgeted for.

General Purposes Committee is asked to approve the allocation of this grant to the People & Communities directorate so that it can be used for its intended purposes, to be deployed as follows:

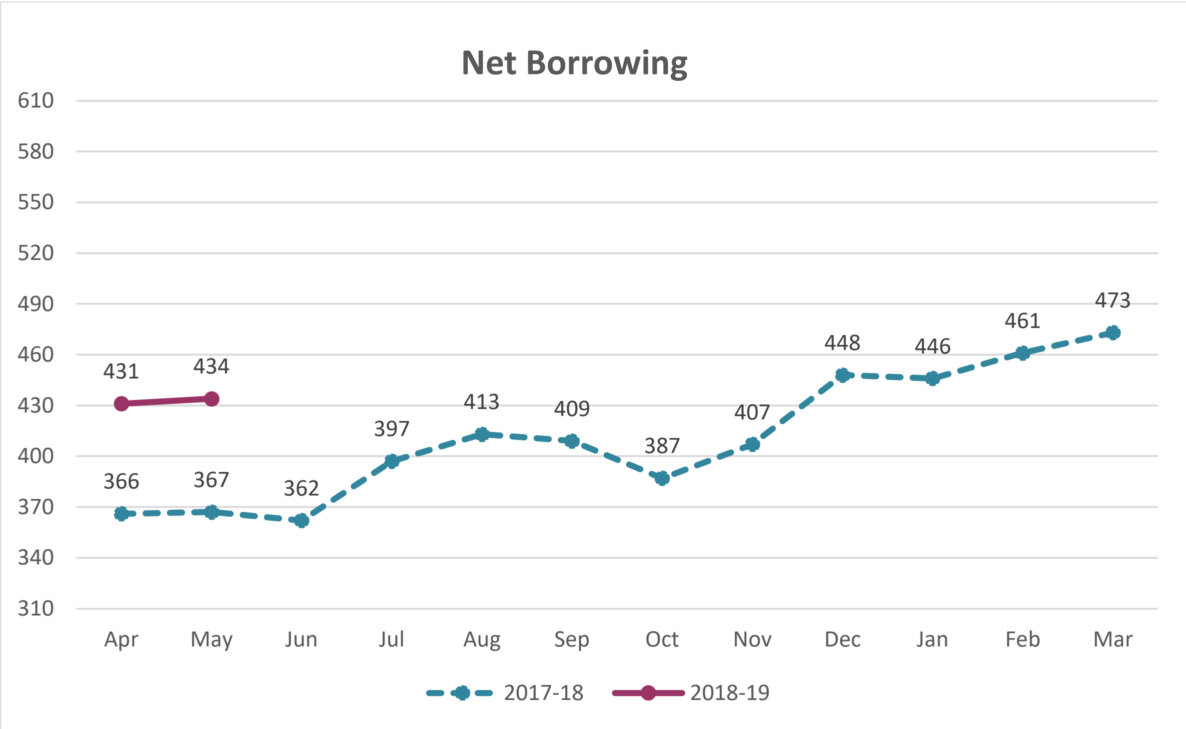
Area of work	Amount
Statutory assessment work for post 18 young people, and early years	£253.7k
Educational Psychologists providing Psychological Advice for post 18 work and early years	£50.0k
Community of Change Membership - Personal Outcomes Evaluation Tool (POET)	£5.5k
Subtotal	**£309.2k**

Further details of the allocation request can be found in Appendix 3

8. BALANCE SHEET

8.1 A more detailed analysis of prompt payment and debt management balance sheet health issues will be included once this reporting has been developed following the transition to the new financial system.

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 May 2018 were £109.16m (excluding 3rd party loans) and gross borrowing was £542.86m. Of this gross borrowing, it is estimated that £56.940m 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. Net borrowing at the beginning of this financial year as at 1st April 2018 was £473m, this reduced to £431m at the end of April 2018 thus starting at a lower base than originally set out in the TMSS (£683m). This is to be reviewed as the year progresses and more information is gathered to establish the full year final position.

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 a 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 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report (https://tinyurl.com/y9vuz8or).

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 (May 18) P&C Finance & Performance Report (May 18) PH Finance & Performance Report (May 18) CS and LGSS Cambridge Office Finance & Performance Report (May 18) C&I Finance & Performance Report (May 18) Performance Management Report & Corporate Scorecard (May 18) Capital Monitoring Report (May 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
Current budget	**239,331**	**629**	**41,512**	**25,983**	**6,547**	**11,184**	**-8,621**	**8,835**	**33,601**
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 31 May 2018		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	13,392	3,253	16,645	14,812	
- 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	3,253	16,645	14,812	
Earmarked					
- Specific Reserves					
5 Insurance	3,175	0	3,175	3,175	
subtotal	3,175	0	3,175	3,175	
- Equipment Reserves					
6 P&C	64	0	64	64	
7 P&E	30	0	30	0	
8 CS	30	0	30	30	
9 C&I	680	0	680	680	
subtotal	804	0	804	774	
Other Earmarked Funds					
10 P&C	514	0	514	514	
11 PH	2,567	0	2,567	2,188	
12 P&E	5,382	0	5,382	4,875	Includes liquidated damages in respect of the Guided Busway
13 CS	2,628	0	2,628	2,628	
14 LGSS Managed	63	0	63	63	
15 C&I	552	106	658	658	
16 Transformation Fund	21,877	6,372	28,249	18,195	Savings realised through change in MRP policy
17 Innovation Fund	844	0	844	844	
18 Smoothing Fund	0	3,413	3,413	3,413	
subtotal	34,427	9,891	44,318	33,378	
SUB TOTAL	**51,799**	**13,144**	**64,943**	**52,139**	
Capital Reserves					
- Services					
18 P&C	778	0	778	778	
19 P&E	10,200	-5,796	4,404	5,000	
20 LGSS Managed	0	0	0	0	
21 C&I	0	0	0	0	
22 Corporate	43,561	2,168	45,729	43,285	Section 106 and Community Infrastructure Levy balances.
subtotal	54,539	-3,628	50,911	49,063	
GRAND TOTAL	**106,338**	**9,515**	**115,853**	**101,202**	

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 31 May 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**	

APPENDIX 3 - 2018-19 SEND Implementation Grant (new burdens)

Business Case for additional funding - £309,214

The purpose of the funding is to continue to support transition to the new system for special educational needs and disability (SEND), in particular the final year of the transition. The Department for Education has confirmed that Local Authorities can spend this grant to help with additional costs associated with the ongoing implementation of the reforms.

