GENERAL PURPOSES COMMITTEE

Date:Tuesday, 28 November 2017

10:00hr

Democratic and Members' Services
Quentin Baker
LGSS Director: Lawand Governance

Shire Hall
Castle Hill
Cambridge
CB3 0AP

Kreis Viersen Room
Shire Hall, Castle Hill, Cambridge, CB3 0AP

AGENDA

Open to Public and Press

The General Purposes Committee comprises the following members:

Councillor Steve Count (Chairman) Councillor Roger Hickford (Vice-Chairman)

Councillor Anna Bailey Councillor Ian Bates Councillor Simon Bywater Councillor Steve Criswell Councillor Lorna Dupre Councillor Derek Giles Councillor Peter Hudson Councillor David Jenkins Councillor Noel Kavanagh Councillor Lucy Nethsingha Councillor Josh Schumann Councillor Mathew Shuter and Councillor Joan Whitehead

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

Clerk Email: michelle.rowe@cambridgeshire.gov.uk

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GENERAL PURPOSES COMMITTEE: MINUTES — Agenda Item No.2

Date: Tuesday, 24th October 2017

Time: 10.00a.m. – 11.10am

Present: Councillors Bailey, Bates, Bywater, Count (Chairman), Criswell, Dupre, Hickford, Giles, Hudson, Jenkins, Jones (substituting for Councillor Kavanagh), Schumann, Shuter, Whitehead and Williams (substituting for Councillor Nethsingha)

Apologies: Councillors Kavanagh and Nethsingha

38. DECLARATIONS OF INTEREST

There were no declarations of interest.

39. MINUTES – 19TH SEPTEMBER 2017 AND ACTION LOG

The minutes of the meeting held on 19th September 2017 were agreed as a correct record and signed by the Chairman. The Action Log was noted.

40. PETITIONS

No petitions were received.

41. FINANCE AND PERFORMANCE REPORT – AUGUST 2017

The Committee was presented with the August 2017 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an overspend of £1,120K, which was a slight improvement on the previous month. It was noted that the Strengthening Communities budget was predicted to underspend by £50k due to staff vacancies. The Mosaic Project which was now under the remit of Corporate Services was currently on track to be within budget.

One Member queried whether the predicted overspend of £68k on IT Managed budgets was connected with ERP Gold, which was already a year late and overspent. The Committee was informed that this overspend related to other routine contracts. The Chief Finance Officer reminded Members that the implementation of ERP Gold had been deferred until 1 April 2018. It was proposed to bring a report to the next meeting detailing the additional costs connected with the deferral and who would be responsible for funding these costs. **Action Required.**

Another Member queried the detail of the pressure of £750k on Financing Costs budgets. The Chairman reminded the Committee that this pressures related to the Housing Investment Company. It was noted that the Committee had received a detailed report at its last meeting where it had been informed that this pressure continued to be monitored.

It was resolved unanimously to review, note and comment upon the report.

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

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end overspend of £4.8m, which was an increase of £0.7m from July. Attention was drawn to mitigating and offsetting measures identified so far to improve the position, as detailed in Section 3.1.2. However, the position relating to Looked After Children (LAC) Placements and the Learning Disability Partnership was worsening.

Before discussing the report, the Chairman welcomed the changes that had been made to the presentation of the report with arrows going up and sideways, outcomes and descriptors. However, he queried whether it could be followed through the report. He highlighted the fact, for example, that it was important to know whether bigger numbers were good or bad. **Action Required.**

Another Member raised the need to highlight any changes to text on page 35, as it was important to know whether or not indicators had stayed the same. She also highlighted the need to use italics or bold to identify changes to the business plan where the same introduction was used over again. The Chairman acknowledged that it was useful, particularly with large reports, to have the changes or a worsening situation highlighted. He asked officers to give it some consideration. **Action Required.**

The Chairman welcomed the Executive Director: People and Communities (P&C) to the meeting. He thanked her for preparing an appendix detailing the pressure within P&C, which was the main reason for the £4.8m predicted overspend (1.4% of the Council's budget). He warned the Committee that if the Council did not get this situation under control it would need to find additional savings. He reported that a series of mitigations had been put in place but he felt the Committee needed to understand what these added up to and when they would be delivered. He added that without these mitigations the Council would have to recast budgets.

The Executive Director reported that Children's Services nationally were causing concern. The Local Government Association would be conducting a "deep dive" as it was not possible either nationally or locally to identified the one issue causing the problem. She was of the view that the mitigations the Council had put in place would bear fruit. However, it was a difficult judgement to make regarding the number of placements in house and timescales. Two panels had been established relating to children in care placements, and babies. It was hoped that young children could achieve permanency placements quickly. She added that permanency planning thresholds were correct in order to get children through the system quickly. A new Head of Service had been appointed who would be able to provide a plan for the next meeting detailing what could be achieved and by when in relation to the mitigation measures to address the overspend in P&C. **Action Required.**

During discussion of the overspend in P&C, Members:

- welcomed the helpful presentation from the Executive Director. The Chairman also welcomed the direct management action for more in-house carers, and queried what the target would be presented to the Committee. The Executive Director reported that a business case for in-house foster carers would be presented as part of a transformation bid to the Committee.

- were informed by the Chairwoman of Adults Committee that she was confident that the Learning Disability Partnership would achieve a balanced budget at year end. She explained that this would be accomplished by using underspends in other areas but could only go on for so long. External Learning Disability provision was double the cost of in-house provision. It was therefore important to exercise some control over the market.

- noted the budget for Children's Services. One Member commented that it was evident that the baseline budget over the last four years for Children's Service was insufficient. She added that this had been recognised nationally and by the Council, which had moved money into Children's Services. The Government had provided a 2% precept for Adults Services but nothing for Children. The LGA was now taking up the issue nationally. She commented that when she had been Chairwoman of Children and Young People Committee, the Committee had put many measures in place which had been successful but demand had continued to increase. There was therefore no easy fix. She informed the Committee that she would be trying to re-balance the budget as part of the Council Tax debate. The Chief Finance Officer acknowledged that allocating resource to a demand led budget was difficult but the Council had put additional funding into the Children's Services budget. The Council would be looking at budgets across the organisation and the Committee would be taking positive action to rebalance the Children's budget.

- highlighted the budget pressure against Grafham Water. One Member commented that it was a valuable resource with a budget loan of £97k which it was finding difficult to repay. The Centre was able to cover its running costs from revenue but unable to repay the loan. She queried whether the Council would consider writing off the loan from reserves. The Chairman of Commercial and Investment Committee reported that the Grafham Water Centre now came under his Committee's remit and would be subject to review. The Chairman of Children and Young People Committee also reported that he was on the Outcome Focused Review Group looking at the Centre and had recently spent two days there. The Chief Finance Officer reminded the Committee that the Centre was a traded activity and had received a loan for a specific purpose. The Chairman queried the impact of seasonality on the profitability of the centre. The Head of Finance reported that he would need to look at a profile of expenditure.

- acknowledged that the Council was fighting a national trend. One Member highlighted the need to spend money to address demand today but also to spend money to reduce demand in the future. He hoped that funding would not be reduced which might result in the Council having a bigger problem next year. The Executive Director reminded the Committee of the considerable investment which was already taking place including 'No Wrong Door' and the new Children's Centre offer. There was a need to balance preventative interventions and taking children into care achieving permanency as soon as possible. The Chairman stressed the need to be aspirational regarding initiatives and acknowledged that some might fail. As far as he was aware, the Council was already funding everything it could think of and there was funding available in the Minimum Revenue Provision (MRP) for any new initiatives. The Executive Director reported that she would be bringing a business case following a “deep dive” in relation to permanency. In response, the Member stressed the need to spend on prevention and finance the overspend another way.

- noted in relation to Adults Committee that the vast majority of prevention business cases had received funding made available from the MRP. There were hundreds of transformation programmes each one with improved outcomes and efficiencies. The Chairwoman of Adults Committee reported that it was probably too early to identify whether they had been successful. However, she identified areas where transformation had been successful, for example, the investment of £70k had resulted in savings of £428k as part of the Total Transport Programme, and the Council was seeking to recruit 100 reablement officers, as part of its prevention programme for long term care.