Area of work	Costs	Rationale/sustainability/outcomes/risks
Statutory assessment work for post 18 young people, and early years	5 x SEN Casework Officer posts (12 months fixed term) = £207,086 (inc. on costs) 2 x Business Support Assistants (12 months fixed term) = £46,628 (inc. on costs)	This funding is to support the necessary increase in capacity to the Statutory Assessment Team to undertake their statutory duties and responsibilities, particularly in relation to the post 18 young people, but also with the increasing demand for statutory assessment of pre-school children across Cambridgeshire. In terms of sustainability, we have undertaken an audit of need and capacity in the Statutory Assessment Team in preparation of when the Reform grant comes to an end in March 2018. The next stage of this work is to undertake some modelling exercises, ensuring that processes and systems are as streamlined as possible, and cut out any duplication. This work will enable the Service to determine the number of Casework officers, and other roles needed within the Team. Work around the SEND Sufficiency and the impact this has on the SEND Service will enable reinvestment into the Statutory Assessment Team 2019/20.
Educational Psychologists providing Psychological Advice (App D) for post 18 work and early years	£50,000	This provides the necessary funding to undertake the additional post 18 work and increased demand for early years work.
Community of Change Membership - POET	£5,500	Personal Outcomes Evaluation Tool (POET) provides useful insights in to the experiences of children and young people with special educational needs and their families in relation to the introduction of the EHC Plans and Personal budgets. What was originally a 2 year DfE project has been extended for a further year, linking up with CCGs to provide a more expansive evidence base on which to base conclusions about the SEND Reforms. Cambridgeshire has been one of the Local Authorities that have contributed from year one, and we would like to continue for the final year.
TOTAL	**£309,214**	

APPENDIX 4 – Change to P&C Performance Indicators

The People & Communities performance indicators have been revised following a discussion with General Purposes Committee earlier in the last (2017/18) financial year. The revised set of People & Communities indicators includes 14 of the previous set and 24 new indicators.

Below are the People and Communities indicators included in each outcome. The indicators from the 2017-18 set have been listed and those that have been carried over to the 2018-19 set have been identified. The new indicators for each outcome for 2018-19 have also been listed.

Adults and Children are kept safe

Indicators in 17-18 set

	Carried over to 18-19?
% children whose referral to social care occurred within 12 months of a previous referral	Yes
Number of children with a Child Protection Plan per 10,000 population under 18	Yes
The number of looked after children per 10,000 children	Yes
% of adult safeguarding enquiries where outcomes were at least partially achieved	Yes

New Indicators for 18-19

% of people who use services who say that they have made them feel safer
Rate of referrals per 10,000 of population under 18
Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years)
Number of young first time entrants into the criminal justice system, per 10,000 of population compared to statistical neighbours

Older people live well independently

Indicators in 17-18 set

	Carried over to 18-19?
BCF Average number of bed-day delays, per 100,000 of population per month (aged 18+) - YTD	No
BCF 2A PART 2 - Admissions to residential and nursing care homes (aged 65+), per 100,000 population	Yes
Average number of ASC attributable bed-day delays per 100,000 population per month (aged 18+) - YTD	Yes*
RBT-I - Proportion of service users requiring no further service at end of re-ablement phase	Yes**

*This indicator has been rephrased as "Average monthly number of bed day delays (social care attributable) per 100,000 18+ population'

**This indicator has been rephrased as "Proportion of people finishing a reablement episode as independent (year to date)'

New indicators for 18-19

Number of contacts for community equipment in period
Number of contacts for Assistive Technology in period
Number of Community Action Plans Completed in period
Number of assessments for long-term care completed in period

People live in a safe environment

New indicators for 18-19

Victim-based crime per 1,000 of population compared to statistical neighbours (hate crime)

People with disabilities live well independently

Indicators in 17-18 set

	Carried over to 18-19?
1C PART 1a - Proportion of eligible service users receiving self-directed support	No
RV1 - Proportion of planned reviews completed within the period that were completed on or before their due date. (YTD)	No
1E - Proportion of adults with learning disabilities in paid employment	Yes*
1F - Adults in contact with secondary mental health services in employment	Yes**

***This indicator has been rephrased as "Proportion of adults with a primary support reason of learning disability support in paid employment (year to date)'

**This indicator has been rephrased as "Proportion of adults in contact with secondary mental health services in paid employment'

New indicators for 18-19

Proportion of adults with a primary support reason of learning disability support who live in their own home or with their family
Proportion of adults in contact with secondary mental health services living independently, with or without support
Proportion of adults receiving Direct Payments
Proportion of carers receiving Direct Payments

Places that work with children help them to reach their potential

Indicators in 17-18 set

	Carried over to 18-19?
% year 12 in learning	No
%16-18 year olds NEET and unknown	No
FSM/Non-FSM attainment gap % achieving the national standard in Reading, Writing & Maths at KS2	No
FSM/Non-FSM attainment gap % achieving 5+ A*-C including English & Maths at GCSE	No
% Clients with SEND who are NEET	No

The proportion pupils attending Cambridgeshire Nursery schools judged good or outstanding by Ofsted	Yes
The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted	Yes
The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted	Yes
The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted	Yes
Proportion of income deprived 2 year olds receiving free childcare	Yes*

*This indicator has be rephrased to "% of disadvantaged households taking up funded 2 year old childcare places'

New indicators for 18-19

% of EHCP assessments completed within timescale
Number of young people who are NEET, per 10,000 of population compared to statistical neighbours
KS2 Reading, writing and maths combined to the expected standard (All children)
KS4 Attainment 8 (All children)
% of Persistent absence (All children)
% Fixed term exclusions (All children)
% receiving place at first choice school (Primary)
% receiving place at first choice school (Secondary)
Number of young people who are NEET, per 10,000 of population compared to statistical neighbours

The Cambridgeshire economy prospers to the benefit of all residents

Indicators from 17-18 set

	Carried over to 18-19?
The number of people in the most deprived wards completing courses to improve their chances of employment or progression in work	No
The number of people starting as apprentices	No

New indicators for 18-19

Proportion of new apprentices per 1,000 of population, compared to national figures
Engagement with learners from deprived wards as a proportion of the total learners engaged

APPENDIX 5

BUDGET REVIEW: PRESSURES, INVESTMENTS AND SAVINGS – CHILDREN & SAFEGUARDING AND PEOPLE COMMISSIONING

This appendix includes six sections – the first four sections summarise the financial implications of the detail included in section E and F.

A. Additional budget allocation request
B. Transformation fund allocation request
C. Implications for future years business planning
D. Anticipated overspend/pressures during 2018-19
E. Capacity Building and Demand Management in Children's Services (detail)
F. Commissioning directorate redesign (detail)

Section A: Additional budget allocation request

As set out in section E below, two unavoidable budget pressures have been established since the budget was set by Full Council, following full analysis of two changes implemented by central government.