In relation to other parts of the report, Members:

- queried whether the Department for Transport Safer Roads Fund awarded for the A1303 Road Safety Improvements Scheme was time limited. The Chairman of Highways and Community Infrastructure Committee queried if there would be consultation when the changes were implemented. He acknowledged that this significant amount of money could make a big difference. The Chief Finance Officer agreed to provide a written response which would be e-mailed to the Committee and Local Members. **Action Required.**

It was resolved unanimously to:

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

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

43. SERVICE COMMITTEE REVIEW OF DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2018-19 TO 2022-23

The Committee received a report detailing an overview of the draft Business Plan Revenue Proposals that were within its remit. The Chairman drew attention to paragraph 4.3 and Outcome Focused Reviews. It was noted that Councillor Steve Criswell had been appointed to the review relating to the Contact Centre.

The Chairman also drew attention to the fact that the Government had only confirmed that the Adult Social Care precept would be available up to and including 2019-20. The Chief Finance Officer acknowledged that there was no guarantee of it continuing so agreed to change 2020/21 and 21/22 to reflect no precept. Another Member commented that raising the general Council Tax by 1.99% remained an option without requiring a referendum. The Chairman reminded the Committee that this option would be discussed by Council in February.

It was noted that the business cases for the projects were not complete. The Chief Finance Officer reported that the Committee was not being asked to take a decision at this stage. It would receive the full business cases at a future meeting. One Member raised concern that the Organisational Review detailed at Section 4.3 was just coded speak for more redundancies. The Chairman reported that the Review was about ensuring that the Council had an organisation which was fit for purpose. This could involve either redundancies or investment. In response, the Member highlighted the need to consider the pressure on existing staff and the impact on them of removing more staff. The Chairman, as an example, drew attention to the positive change in the way blue badges were administered.

In conclusion, the Chairman highlighted the Cambridgeshire Lottery set out on page 76. He was aware that Peterborough City Council's Lottery was at an advanced stage, and suggested that Cambridgeshire might be able to learn lessons from the City Council.

It was resolved unanimously to:

a) note the overview and context provided for the 2018-19 to 2022-23 Business Plan revenue proposals for the Committee; and

b) comment on the draft revenue proposals that were within the remit of the General Purposes Committee for 2018-19 to 2022-23.

44. DRAFT 2018-19 CAPITAL PROGRAMME AND CAPITAL PRIORITISATION

The Committee considered a report setting out an overview of the full draft Business Plan Capital Programme and results from the capital prioritisation process. It was noted that individual schemes had been signed off by the relevant Policy and Service Committee.

One Member queried the secondary provision for St Neots on page 107 whether it related to St Neots expansion or Love's Farm 2. The Chief Finance Officer agreed to investigate. **Action Required.** As the Local Member for St Neots, the Member was concerned about provision because it had been underestimated for Love's Farm 1. The Chief Finance Officer reported that the additional capacity for St Neots looked like it would be built on the existing school site. The Chairman of the Children and Young People Committee reported that the Council's Research Team was continually learning from experience and not just applying the same Government formula. The Chief Finance Officer acknowledged that the Council's own internal assessment was more refined than the Government formula.

Another Member highlighted the scale of the school building programme which reflected the significant population growth in the county. She suggested using comparative data to get more funding from Government. The Chief Finance Officer confirmed that Cambridgeshire was the fastest growing County in the country. The programme was based on a DfE calculated formula supplemented by local resources. The Council was making representations as it could not accept growth if it did not receive funding.

She drew attention to Housing Schemes on page 100 and the need for Commercial and Investment Committee to consider affordable and social housing for key workers which the Council had difficulty recruiting to such as teachers and social workers. The Chairman of Commercial and Investment Committee reminded Members that the Committee was committed to being as commercial as possible, as income was used to support front line services. However, the Committee was considering how Community Land Trusts which linked housing to local needs could be used to support people living and working in the local area. The Chairman reminded Members of the impact the Combined Authority could make to the delivery of affordable housing in the area. In his view, the biggest problem was the amount of housing being delivered. There was a need for Commercial and Investment Committee to work with the Combined Authority and Addenbrooke's to release gap funding in order to build key worker housing. One Member commented that exception sites were not used in the county as effectively as they could be. The Chairman of Children and Young People Committee suggested building accommodation for newly qualified teachers at schools with a subsidised rent.

In welcoming the total list of schemes, one Member queried the fact that a number of schemes could be revenue schemes and was concerned that the Council could be storing up a problem for the long term. The Chief Finance Officer reminded the Committee that the Council could not fund the revenue budget from the capital budget. However, there was a window of opportunity in the capital regulations relating to items which would traditionally be funded from the revenue budget which could at the moment be funded from the capital budget e.g. the first year of interest on revenue costs. The table also referred to maintenance when it should state major capital repairs.

It was resolved unanimously to:

a) Note the overview and context provided for the 2018-19 Capital Programme.

b) Note and comment on the results of the capital prioritisation process, taking into consideration the most up to date estimations for financing costs and the overall revenue position.

c) Comment on the draft proposals for the full 2018-19 Capital Programme and endorse their development.

45. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS, AND PARTNERSHIP LIAISON AND ADVISORY GROUPS

The Committee considered its agenda plan and training plan. It was resolved unanimously to:

a) review its Agenda Plan attached at Appendix 1 subject to the deletion of item 5 schedule for 28 November 2017;

b) review and agree its Training Plan attached at Appendix 2; and

c) note the appointment of Councillor John Gowing and Peter Hudson to the Education ICT and Cambridgeshire Music Outcome Focused Review Groups.

Chairman

Agenda Item No.2

GENERAL PURPOSES COMMITTEE

Minutes-Action Log

Introduction:
This log captures the actions arising from the General Purposes Committee on 24th October 2017 and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 20th November 2017.

Minutes of 24th October 2017					
Item No.	**Item**	**Action to be taken by**	**Action**	**Comments**	**Completed**
41.	**Finance and Performance Report – August 2017**	C Malyon	Report on ERP Gold to the next meeting detailing the additional costs connected with the deferral and who would be responsible for funding these costs.	On the agenda at Item No.8.	**Yes**
42.	**Integrated Resources and Performance Report for the Period Ending 31st August 2017**	T Barden	The need for the changes that had been made to the presentation of the report, with arrows going up and sideways, outcomes and descriptors, to be followed through the report.	The IRPR front page has been updated and the revisions will feature in the report covering the period October 2017 (due to be discussed in December)	**Yes**

		C Malyon	Officers to consider how changes could be highlighted in regular reports to GPC such as Business Planning.	All the key exceptions reported in the main body of the IR&PR reports are changes since the previous month(s) or items drawn to the Committee's attention. Overall total budget information and the ordering of the report is consistent from month-to-month to aid summary comparisons and ease of locating information. The business planning reports to GPC in December and January will identify the changes the Committee is asked to consider as updates to previous iterations.	**Yes**
		Wendi-Ogle-Welbourn	A new Head of Service had been appointed who would be able to provide a plan for the next meeting detailing what could be achieved and by when in relation to the mitigation measures to address the overspend in P&C.	The new Head of Service (Helene Carr) is reviewing the position and providing the more detailed analysis and savings plan. The P&C Delivery Board received an update on 19 October. In the GPC Agenda Item No.5 refers to the financial mitigation themes improving the outturn so far and the other areas that will be explored to provide one-off offset alongside the longer term savings plan.	**Yes**
		C Malyon	Queried whether the A1303 Road Safety Improvements Scheme was time limited and if there would be consultation when the changes were implemented. The Chief Finance Officer agreed to provide a written response which would be e-mailed to the Committee and Local Members.	It is hoped that further details will be released in relation to this scheme by the Department for Transport following the Budget this month – the Highways Service will communicate with Local Members.	**Yes**