Pressures £000	2018-19
New duties – leaving care	390
Children's services reduced grant income expectation	295
Subtotal	**685**

These types of "changed burdens" are handled as a corporate risk, and it is therefore recommended that GPC transfers additional budget to People & Communities from general reserves. General reserves will need to be replenished to the level set in policy during Business Planning.

Section B: Transformation fund allocation request (2018-19)

Section E and F set out rationale for investment in the following areas during 2018-19 (financed by the Transformation Fund)

Investments & Transition		2018-19
Additional workforce– Children in care & Business Support		267
Contact Centre (screening for MASH and Front door)		165
Family Group Conferencing		110
Commissioning and brokerage capability (Adults&CYP)		499
Subtotal		**1,041**

These are areas where investment from transformation fund is anticipated to support demand management, and deliver existing and planned savings (see section C below).

Section C:

In this section the numbers are shown in the Business Planning format (changes one year are cumulative and permanent unless changed in the following years columns).

For future years, the areas of investment (shown in Section B) will need to be reflected in Business Planning. The multi-year impact is shown below. These allocations will likely be associated with a further draw on the transformation fund where appropriate:

Investments & Transition	2019-20	2020-21	2021-22	2022-23	2023-24
Additional workforce – Children in care & Business Sup	339	-72	-72	-	-
Contact Centre (screening for MASH and Front door)	142	-100	-42	-	-
Family Group Conferencing	250	-	-	-	-
Commissioning and brokerage capability (Adults&CYP)	499				
Subtotal investment and transition	**1,230**	**-172**	**-114**	**-**	**-**

Additionally, it will also be necessary to recognise the following pressures in Business Planning, reflecting the ongoing impact, across multiple years of the pressures set out in section E.

Permanent pressures	2019-20	2020-21	2021-22	2022-23	2023-24
Looked After Children Placements	2,700				
Supervised contact (numbers of children)	235	-35			
Independent reviewing officers (numbers of children)	85		-85		
Subtotal investment and transition	**3,020**	**-35**	**-85**	**-**	**-**

Section E sets out that once these pressures and investments are reflected, there is an increase and update necessary to future savings expectations, these are set out below and will be reflected in the Business Planning process:

Revised savings	ref	2019-20	2020-21	2021-22	2022-23	2023-24
Children's Services Later Years Savings Targets	A/R.6.255	-1,311	-3,134	-2,399	-	-
Children’s home changes (underutilised)	New	-350	-	-	-	-
Children's Change Programme (later phases)	A/R.6.204	-	-	-	-	-
Subtotal updated savings		**-1,661**	**-3,134**	**-2,399**	**-**	**-**

The investment in Commissioning, underpins the existing utilisation of the improved Better Care Fund.

Section D:

Section E sets out that these pressures will also materialise in 2018-19, before there is an opportunity to fully address and mitigate this across the Council in Business Planning for future years. This means that in future months the following pressures are likely to be reported:

	2018-19
Looked After Children Placements	2,700
Supervised contact (numbers of children)	275
Independent reviewing officers (numbers of children)	85
Subtotal	**3,060**

Management action is underway to mitigate these pressures, this will require an ongoing organisation wide response, as facility to mitigate, to the extent required within the areas with these pressures remaining is not sufficient.

Section E:

Capacity Building and Demand Management in Children's Services in Cambridgeshire:

Briefing copied to the General Purposes Committee

This paper aims to establish the case for some additional time-limited invest to save funding for children's services in order that we can successfully deliver reductions in overall numbers of children in care and improve placement mix. The case for investment is in most cases an acknowledgement that savings targets established for children's services through the Children's Change Programme of 2017 were predicated on reductions in demand that have not been achieved.

While there have been a number of benefits to the changes carried out in 2017, they have not delivered reductions in demand, especially where this is of most importance in terms of managing high cost activity. Specifically, the changes in 2017 failed in two key areas:

- To reduce numbers of children in care;
- To reduce the amount of work coming into the system through the Integrated Front Door and the Multi-Agency Safeguarding Hub.

£669K was removed from children's services budgets in 17/18, with phase 2 of the Children's Change Programme expected to deliver a further £594K of savings in the current year, of which £504K has been delivered. The proposals included in this paper for some additional areas of investment need to be considered in this context - i.e. that £1.2M has been removed from children's budgets based on assumptions of reduced activity that has not been achieved. There is also a savings target associated with business support of £245K, again based on assumptions around reduced demand.

Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours. This is equivalent to an additional team of social workers, team manage and business support, and also has implications for IRO capacity. Independent Reviewing Officers review children's care plans, and have an important role to play in ensuring that these plans are progressed.

These higher than anticipated numbers in care have resulted in continuing overspends in directly related budgets – those associated with placement costs, supervised contact and transport costs.
We have completed a full analysis of the underlying reasons for the increased volumes of children in the system and will launch a formal consultation on July 9th 2018. This, among other things, will:

- Remodel the MASH and Integrated Front Door;
- Create dedicated specialist teams including for children and young people in care;
- Overall business support arrangements that have not been reviewed for around 12 years;
- Deliver some savings in the event that we decide to close the residential children's home, based in Wisbech.

Taken together, these changes will reduce demand in the system and will deliver sustainable savings, most notably by reducing costs associated with inflated numbers of children in care in the system.
As we once more move into a significant re-structure of children's services, it is important that we do not repeat past over-optimism by removing funding too quickly. Doing so would risk non-

delivery of the significant cost avoided savings on children's placement costs, as detailed in the next section.

Targets for Children in Care Numbers and Placement Mix Changes 2019/20 – 2020/21

There are two main contributors to overall placement costs: numbers of children and young people in care and placement mix. This section assesses the financial impact of reductions in overall care numbers and an increase in the number of children placed with in-house foster carers.

2018/19

It is likely that there will be an overspend of between £2M and £2.75M on direct placement costs in 2018/19. This includes the non-delivery of a £1.5M savings target for the current financial year.

While the changes proposed to the children's services structure will address our higher than expected children in care numbers, these changes will not be implemented until autumn 2018 and so are unlikely to begin to have any impact until 2019/20. This means placement numbers are unlikely to begin to reduce in the current financial year.

There should, however, be some benefits emerging from changing of placement mix as we head towards the end of the current financial year. Innovative recruitment campaigns are about to commence and we expect to see an increase in the numbers of households applying to become foster carers with Cambridgeshire. This is important, since in-house fostering unit costs are around 50% of the unit cost of Independent fostering agency placements.