44.	**Draft 2018-19 Capital Programme and Capital Prioritisation**	C Malyon	One Member queried the secondary provision for St Neots on page 107 whether it related to St Neots expansion or Love's Farm 2. The Chief Finance Officer agreed to investigate.	Regarding the entry in the secondary school programme at page 107, future provision considerations for 11-18 year olds in St Neots are outlined in more detail in a recent report to the CYP Committee http://tiny.cc/CYPOct-StNeots (a site for a potential third secondary school has not yet been identified by DfE). Regarding the entry in the primary programme at page 106 this relates to Wintringham Park in St Neots rather than Love's Farm. Local Members will be kept up-to-date by the Education Service within People & Communities.	**Yes**

Minutes of 19th September 2017

Item No.	**Item**	**Action to be taken by**	**Action**	Comments	**Completed**
24.	**Minutes – 19th September 2017 and Action Log**	T Kelly	Further work is needed to provide the split between investment debt (where a specific return is expected) and debt incurred for general purposes (financing the capital programme)	Analysis continues to disaggregate	**Ongoing**
		S Smith	Resource is currently focussed on the renewal of the Microsoft Enterprise Support Agreement. Once this has been completed, Group Leaders will be updated with an outline plan of the steps involved in an investigation into alternative office software.	No updates at present. However, it is anticipated that this will go to GPC in September 2018.	**Yes**

Agenda Item No:4

FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2017

To:	**General Purposes Committee**
Meeting Date:	**28th November 2017**
From:	**Director of Corporate and Customer Services** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To present to General Purposes Committee (GPC) the September 2017 Finance and Performance Report for Corporate Services and LGSS Cambridge Office.** **The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of September 2017.**
Recommendation:	**The Committee is asked to review, note and comment upon the report.**

	Officer contact:		*Member contacts:*
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	Tom.Kelly@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 703599	Tel:	01223 706398

1. BACKGROUND

1.1 General Purposes Committee receives the Corporate Services and LGSS Cambridge Office Finance and Performance Report at all of its meetings, where it is asked to both comment on the report and potentially approve recommendations, to ensure that the budgets and performance indicators for which the Committee has responsibility, remain on target.

2. MAIN ISSUES

2.1 Attached as **Appendix A**, is the September 2017 Finance and Performance report.

2.2 **Revenue:**

At the end of September, Corporate Services (including the LGSS Managed, Deputy Chief Executive and Financing Costs) is forecasting an overspend of £1,319k. The Corporate Services budget reflects the transfer of £345k budget to Economy, Transport and Environment and People and Communities, as part of the reconfiguration of the Strengthening Communities service. There is one new significant forecast outturn variance (over £100k) to report.

The LGSS Cambridge Office budget is forecasting an overspend of £90k and there are no significant forecast outturn variances (over £100k) to report. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.

2.3 **Capital:**

At the end of September, Corporate Services, Transformation and LGSS Managed are forecasting an underspend of £567k on capital budgets. The capital programme variations budget for Corporate Services has been achieved in full, resulting in a net underspend of £567k. There is one significant variance to report on capital expenditure and funding.

LGSS Managed budgets are forecasting a balanced budget; there is one new significant variance to report, but in-year slippage does not exceed the capital variation budget, leading to a balanced position.

LGSS Operational is forecasting a balanced position on capital, and as yet there has been no capital spend. None of the capital programme variations budget has been used and there are no significant forecast outturn variances to report.

2.4 **Performance:**

Corporate Services / LGSS Cambridge has 13 performance indicators for which data is available. 7 indicators are currently at green, 4 at amber and 2 at red status. 2 indicators have no target set.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

This report sets out details of the overall financial position for Corporate Services / LGSS and this Committee.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Consultation Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	N/A
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	N/A
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	N/A
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
CS and LGSS Cambridge Office Finance & Performance Report (September 17)	1st Floor, Octagon, Shire Hall, Cambridge

Appendix A

Corporate Services and LGSS Cambridge Office

Finance and Performance Report – September 2017

1. SUMMARY

1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	**Amber**	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	**Green**	3.2

1.2 Performance Indicators – Current status: (see section 4)

Monthly Indicators	**Red**	**Amber**	**Green**	**Total**
September Number of indicators)	2	4	7	13

2. INCOME AND EXPENDITURE

2.1 Overall Position

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. Budgets relating to Commercial and Investment Committee have been disaggregated from these figures.

The adverse position seen overall in this report is subject to action by officers to address. Mitigations identified in corporate areas, but reported outside of this report, include additional income from the County Offices estate and Business Rates.

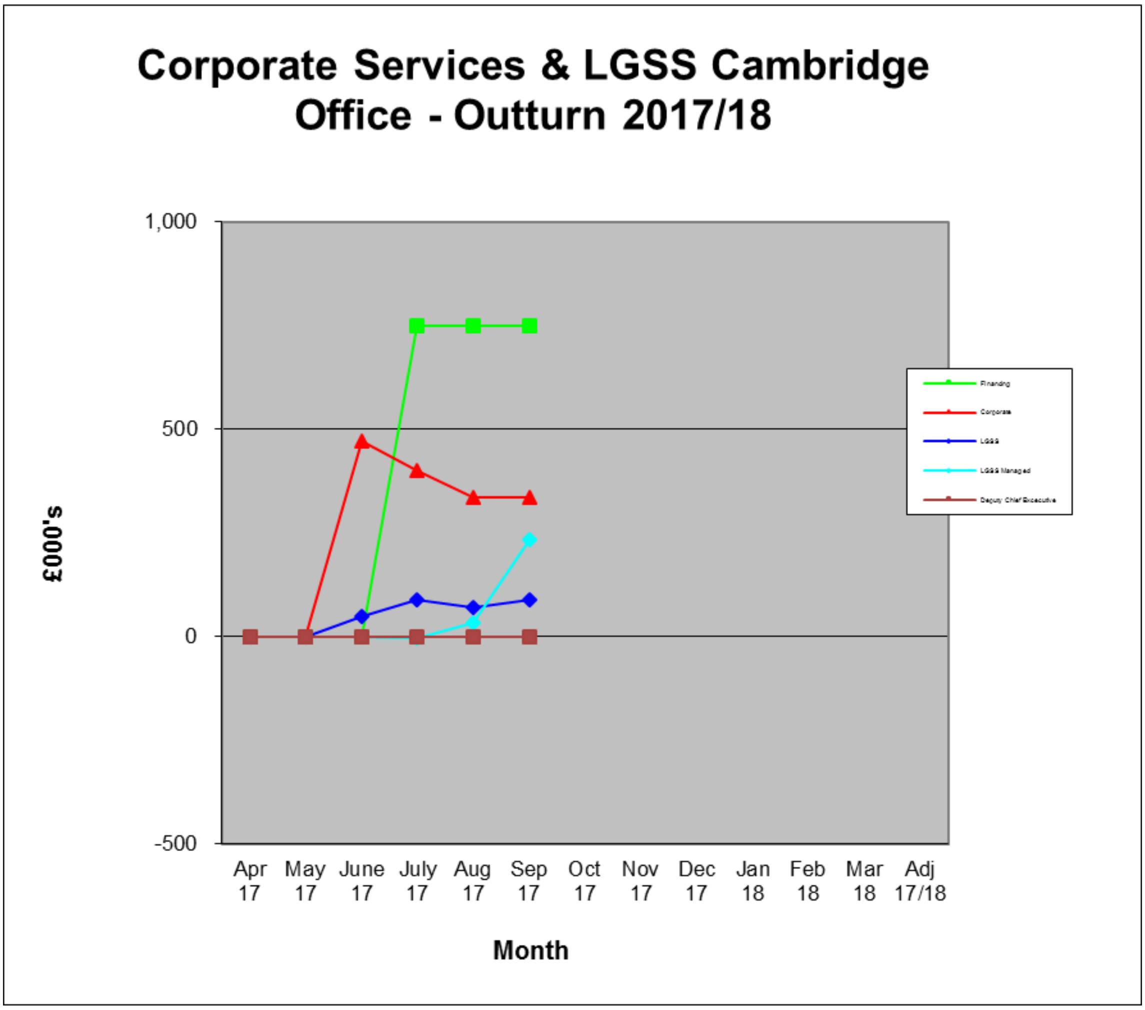
Original Budget as per BP (1)	Directorate	Current Budget	Forecast Variance - Outturn (August)	Forecast Variance - Outturn (Sept)	Forecast Variance - Outturn (Sept)	Current Status	DoT
£000		£000	£000	£000	%		
6,914	Corporate and Customer Service	5,740	336	336	6	Amber	↔
223	Deputy Chief Executive	275	0	0	0	Green	↔
13,626	LGSS Managed	13,560	34	233	2	Amber	↓
22,803	Financing Costs	22,803	750	750	3	Amber	↔
43,566	**Sub Total**	**42,379**	**1,120**	**1,319**			
7,746	LGSS Cambridge Office	9,473	70	90	1	Amber	↓
51,312	**Total**	**51,852**	**1,190**	**1,409**			

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for September 2017 can be found in CS appendix 1.

The service level budgetary control report for LGSS Cambridge Office for September 2017 can be found in LGSS appendix 1

Further analysis of the results can be found in CS appendix 2 and LGSS appendix 2

The appendices are published online only and not printed for Committee.



2.2.1 Significant Issues – Corporate and Customer Services

Corporate and Customer Services budgets are currently predicting an overspend of £336k at year-end, which is unchanged from last month.

As part of the re-configuration of Strengthening Communities service, £345k budget has now been transferred to Economy, Transport and Environment and People and Communities. It is anticipated that this work will be completed in time for the October report.

There are no exceptions to report this month.

2.2.2 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are forecast to be in balance at year-end.

There are no exceptions to report this month.

2.2.3 Significant Issues – LGSS Managed

LGSS Managed budgets are currently predicted to be overspent by £233k at year-end, an adverse change of £199k from the position reported last month. This is due to the following new variance:

- There is a predicted overspend of £418k on IT Managed budgets, which is an increase of £256k since last month. This is due to the revenue impact of the Corporate Software Infrastructure re-procurement which is expected to amount to £350k in 2017/18. The requirement to switch to a subscription charging basis will result in a revenue cost in 2017/18, as previously agreed by GPC. In the past, the Council would have purchased a three year agreement with capital funding, and a capital budget of £500k was set in 2017/18 to buy out the licences at the end of the previous contract.

- The above pressure will be partially offset by the use of £150k funding to be written back from reserves to the Authority-wide Miscellaneous budget. £56k funding was set aside in May 2015 to cover back scanning of CCC personnel files; this funding is no longer required as a decision was taken not to proceed with the back scanning project. A further £94k of funding was previously earmarked for the EDRM project, and this funding is no longer required for that purpose.

2.2.4 Significant Issues – Financing Costs

As reported last month, Financing Costs budgets are recording a pressure of £750k in 2017-18 following the re-phasing of expected income streams from The Housing Investment Company. There are no new exceptions to report for this month.

2.2.5 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office is predicting an overspend of £90k at year-end. This is an increase of £20k from last month, due to recruitment of additional digital analysts and developers.

Any year-end deficit / surplus is subject to a sharing arrangement with Northamptonshire County Council and Milton Keynes Council and will therefore be split between partner authorities on the basis of net budget, with an equalisation adjustment processed accordingly at year-end. This will be incorporated into the report as outturn figures become available during the course of the year.

There is a forecast deficit of £217k on the consolidated trading activities. This will be offset through the LGSS Smoothing Reserve, which has been built up in previous financial years to address potential trading risk.

There are no material exceptions (over £100k) to report for this month.

2.3 Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

There were no new items recorded during September 2017. The following items were transferred out to other Committees during September.

Corporate and Customer Services:

Grant	Comment	Expected Amount £000
SCS Museums Partnership	Transferred to P&C	35
SCS Arts Alive	Transferred to P&C	93
SCS Librarian Theatre Tour	Transferred to P&C	51
Non-material grants (+/- £30k)		0

Deputy Chief Executive:

Grant	Comment	Expected Amount £
One Public Estate	Transferred to C&I	90
Non-material grants (+/- £30k)		0

A full list of additional grant income for Corporate Services and LGSS Managed can be found in CS appendix 3.

A full list of additional grant income for LGSS Cambridge Office can be found in LGSS appendix 3.

2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve)

(De minimis reporting limit = £30,000)

The following virements have been made this month to reflect changes in responsibilities.

Corporate and Customer Services:

	£	Notes
Transfer from CS to LGSS Cambridge and P&C	130,000	Transfer of Grants to Vol Orgs budgets to P&C
Transfer from CS to LGSS Cambridge and P&C	-139,397	Transfer of SCS budgets to P&C
Transfer from CS to ETE	-75,854	Transfer of SCS budgets to ETE
Non material virements (+/- £30k)	0	

LGSS Cambridge Office:

	£	Notes
Transfer from P&C to LGSS Cambridge	-53,680	Transfer of P&C Business Support Officers
Non material virements (+/- £30k)	0	

A full list of virements made in the year to date for Corporate and Customer Services, LGSS Managed and Financing Costs can be found in CS appendix 4.

A full list of virements made in the year to date for LGSS Cambridge Office can be found in LGSS appendix 4.

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in CS appendix 5.

A schedule of the LGSS Cambridge Office Reserves can be found in LGSS appendix 5.

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services and Transformation schemes have a capital budget of £5.6m in 2017/18 and there is £503k spend to date. The forecast for net in-year slippage of £846k exceeds the Capital Programme Variation budget of £279k, resulting in a favourable forecast outturn variance of £567k. The total scheme variation is predicted be nil.

  The phasing of the Mosaic Project budget has been adjusted to reflect Business Planning, with a reduced budget of £2.3m in 2017/18.

  Additional scrutiny was also required on the Mosaic scheme costs. This has now happened and officers are confident in the projected forecasts. This analysis has resulted in an increase in projected revenue spend, and a decrease in capital. The capital scheme budget was predicted to underspend by £680k in 2017/18. Of this underspend, £350k represented a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget; the remaining £330k represented slippage due to delays in implementation whilst the scheme was reviewed, and this funding will be required for planned spending in 2018/19.

  However, it has been determined that £350k of Mosaic revenue costs can be classified as transformation work and is therefore eligible to be charged to capital and funded from capital receipts in 2017/18. These costs can only be classified as capital under the government directive on flexible use of capital receipts, which permits capital receipts to be used to fund transformation work; therefore they must be funded by capital receipts rather than any other source of capital funding. This adjustment will remove a pressure on the Mosaic revenue budget, bringing revenue costs within budget.

  The capital costs of the project will increase by £350k, reducing the predicted in-year scheme underspend to £330k, and leading to a nil total scheme variance. The use of £350k capital receipts funding will result in a corresponding reduction to the borrowing requirement for Corporate Services.

- LGSS Managed has a capital budget of £0.85m in 2017/18 and there is expenditure of £77k to date. In-year slippage does not yet exceed the Capital Programme Variation budget of £570k, therefore a balanced position is forecast at year-end. A £495k total scheme variance is forecast.

The Microsoft Enterprise Agreement budget is predicted to underspend by £500k in 2017/18. This is due to the requirement to switch to a subscription charging basis for the Corporate Software Infrastructure re-procurement, as approved by GPC, which will be funded from revenue. In the past, the Council would have purchased a three year agreement with capital funding, and a capital budget of £500k was set aside in 2017/18 to buy out the licences at the end of the previous contract. This will result in a reduction in the overall scheme forecast outturn by this amount.

- LGSS Cambridge Office has a capital budget of £0.5m in 2017/18 and there is no spend to date. The capital scheme budgets are predicted to be in balance at year-end and total scheme variances of £0k are forecast across the programme.

  There were no new exceptions to report for September.

  Funding

- Corporate Services and Transformation schemes have capital funding of £5.6m in 2017/18.

  The adjusted phasing of the Mosaic scheme (£250k), in conjunction with the predicted in-year underspend (£680k), has resulted in a reduction of £930k in the predicted borrowing requirement for the scheme in 2017/18. This is offset by an increase of £350k in capital receipts funding due to the capitalisation of revenue expenditure. As a result of the requirement to fund £350k of Mosaic spending from capital receipts, this necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme, which is offset by an increase of £350k in the borrowing requirement for that committee.