Enquiries by prospective carers received now, however, will not convert into new placements for between 4 to 6 months, as all carers have to be assessed, trained and then approved by panel. This means that the benefits from the new approaches to recruitment will again only begin to take effect during 2019/20.

2019/20 and 2020/21

Although there are some important constraints summarised below, by 2019/20, we should be seeing the impact of reducing overall numbers of children in care as well as a changing placement mix.

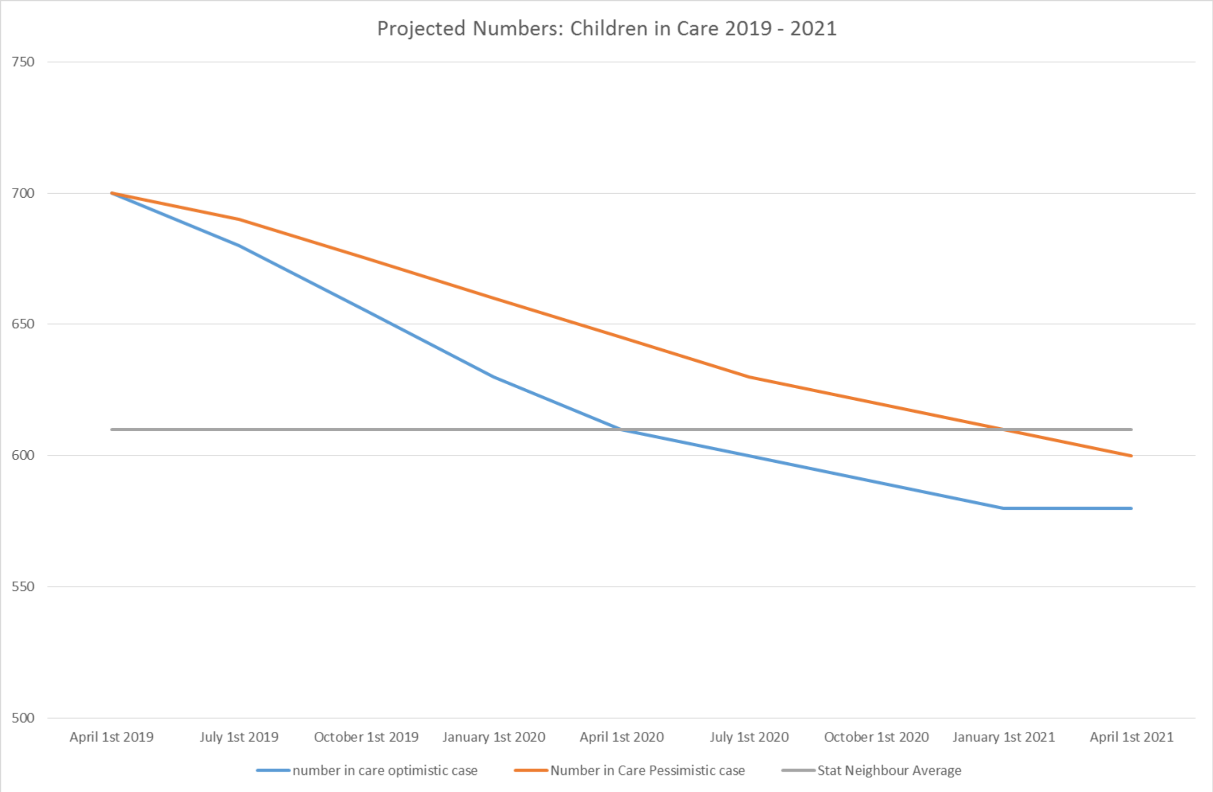
Predicting the rate of reduction in numbers in care is always a difficult task. In Cambridgeshire's case, this is further complicated by the features of our current care population and the context of a growing number of children and young people in Cambridgeshire. There are also some constraints on changing placement mix. In summary, constraints on making positive change include:

- A larger than expected group of children of primary school age among our child in care population;
- The need to ensure that children and young people are not moved from placements where they are settled, unless this is their best longer term interests and is in accordance with their care plans.

In their extensive case sampling, Oxford Brookes identified a history of over-optimism in our work with families facing significant challenges, before action was taken and children removed. This means that we have more children in our care who came into care at primary school age, for whom adoption and other permanent options outside the care system are less likely. Analysis indicates that there are around 40 more children of primary school age in care than there were two years ago, for example, and it is this age group that are most likely to be looked after until they reach adulthood. This will have an impact on our ability to reduce overall numbers in care.

As we move closer to statistical neighbour averages of children and young people in care, it is likely that an increasing proportion of those remaining will be in stable and settled placements, which will slow down the rate of change associated with increased use of in-house fostering placements.

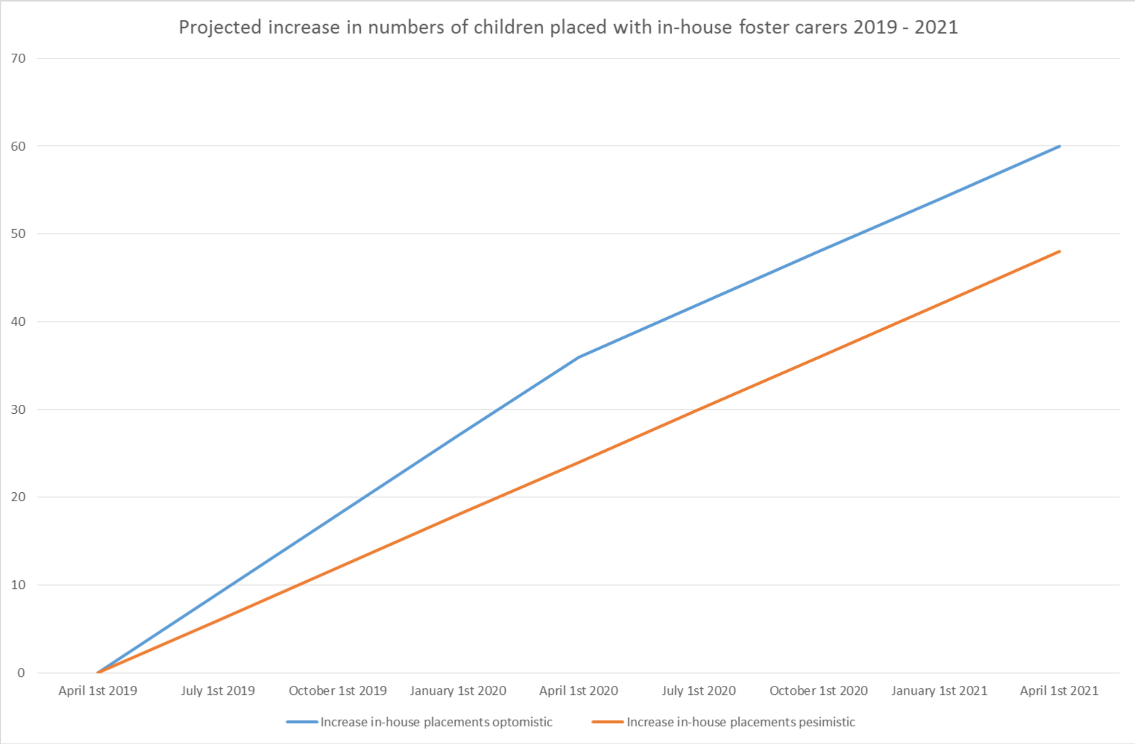
The chart below illustrates the impact of numbers in care based on achieving statistical neighbour average rate during 2019/20 [the optimistic case] and achieving this rate during 2020/21. Given the amount of early help provision in Cambridgeshire we should aspire to an eventual target of a lower number of children in care than statistical neighbours, as indicated below:



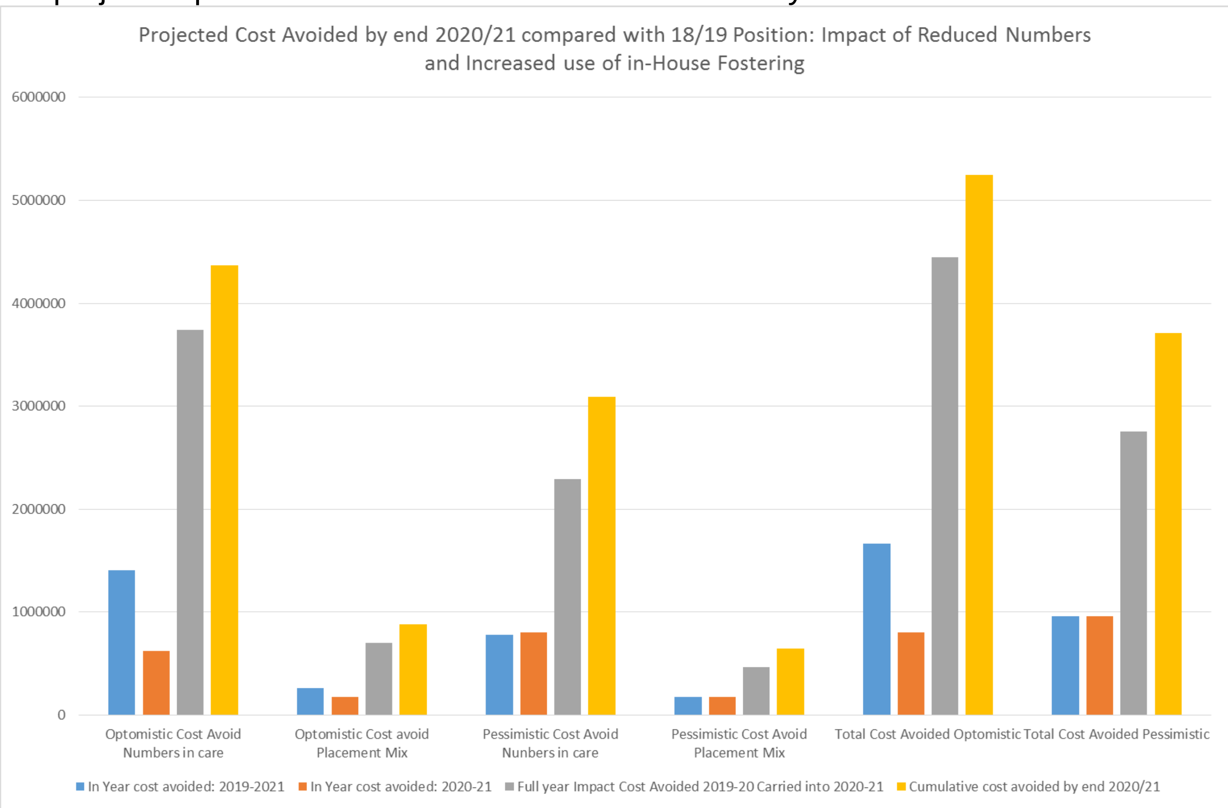
The other variable to have an impact on overall costs is placement mix. The chart below illustrates two rates of increase of in-house foster placements during 2019/20; in the optimistic scenario, we will see an additional 36 children and young people placed with in-house carers by the end of the year than the baseline at the start. The pessimistic scenario sees that increase limited to 24.

By 2020-21, the fact that there will be fewer children in care will mean that a greater proportion will be in settled placements. This means that it will be more difficult to achieve increases in numbers in in-house provision and so both scenarios envisage a further increase in numbers in in-house placements of 24 compared with the beginning of the financial year.

Increases of this magnitude are not unrealistic given the current placement mix in Cambridgeshire and the significantly lower proportion of children placed with in-house carers than national and regional averages. Continued increases in in-house foster placements will need to be reassessed at regular intervals:



The following chart illustrates the costs avoided based on the above scenarios, compared with the projected position at the end of the current financial year: [1]



Summary position 2019/20

In-year cost avoidance savings resulting from reductions in overall numbers of children and young people in care combined with changes in placement mix are projected to range from £950K to £1.6M compared with the current financial year.

[1] Assumes reductions in overall care costs of £800 per week – the average IFA placement cost with in-year savings based gradual reduction; Placement mix cost avoided assumes in-house placements cost £375 per week less than IFA placement costs, which allows for some additional staff costs.

Summary position 2020/21

The position in 2020/21 improves dramatically as the full year cost benefits of the impact of changes taken place during 2019/20 are felt.

This means that the cumulative cost avoidance savings are projected to range between £2.7M and £4.4M. The range is wide because of the full year impact of the range of predicted numbers of children in care, based on a full year cost of a child in an IFA placement of £42,000. The difference in cost per child in an in-house placement compared with an IFA placement is around £20,000.

2021/22
Cumulative savings compared with 2018/19 should be around £6M per annum in either scenario. This is because the difference in the optimistic and pessimistic scenarios is about the pace of change as opposed to overall end-point, and both scenarios set an eventual target of 580 children and young people in care. These figures have been reflected in section C above.

The position in this financial year may, however, begin to be impacted by a growing child population, and so will require review during 2020/21.

Investment to secure target savings

Proposed Structure for Revised Children's Safeguarding Service
The proposed staffing structure aims to deliver caseloads for case holding staff of between 15 and 20.

In order to achieve this, we need to establish one team for children and young people in care that is over the long term establishment. This is to manage the 100 children and young people over and above the average of our statistical neighbours. This additional team would be needed for up to 24 months, from September 2018. As numbers in care reduce, the additional capacity will be absorbed into vacancies elsewhere in the structure. The cost of this additional team, including team manager and business support, is £425K per annum.