  The Corporate Services capital programme as a whole is predicting an in-year underspend of £846k for 2017/18. This is offset by the Capital Programme Variation budget, resulting in a net reduction of £567k in the borrowing requirement for 2017/18.

- LGSS Managed has capital funding of £0.85m in 2017/18 and the current expectation is that this funding continues to be required in line with the revised budget proposals.

  As reported above, there is a predicted in-year underspend of £500k. However, this is offset by the Capital Programme Variations budget, resulting in a balanced overall position.

- LGSS Cambridge Office has capital funding of £0.5m in 2017/18.

  A balanced budget is forecast, and the current expectation is that this funding continues to be required in line with the revised budget proposals.

- A detailed explanation of the position for Corporate Services and LGSS Managed can be found in CS appendix 6.

  A detailed explanation of the position for LGSS Cambridge Office can be found in LGSS appendix 6.

4. PERFORMANCE

4.1 The key performance indicators for Corporate and Customer Services, LGSS Managed Services and the LGSS Cambridge Office for September 2017 are set out in CS Appendix 7 and LGSS Appendix 7.

The appendices to this report can be viewed in the online version of the report.

Agenda Item No.5

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2017

To:	**General Purposes Committee**
Date:	**28th November 2017**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2017/024** *Key decision:* **Yes**
Purpose:	**To present financial and performance information to assess progress in delivering the Council's Business Plan.**
Recommendations:	**General Purposes Committee (GPC) is recommended to:**

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

b) Approve the changes to capital funding requirements as set out in Section 7.7.

c) Approve an additional £66k of prudential borrowing in future years for the Ely Archives project, as set out in section 7.8.

d) Approve the allocation of the £316,518 School Improvement Grant to People and Communities so it can be used for its intended purpose, as set out in section 8.1.

	Officer contact:		*Member contacts:*
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	Tom.Kelly@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 703599	Tel:	01223 706398

1. PURPOSE

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

2. OVERVIEW

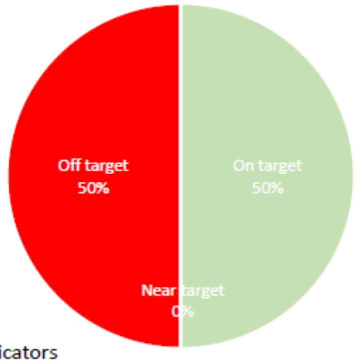
2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

Data available as at: 30 September 2017

Outcomes

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

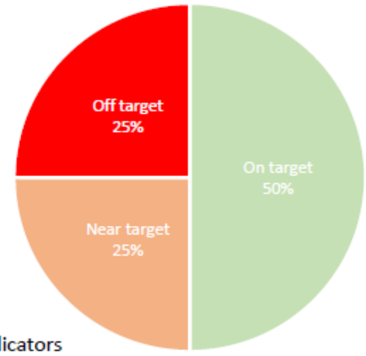
Older people live well independently



Stayed the same

4 indicators

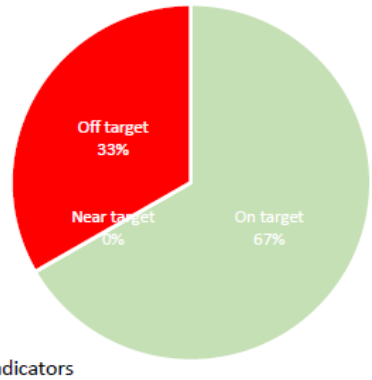
People with disabilities live well independently



Stayed the same

4 indicators

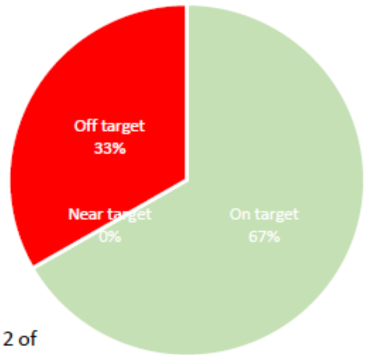
Adults and children are kept safe



Stayed the same

6 indicators

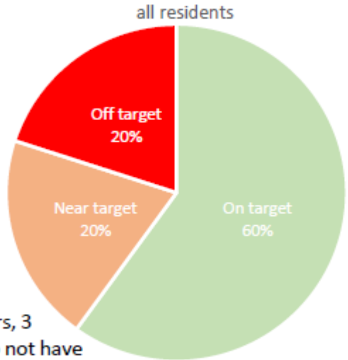
People live in a safe environment



Stayed the same

5 indicators, 2 of which do not have targets

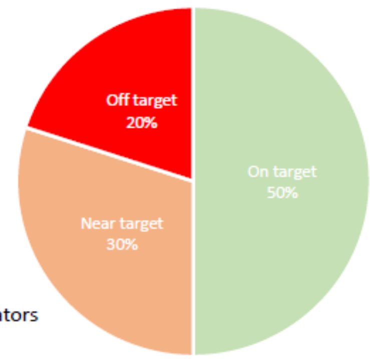
The Cambridgeshire economy prospers to the benefit of all residents



Change in indicators

13 indicators, 3 of which do not have targets

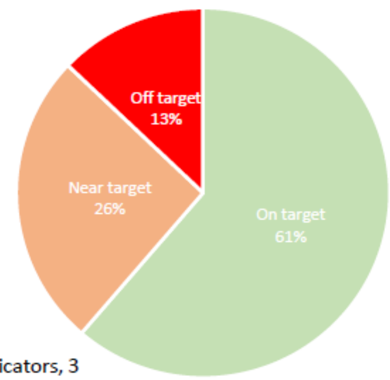
Places that work with children help them to reach their potential



Stayed the same

10 indicators

People lead a healthy lifestyle and stay healthy for longer



Improving

34 indicators, 3 of which do not have target

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

Revenue budget forecast		Capital programme forecast
+£4.8m (1.4%) variance at end of year RED	This is the same position as last month.	£0 (0%) variance at end of year GREEN

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

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Sep-17	Trend since Apr-17
Nursing	329	↑
Residential	724	↑
Community	2072	↔

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

	Sep-17	Trend since Apr-17
Nursing	26	↔
Residential	313	↑
Community	1908	↔

Children open to social care

	Sep-17	Trend since Apr-17
Looked after children	695	↑
Child protection	547	↓
Children in need	2271	↑

Public Engagement

	Sep-17	Trend since Aug-17
Contact Centre Engagement	16,245 Phone Calls	↑
	4,178 Other	↓
Website Engagement (cambridgeshire.gov.uk)	151,488 Users	↑
	235,537 Sessions	↑

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

Please note, all direction of travel arrows included reflect a numerical increase rather than a reflection of change in performance or outcome.

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£4.8m (+1.4%), an increase of £38k on the forecast pressure reported in August; there have been increases in People and Communities (P&C), offset by improvements in the forecast for Economy Transport and Environment (ETE), Public Health and the forecast costs of treasury management (delaying costs of borrowing by using internally available cash). See section 3 for details.

- The Capital Programme is forecasting a balanced budget at year end. This includes use of £6.9m (25%) 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

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

Original Budget as per Business Plan £000	Service	Current Budget for 2017/18 £000	Forecast Variance (August) £000	Forecast Variance (September) £000	Forecast Variance (September) %	Overall Status	DoT
38,682	ETE	40,192	50	-290	-0.7%	Green	↑
237,311	People & Communities	237,575	3,739	4,388	1.8%	Red	↓
200	Public Health	386	0	-96	-24.9%	Green	↑
15,542	Corporate Services	6,015	336	336	5.6%	Amber	↔
6,500	LGSS Managed	13,560	34	233	1.7%	Amber	↓
2,702	Commercial & Investment	1,564	269	245	15.7%	Amber	↑
22,803	CS Financing	22,803	750	400	1.8%	Amber	↑
323,740	**Service Net Spending**	**322,095**	**5,178**	**5,216**	**1.6%**	**Red**	↓
24,377	Funding Items	23,305	-405	-405	-1.7%	Green	↔
348,117	**Total Net Spending**	**345,400**	**4,773**	**4,811**	**1.4%**	**Red**	↓
	Memorandum items:						
7,746	LGSS Operational	9,473	70	90	1.0%	Amber	↓
212,873	Schools	212,873					
568,736	**Total Spending 2017/18**	**567,746**					

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

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

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

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

3.1.1 Although the position continues to be challenging, with looked after numbers in particular reaching a high level (following the national trend), savings of £28.3m are on track against a target for 2017-18 of £33.4m, with additional ‘funnel’ savings that exceed business planning targets.