The additional team is needed as caseloads for qualified social workers in the current 14-25 service are 30 and more; caseloads at this level will not allow workers to drive care plans forward, and will therefore frustrate the ambition to reduce the number of children in care.
Good business support is essential to any children's service. There is a savings target against delivery of business support within children's services of £245K. As part of the current re-structure of children's services, we will propose a re-design of business support job description 'families' and a move to increase efficiency in management costs across children's social care and early help services. A review of this type has not been undertaken for around 10 years. Providing a sufficient business support service across children's safeguarding and early help will cost around £295K more than current budgets, i.e. non-delivery of the savings target, plus an additional £50K.

Taking all these factors together, the overall cost of the new structure is £144K higher than the current one. Considering we have achieved both increased business support capacity and an increase in case holding practitioners of around 40, this is quite an achievement.
Family Group Conferencing was removed from the budget as part of phase 1 the Children's Change Programme in 2017. The plan was that social workers and clinicians within the units would ensure that appropriate family group meetings would take place in line with the systemic model of practice that is embedded in Cambridgeshire and that this approach would compensate for the loss of a standalone Family Group Conferencing Service.

It is, however, clear that these intended family meetings are not taking place. This is important because where family meetings are run effectively, extended families can become involved in ensuring that there is a family plan that safeguards the child after a period when they have been subject to a child protection plan. Contingency arrangements including whether there are relatives who could offer a permanent home to the child concerned can also be addressed, and family members ruled in or out of the process. This can avoid care proceedings altogether, reducing legal costs and avoids late presentation at court of potential extended family members who have not been assessed prior to proceedings.

Family Group Conferences take time to set up and can require some careful handling where relationships between the local authority and family are strained. Where social worker workloads are manageable they may have the time to contact family members, explain the purpose and persuade them to attend, but this is less likely in busy in teams except where organising a family meeting more straight-forward – where relationships have not become strained and the extended family is already engaged, for example. In more complex scenarios, families will often respond to contact by a service or individual who is less connected to the direct work with the family. Dedicated staff, meanwhile, are better able to make repeated contact with family members and persuade them of the value of participation.

It is estimated that re-instating the Family Group Conferencing Service will cost an additional £250K per annum. This means that the new structure will cost around £400K per annum more than the current structure in total, including changes to business support, additional case holding practitioners and re-instating Family Group Conferences.

These figures are based on the assumption that the funds to meet the cost of additional care leaver burdens are built into the budget, see section A. The annual cost of the additional personal advisers required is £324K, although this is offset by a grant from government of £23K, leaving £301K to find.

Summary Transitional Costs to manage demand

This section sets out the intended requests to be made to General Purposes Committee to support transitional staffing costs in implementing the new structure.

Funding for time-limited additional social work team for children in care

As noted above, the higher numbers of children in care require the temporary development of an additional team of social workers, a team manager and business support.

Transitional Support: Contact Centre

The changes to the Integrated Front Door and MASH will result in significant changes for the Contact Centre at St Ives, to where much of the screening currently undertaken within the MASH will transfer.
There will be an inevitable need for some dual operation as staff are trained and functions move across.

Other transitional staffing costs

Ordinarily, there would be expected to be additional costs associated with Independent Reviewing Officers of having higher numbers of children in care. The budget associated with these roles is projected to overspend by around £84K per annum as they are over-established in order to manage demand. Capacity is just about sufficient at this level of over-establishment.

This will also result in a larger number of senior practitioner roles than for which there is budget. The alternative would be to risk losing experienced social workers, which would be more expensive in the long run as it would lead to instability and higher reliance on agency staff.

Managing Other Continuing Areas of Overspend

In addition to placement budgets, one key area where overspends are inevitable where overall numbers of children in care are higher is in relation to costs associated with supervised contact:

Supervised Contact

In 2017/18, the budget for supervised contact was £275K overspent. Similarly to the position with transport costs above, it is unlikely that the overall numbers of children in care are likely to change, implying a similar pressure in 2018/19.

As part of the proposed changes to the structures in children's services, however, we are exploring the development of additional posts in the supervised contact service as an alternative to purchasing cover from agencies. This will lead to more consistency for children and families, while retaining some flexibility.

We propose to develop an additional Assistant Service Manager role and three additional full time contact supervisors, supported by eight relief supervised contact workers at a cost of £170K. We propose to retain a further £100K to use to fund contacts provided by relief workers. Including these proposals within the broader consultation, apart from making business sense, will also increase the range of suitable roles available in the event that the decision is taken to close the residential element at one home that is currently underutilised.

Non-delivery of Savings 2018/19

As noted above, there are range of savings still to be achieved against the current and future year children's budgets. Most of these relate to savings included in phase 2 of the Children's Change programme of 2017, predicated on demand reductions that have not been achieved.

In the current year, £504K of savings allocated to Phase 2 of the Children's Change programme have been achieved, on top of the £669K savings in Phase 1 in 2017/18.
Further savings that cannot be delivered this year include:

- The remaining £90K of savings associated with Phase 2 of the Children's Change Programme;
- The offsetting of the loss of expected grant from the DFE of £295K.

In addition, there are further pressures to be met that are unlikely to be possible to meet within existing budgets, the most notable of which is the revenue implications of not implementing Mosaic in children's services. £504K of capital that is not recoverable from this project must now be absorbed as revenue.

As noted elsewhere, there is a further pressure associated with new leaving care burdens, which also needs to be included within the baseline budgets.

Savings Target for 2019/20

There is a £300K savings target in place for 2019/20.

Savings in event that the decision is made to close a children's home that is currently underutilised

The budget associated with the residential element of the children's home is £600K per annum. The placement costs of the young people living in the provision until mid-June is in the region of £230K per annum, resulting in a full year saving of around £350K per annum.

Summary Position

These are significant financial pressures in the current financial year, although mostly connected to higher than anticipated placement costs and non-delivery of savings targets.

As noted above, **the position should be seen in the context that £1.2M has been removed from children's budgets through Phase 1 and 2 of the Children's Change Programme. These savings were based on assumptions about demand reductions that were not delivered.**

The Placement overspend line is set at £2.7M for each year, enabling the impact of changes in numbers in care and placement mix to be compared against. This figure is at the top of the anticipated range of £2 - £2.75M pressure on 2018/19 budgets.

If the eventual position is towards the lower of this range, the position for subsequent years will be improved.
The position, is that pressures against children's services budgets will remain until 2020/21 under optimistic scenarios relating to overall numbers in care and placement mix, or until 2021/22 under the pessimistic scenario. The position in 2021/22 is much more positive under either scenario.