3.1.2 Across the Council, the strategic management team is directing a proactive response through financial management and transformation activity to address the predicted deficit.

The response to the pressures arising includes:

- increasing savings achievable from contractual efficiencies, as part of the rolling procurement review capability, now established and overseen by the Commercial Board.

- bringing forward savings, efficiencies and income maximisation identified for future years where this is possible on a department-by-department basis

- maximising grant income and retention with appropriate application to current pressures

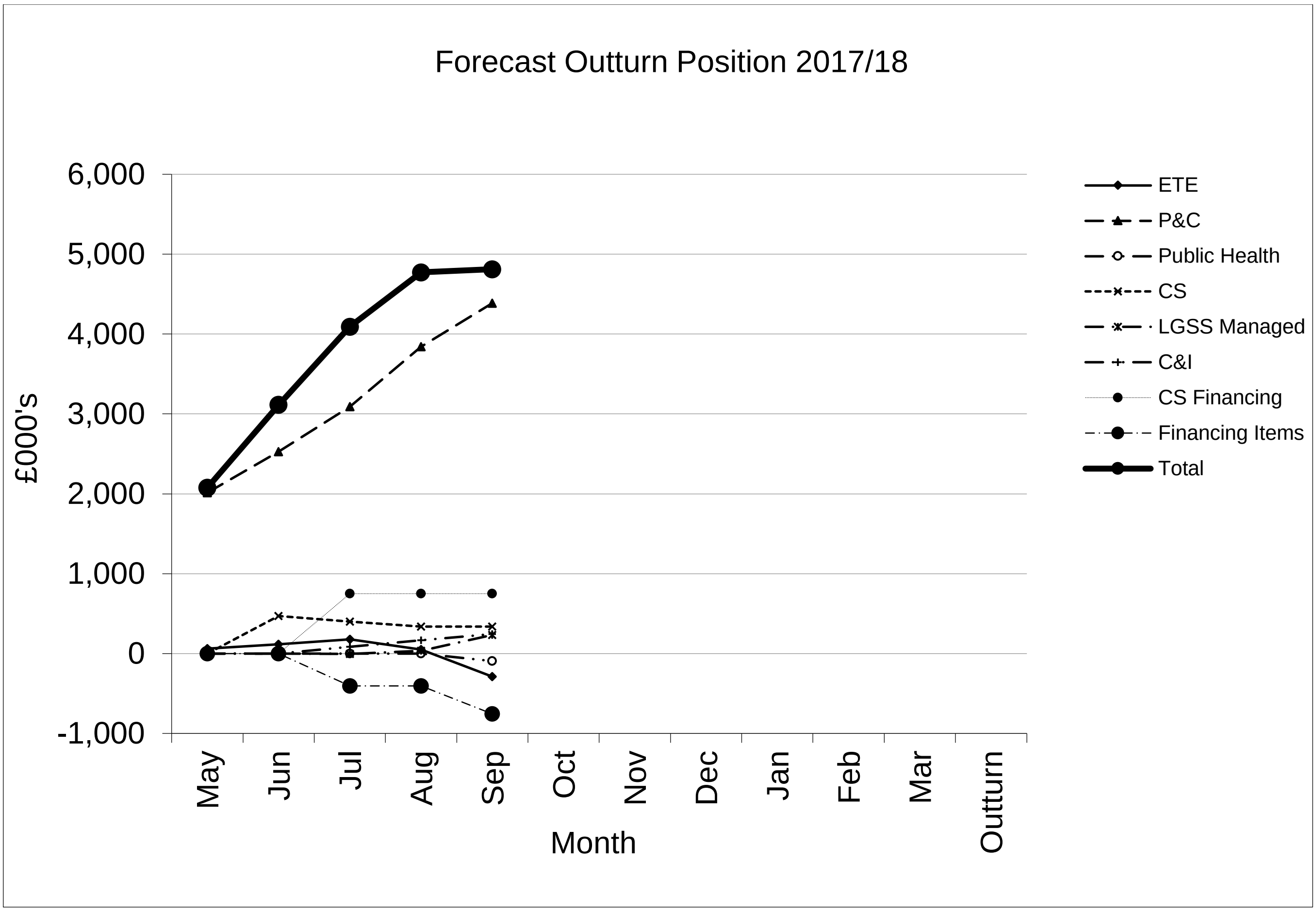
- review of earmarked and held funds and releasing these where no longer required

- benefitting from opportunities for reduced cost or additional income through collaboration across partners

- the Cabinet of Peterborough City Council has asked our shared Chief Executive to explore further arrangements for shared and integrated services. There are already a number of shared roles and functions across the two Councils and there are likely to be further opportunities for reducing cost and improving outcomes through sharing expertise and services. GPC may wish to consider a similar request to the Chief Executive on behalf of Cambridgeshire County Council.

The table below lists initiatives of this kind that have been costed to date:

Directorate	*Proactive financial management and transformation measures*	£000
P&C	In year opportunities for contractual efficiencies, commercial review programme	-373
	Review of grant funding and application to demand pressures & priorities	-717
	Review of vacancy level forecasts, reflecting local recruitment challenges within year	-350
	Review of funds held for demand peaks and applied to demand pressures	-132
	Savings activity brought forward from future years	-433
ETE	Contract monitoring and enforcement activity to recover funds due to CCC	-624
	One off added income levels from traffic orders, highways services & development	-537
	Savings activity brought forward from future years	-400
Corporate	Balance sheet review of earmarked reserves & lower borrowing impact	-971
	Maximising income through local government collaboration (incl business rates growth)	-555



3.1.3 The Council has enhanced its financial reporting processes in recent months as the level of budgetary challenge has continued to increase. The outlook for demand services remains a risk as services prepare for the winter months - service management teams are planning responses that nonetheless improve the financial position in that context.

The Council has significant budget flexibility to respond to these risks and uncertainties. In addition to the measures already identified and listed in section 3.1.2, Strategic Management Team has identified significant one-off mitigation in the following areas which will be released in a planned way to respond to and smooth resource needs in the remainder of the financial year, while delivering an improved outturn, compared to the pressures currently reported.

Grant and funding review	There is significant potential to re-prioritise grant funded activity, especially in response to Adults Services pressures as these emerge in winter at a local level, in collaboration with the NHS. This is part of a planned approach across at least the next 2 years.
Balance sheet & financial provision review	There are opportunities to review and release funds previously held for specific risks or uncertainties that can be re-directed in the current context. This forms a regular and routine part of financial and management activity.
Commercial income	As the remit of the Commercial and Investment Committee widens, we view that there are opportunities for an improved position reported by traded and shared services in the remainder of the year.

Workforce	Vacancy and recruitment review activity will continue to forecast financial impacts and deploy existing workforce to key priorities.

3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** -£0.290m (-0.7%) underspend is forecast at year-end.

	£m	%
• **Street Lighting** – a -£384k underspend is forecast for year-end. This is due to the higher number of deductions for performance failures than expected which were made in line with the PFI contract which relate to adjustments due under the contract Payment Mechanism regarding performance. Deductions are made for a number of reasons including the lighting performance; cleaning; scheduled change of lamps, painting, inspection and testing; also deductions for the number of faults which have exceeded the maximum response period as set out in the contract.	-0.384	(-4%)

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

3.2.2 **People & Communities:** +£4.388m (+1.8%) pressure is forecast at year-end.