Predicting numbers in care is, however, a difficult thing to do, and so while there is a higher degree of confidence in the projections contained within this briefing than has been the case, they remain high risk.

Concluding remarks

There is urgency to move forward with a clear understanding of children's services budget.

- The urgent need to address practice and capacity issues in the Integrated Front Door, MASH and First Response Team;
- Staff are mostly very positive about the proposals; we need to capitalise on this positively and avoid delay;
- The changes need to be implemented if we are to grip overall demand in the system and deliver benefits for children as well as financial benefits as soon as we can.

Decisions about management of non-delivery of savings will also be required and in relation to the biggest area – children in care – it may be that a case could be made for transitional funding based on the makeup of the current in-care population.

Lou Williams
Service Director for Children & Safeguarding
June 25th 2018

Section F
Commissioning Directorate Redesign

1. WHY IS THE INFORMATION/REPORT COMING TO GENERAL PURPOSE COMMITTEE?

1.1 The purpose of this report is to set out the significant challenges facing the commissioning directorate and the subsequent implications and recommended solution.

2. WHAT ARE THE CRITICAL ITEMS/ISSUES FOR FOCUS?

2.1 The Commissioning service was created in July 2017 and has largely been focusing on identifying and delivering savings, managing pressures across People and Communities and working with health partners to deliver the national 3.5% Delayed Transfers of Care (DTOC) target. There are pressures as a result of increased demand, rising costs of care and market capacity. The purpose of this paper is to seek investment to support the development of an integrated brokerage function across health and social care. This will ensure we have the right capacity and skills to manage the market in a sustainable way, helping to mitigate these pressures and supporting delivery of the 3.5% DTOC target.

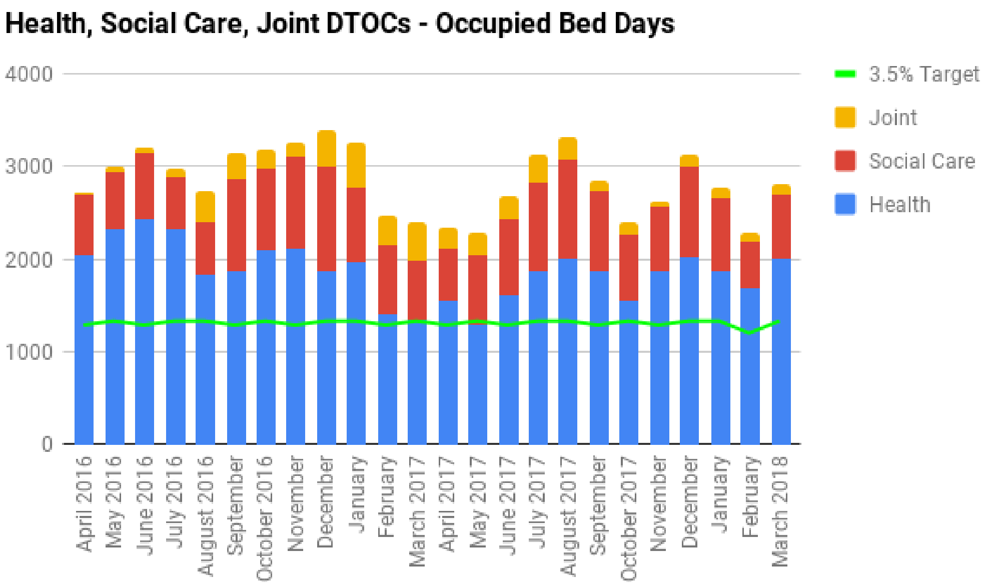
2.2 The new Improved Better Care Fund (IBCF) introduced three priority areas and associated targets which have needed a significant increase in resources to meet the following requirements of the grant:

1. Meeting adult social care needs.
2. Reducing pressure on the NHS and supporting more people to be discharged from hospital when ready
3. Ensuring that the local social care provider market is supported.

2.3 These three requirements predominantly boil down to the management of discharge planning and delayed transfers of care. In its current form, the commissioning service is unable to manage this ask in a sustainable way, with a large reliance on interims to meet the changing requirements in skill mix and a current forecast care package pressure of c. £1.5m.

2.4 The catalyst for this change has been the work on delayed transfers of care (DTOCs). The Councils and its NHS partners have a combined challenging DTOC target of 3.5% of the acute hospital bed base. Throughout the later part of 2017 and early 2018, high levels of delayed transfers of care (DTOC) across Cambridgeshire and Peterborough has put increased pressure on the system to manage this demand, resulting in unprecedented focused activity to support a reduction in DTOCs and an associated identified increased need in the offer from the brokerage service, specifically a brokerage offer that acts on behalf of the health and social care system.

2.5 The below graph shows month on month DTOC performance across Cambridgeshire, highlighting struggling performance against the 3.5% target.



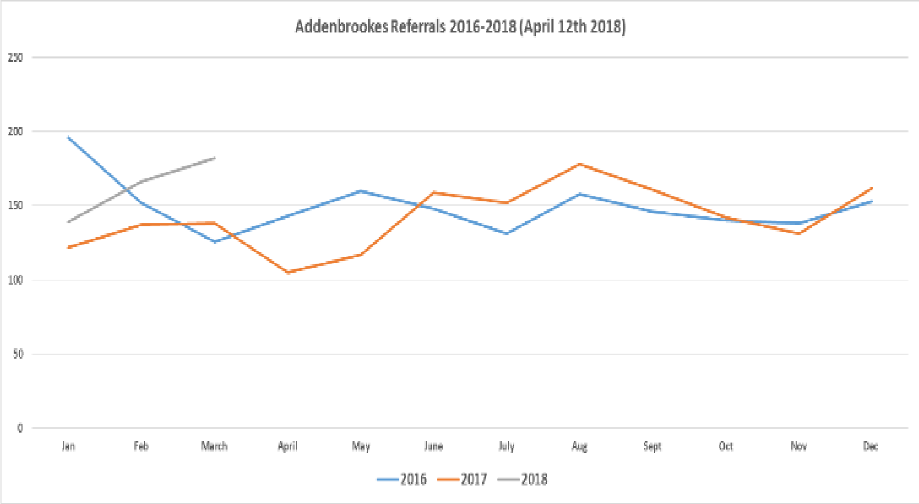
Du ring March, 71% of all delayed days were attributable to the NHS, 24.9% were attributable to Social Care and the remaining 4.1% were attributable to both NHS and Social Care. Cambridgeshire, compared to all single tier and county councils in England, is ranked 134 out of 151 on the overall rate of delayed days per 100,000 population aged 18+. It is ranked 143 on the rate of delayed days attributable to the NHS, and 118 on the rate of delayed days attributable to social care. The biggest acute hospital pressure has been felt in Addenbrookes (CUHFT), with current performance currently running at approximately 5.5% of the total number of beds (1000).

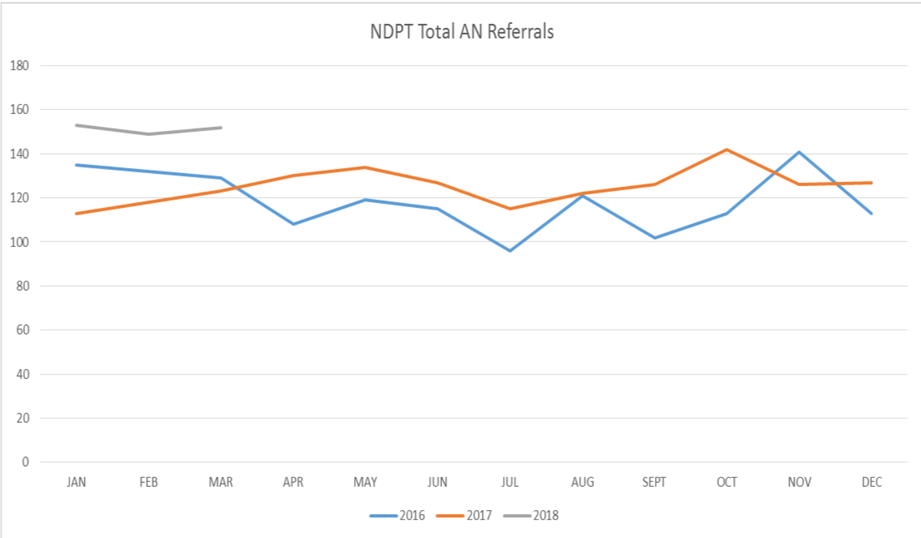
2.6 In addition, hospital admissions of over 80 year olds in 2017/18 has increased significantly since 2016/17 (see below table). This in turn has had a very big impact on demand on social care and community services post discharge, as well as on the overall DTOC performance figures.

Admissions of over 80 year olds from April 2017 to August 2017 compared to the same period in the previous year

Hospital	Increase 2017/2018	% Change
Addenbrookes (CUHFT)	245	+7.9%
Hinchingbrooke	34	+2.2%
Peterborough City Hospital	-79	-3.4%
Queen Elizabeth Hospital (Kings Lynne)	119	+24%
TOTAL	**335**	**+4.4%**

The below graphs show a significant increase in referrals into Adult Social Care via the CCC hospital discharge planning teams, where referrals into the South Discharge Planning Team (Addenbrookes) in March were 32% higher than the same month in 2017 and referrals into the North Discharge Planning Team (Hinchingbrooke and Peterborough City Hospital) were 24% higher in March, compared to the same month in 2017.





2.7 The system wide pressure to achieve the DTOC target of 3.5% and the corresponding lack of capacity to develop and manage the market and commission services differently has driven the local authority to commission and broker care packages in an inefficient way. Examples include using residential care in place of home care and competing on price with health for capacity. The impact of this is a budget pressure of c. £1.5m.

2.8 Changes in hospital discharge care pathways, resulting in more people being placed in care home provision through processes like 'discharge to assess' are also likely to lead to further unplanned financial impact, as the pressure to get people out of hospital quickly results in higher levels of acuity of need.

2.9 To mitigate this pressure, the commissioning service needs to move away from the current reactive approach to a more strategic and proactive approach that focusses on market management and development, and commissioning services and capacity in the most cost effective way. This change will primarily involve the following:

1. Development of an integrated brokerage function across health and social care for all 'purchasers' across Cambridgeshire and Peterborough which would enable a single point of managed access to market.
2. The full integration of contract management and quality improvement into day to day commissioning will re-inforce the local authority's quality requirements and drive out value in

the existing block contracts, taking a far more commercial approach to provider management and move away from the contract monitoring 'tick box' approach to satisfy compliance.

3. On site brokerage presence in each of the three acute settings, will support a quick and efficient brokerage response to manage discharges, improving communications and patient experience.

2.10 The proposed changes will support delivery of the following outcomes:

- Improved management of discharges, reducing Delayed Transfers of Care (DTOCs)
- Effective management of market fees to ensure best value for money
- Removed duplication and streamlined purchasing arrangements
- Optimisation of provider capacity through a dedicated route to market
- Drive better relationships between commissioners and providers, ensuring a strong market position with an integrated approach across health and social care
- Deliver a coordinated approach to improvement, as isolated initiatives may create unwanted consequences
- Improve outcomes for patients, supporting their care in the most appropriate setting
- Create a sustainable market with the right levels of quality

2.13 Agreement is in place between Cambridgeshire County Council (CCC), Peterborough City Council (PCC) and Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) to establish an integrated brokerage function that will provide a single point of access to the market and will enable a single coordinated approach to the management and development of the market to ensure ongoing sustainability. The CCG will be contributing an additional c.£171k towards the cost, with PCC contributing an additional £72k. The specific investment required from CCC to deliver the service is £499k per annum. The following table provides a breakdown of this additional investment.

Additional Resource	**CCC FTE**	**PCC FTE**	**CCG FTE**
Head of Brokerage / Quality Improvement	1.0	-	-
Contract Managers	3.0	-	-
Contract Officers	1.0	1.0	2.0
Brokers (including onsite brokerage in each acute hospital)	4.0	-	1.0
Business Support	1.0	0.5	0.5
Total c. Cost	**£499k**	**£72k**	**£171k**

2.14 The current cost of the brokerage service across Peterborough and Cambridgeshire is c. £447,000 per annum. The following table provides a breakdown of CCC, PCC and CCG contributions.

Existing Resource	**CCC FTE**	**PCC FTE**	**CCG FTE**	**TOTAL FTE**
Brokers	5.5	4.0	1.5	11.0
Contract Managers	2.0	-	-	2.0
Contract Officers	-	1.0	-	1.0
Total c. Cost	**£165k**	**£202k**	**£80k**	**£447k**

2.15 In summary, the current commissioning service has to date been focusing on delivering savings, managing pressures across People and Communities and supporting delivery of the 3.5% national DTOC target. There are significant challenges related to increasing demand, market capacity and increasing costs of care that mean we are not currently managing the market in a sustainable way. There is an identified need to develop a single point of access and coordination of the market through establishment of an Integrated Brokerage Function, with the right capacity, across health and social care. This will mitigate identified pressures of c. £1.5m and help achieve the 3.5% DTOC target.