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

	£m	%
• **Learning Disability Partnership** – a +£945K pressure is forecast, which is an increase of £317k on the pressure previously reported in August. This is mainly due to reduced slippage on staffing costs following transformation of the service that has seen vacant posts deleted and the management structure streamlined. Staffing cover for vacancies and other absences are being reviewed to ensure efficiency in line with Care Quality Commission standards. The Learning Disability Partnership is expected to deliver a further £2.8m of savings for the remainder of the year.	+0.945	(+3%)
• **Strategic Management – Children & Safeguarding** – a £686k pressure is forecast. This is an improvement of £401k on the position previously reported in May. This is largely due to a positive revision of the vacancy savings forecast and the pressure on the business support budget being managed in year by holding posts vacant.	+0.686	(+28%)
• **SEN Placements** – a £500k pressure is forecast. There has been an increase since the beginning of this academic year in the number of children and young people placed in 52 week residential placements. This budget pays for the educational	+0.500	(+6%)

element of those placements and is funded from 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 2017/18.

• **Looked After Children Transport** – a £250k pressure is forecast. Due to the overall increase in Looked after Children, this has meant more children are requiring Home to School Transport, with an average of 20 additional children being transported each month compared to this point in 16/17. In addition, the distances travelled to school have also increased with volunteer drivers covering an additional 37,500 miles compared to the same point last year.	+0.250	(+22%)
• **Financing DSG** – a -£662k variance is forecast for year end, which is a movement of -£390k on the position previously reported in August. 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: SEN Placements (£500k); Commissioning Services (£100k); Early Years Specialist Support (£44k); SEND Specialist Services (£48k); offset slightly with savings within Early Help District Delivery Service (-£30k).	-0.662	(-2%)

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

3.2.3 **Public Health:** a -£0.096m (-24.9%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the PH Finance & Performance Report.

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

3.2.5 **LGSS Managed:** +£0.233m (+1.7%) pressure is forecast.

	£m	**%**
• **IT Managed** – a pressure of £418k is forecast, which is mainly due to the revenue impact of the Corporate Software Infrastructure re-procurement. The requirement to switch to a subscription charging basis will result in a revenue cost in 2017/18, as previously agreed by GPC. In the past, the Council would have purchased a three year agreement with capital funding, and a capital budget of £500k was set in 2017/18 to buy out the licences at the end of the contract, which will not be required.	+0.418	(+18%)

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

3.2.6 **CS Financing:** +£0.400m (1.8%) pressure is forecast at year-end.

	£m	**%**
• **Minimum Revenue Provision** – an underspend of £350k 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 2016/17 and how they were funded, the MRP payment for 2017/18 has been amended. The Council was able to use funding it was holding as the accountable body for other organisations to fund £53m 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.	-0.350	(-3%)

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

3.2.7 **Commercial & Investment**: +£0.245m (+15.7%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.

3.2.8 **LGSS Operational:** +£0.090m (+1.0%) pressure is forecast. Pressures in LGSS Operational are set against LGSS reserves at year-end, rather than using the General Fund. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

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

4. SAVINGS TRACKER

4.1 The “Savings Tracker” report – a tool for summarising delivery of savings – is made available at Committee on a quarterly basis. The Savings Tracker as at mid-October is included as Appendix 4 to this report.

4.2 Within the tracker the forecast is shown against the original saving approved as part of the 2017-18 Business Planning process. Currently, the Council is on track to deliver £27.6m of savings against its original plan. Green rated savings total £21.7m exceeding the target for these initiatives.

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

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

GREEN			AMBER			RED			Total Original	Total Variance
Number of Savings	Total Original Savings £000	Total Variance £000	Number of Savings	Total Original Savings £000	Total Variance £000	Number of Savings	Total Original Savings £000	Total Variance £000		
	£0	£0		£0	£0		£0	£0	£0	£0
79	-21,261	-445	2	-302	47	32	-11,801	6,149	-33,364	5,751

The stretched targets for existing savings and additional savings identified within the funnel are supporting delivery of a further £2,348k in addition to the amounts shown above. For several proposals, due to delays or difficulties in recruiting, the delivery of savings may slip into the latter part of the year and in some cases into 2018/19.

5. KEY ACTIVITY DATA

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

6. PERFORMANCE AND RISK

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

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

7. CAPITAL PROGRAMME

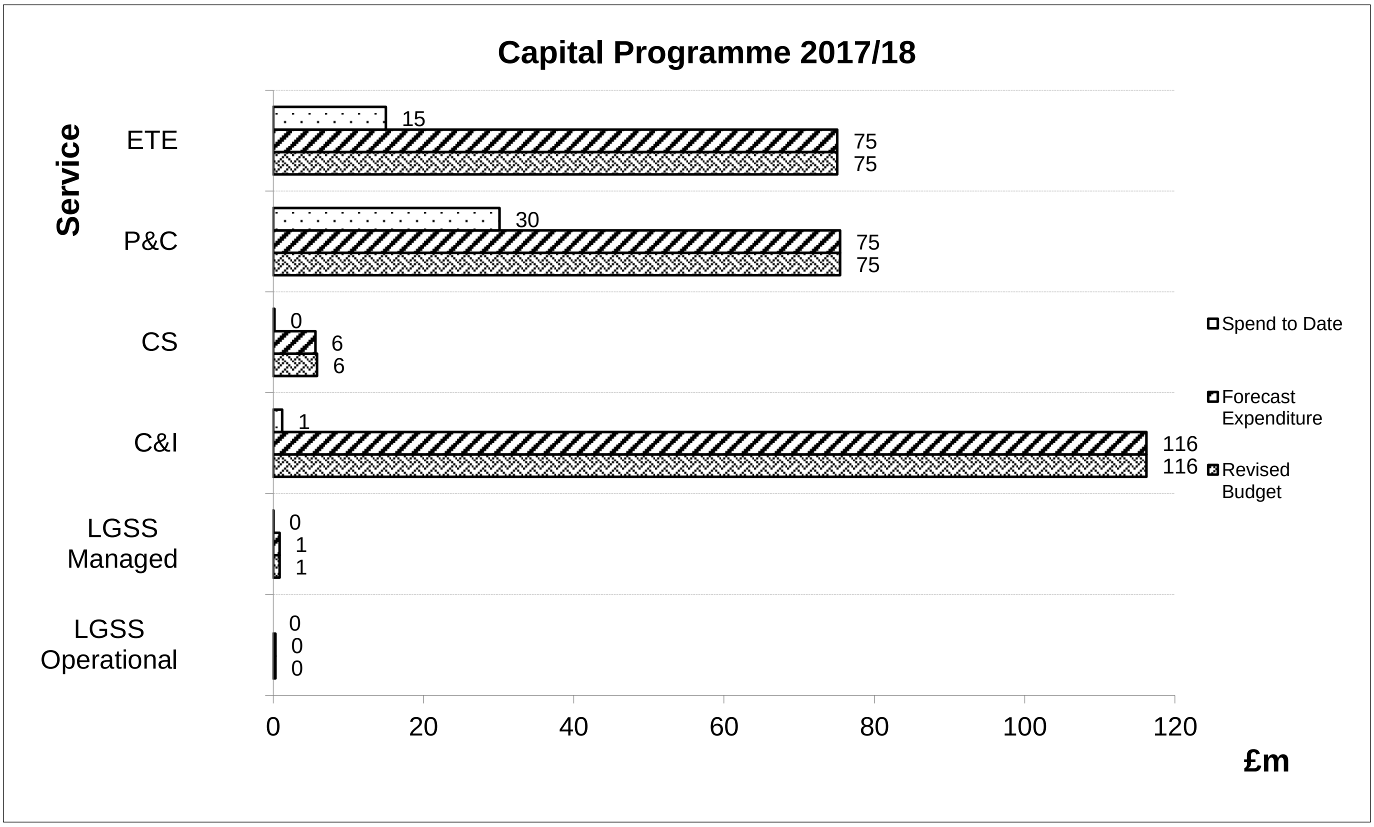
7.1 A summary of capital financial performance by service is shown below:

2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per Business Plan £000	Service	Revised Budget for 2017/18 £000	Forecast Variance - Outturn (August) £000	Forecast Variance - Outturn (Sept) £000	Forecast Variance - Outturn (Sept) %	Total Scheme Revised Budget (Sept) £000	Total Scheme Forecast Variance (Sept) £000
66,263	ETE	75,760	-	-	0.0%	432,267	161
77,408	P&C	75,442	-0	0	0.0%	575,941	14,261
5,489	CS & Transformation	5,612	-237	-567	-10.1%	11,743	-
160	LGSS Managed	851	-	-	0.0%	9,755	-495
116,476	C&I	116,208	-	-	0.0%	218,059	-290
100	LGSS Operational	488	-	-	0.0%	1,595	-
-	Outturn adjustment	-	237	567	-	-	-
265,896	**Total Spending**	**274,361**	**0**	**0**	**-10.1%**	**1,249,360**	**13,637**

Notes:

1. The ‘Revised Budget’ incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.

2. The reported ETE capital figures do not include City Deal, which has a budget for 2017/18 of £11.1m and is currently forecasting a balanced budget at year-end



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

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

2017/18					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (Sept) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Revised Forecast Variance - Outturn (Sept) £000**
ETE	-15,234	-3,816	3,816	25.05%	0
P&C	-10,305	-759	759	7.36%	0
CS & Transformation	-279	-846	279	100.00%	-567
LGSS Managed	-643	-568	568	88.34%	0
C&I	-1,000	-905	905	90.50%	0
LGSS Operational	-20	0	0	0.00%	0
Outturn adjustment	-	-	567	-	567
Total Spending	**-27,481**	**-6,894**	**6,894**	**25.09%**	**0**

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

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

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

	£m	%
• **Cycling Schemes** – an in-year underspend of £3.0m is forecast across cycling schemes and is caused by delayed spend on the below schemes: ○ Abbey Chesterton Bridge: £1.9m of spend was planned for 2017/18, but is now expected to be £0.3m. This is due to a delay in planning permission being granted, which has led to the construction start date slipping from late 2017 to March 2018. ○ Cambridge Cycling Infrastructure: £1.6m of spend was planned for 2017/18, but is now expected to be £0.2m due to public consultation and scheme development work being extended on some of the larger schemes. This scheme is funded by S106 and therefore the funding is not time-limited.	-3.0	(-59%)
• **ETE Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £3.8m underspend is balanced by use of the capital variation budget, this is an increase of £2.9m on the use of variations budget reported last month and relates to the underspend on cycling schemes.	+3.8	(+25%)

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

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

	£m	%
• **Basic Need – Primary** – an in-year underspend of -£1.8m is forecast, which is an increase of -£0.3m on the underspend previously reported in July. This is mainly due to slippage on the Histon Additional Places scheme, which is now due to start in January 2018 rather than December 2017 because of delays in the planning application being approved. Wintringham Park has also incurred £52k slippage due to design work not progressing as anticipated.	-1.8	(-5%)

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

7.4.3 **Corporate Services:** a -£0.6m (-10.1%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	£m	%
• **Mosaic** – an in-year underspend of £0.3m is forecast. The costs of the scheme have been scrutinised and this analysis has resulted in an increase in projected revenue spend, and a decrease in capital. The capital scheme budget was predicted to underspend by £680k in 2017/18. Of this underspend, £350k represents a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget. However, it has been determined that £350k of Mosaic revenue costs can be classified as transformation work and are therefore eligible to be charged to capital and funded from capital receipts in 2017/18 under the government directive for the flexible use of capital receipts. This adjustment will remove a pressure on the Mosaic revenue budget, bringing revenue costs within budget and lead to an overall balanced budget for the capital scheme.	-0.3	(-14%)

The remaining £330k of the £680k underspend represents slippage due to delays in implementation whilst the scheme was reviewed, and this funding will be required for planned spending in 2018/19.

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

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

	£m	%
• **Microsoft Enterprise Agreement** – an underspend of £0.5m is forecast, as the Council is changing to a subscription charging basis for the Corporate Software Infrastructure re-procurement as approved by GPC, which will be funded from revenue, as opposed to the previous arrangement of purchasing a three year agreement, which was capitalised.	-0.5	(-100%)
• **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. Therefore the net £0.5m underspend is balanced by use of the capital variation budget.	+0.5	(+87%)

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

7.4.5 **Commercial & Investment**: a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.

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

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

7.5.1 **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.

7.5.2 **People & Communities:** a +£14.3m (+3%) total scheme overspend is forecast.

	£m	%
• **Basic Need – Primary** – a total scheme underspend of -£8.4m. This is a movement of +£1.4m on the position previously reported in August, which is due to changes in the scope of the Gamlingay Primary School scheme as the scheme is further developed.	-8.4	(-3%)
• **Basic Need – Secondary** – there has been a +£22.3m increase in total scheme costs since the 2017/18 Business Plan was agreed, for which funding has not yet been allocated by Members. This is £0.7m higher than the last reported position in July. This is made up of the following increases: ○ A further £0.3m increase in the scheme cost for Littleport Secondary and Special School due to additional land purchase costs. ○ £0.4m increase in the cost of the Cambourne Village College scheme for the construction of a performance hall. Funding will be received from the District and Parish Councils to offset this increase.	+22.3	(+10)
• **Basic Need – Early Years** – a total scheme overspend of £0.2m is forecast, which is a reduction of £0.4m on the overspend previously reported in May. The future years' budget for the scheme has been reduced by £400k as this element has been added in future years to the Morley Memorial project to undertake the building of Early Years annex as part of this scheme (see Adaptations below).	0.2	(4%)
• **Adaptations** – a total scheme overspend of £0.9m is forecast, which is an increase of £0.5m on the position reported in May. This is due to an increase in the total scheme cost for Morley Memorial School and relates to the Early Years aspect; £400k has been transferred from the future years' budget allocation for Basic Need – Early Years to undertake an Early Years annex as part of the scheme.	+0.9	(+27%)

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

7.5.3 **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.

7.5.4 **LGSS Managed:** a -£0.5m (-5%) total scheme underspend is forecast.

	£m	%
• **Microsoft Enterprise Agreement** – as explained in Section 6.4, the Council is now funding its Corporate Software Infrastructure from revenue budget, so the in-year underspend reported above will also result in a total scheme underspend.	-0.5	(-26%)

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

7.5.5 **Commercial & Investment**: a -£0.3m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.

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

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding1 £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	20.5	0.5	8.0	8.4	**37.3**	37.3	-
Basic Need Grant	32.7	-	-	-	**32.7**	32.7	-
Capital Maintenance Grant	4.0	-	0.4	-	**4.5**	4.5	-
Devolved Formula Capital	1.1	0.8	-0.1	-0.0	**1.8**	1.8	-
Specific Grants	23.1	0.5	-7.6	-	**16.1**	16.1	-
S106 Contributions & Community Infrastructure Levy	22.0	1.6	-4.4	0.8	**20.0**	20.0	-
Capital Receipts	83.9	-	-	-	**83.9**	83.9	-
Other Contributions	15.1	0.4	-4.6	1.8	**12.6**	12.6	-
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	63.5	9.6	-10.4	2.8	**65.5**	65.5	0.0
TOTAL	**265.9**	**13.4**	**-18.7**	**13.7**	**274.4**	**274.4**	**0.0**

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

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

Funding	**Service**	**Amount (£m)**	**Reason for Change**
Addition/Reduction in Funding – Department for Transport (DfT) Grant	ETE	£0.8	An additional £0.8m of S106 funding has been received for cycling schemes. The break-down of this is as follows: £475k from the Wing development for Chesterton-Abbey Bridge; £150k for St Neots cycle bridge; £148k for delivering the transport strategy aims schemes. **General Purposes Committee is asked to note this additional funding.**

7.8 In addition to the above funding changes for 2017/18, additional funding of £66k is required for the Ely Archives scheme in future years. This additional funding requires GPC approval now so the project team know on what basis the scheme can progress.

The agreed total budget for this scheme is £5.18m. In July 2017 it was identified that the scheme may overspend by £427k. Due diligence checks to find savings through alternative suppliers or design, revision of the risk register and further value engineering to the scheme have reduced the cost so it is now predicted that there would be a £44k underspend. This includes the removal of a dedicated nitrate negative store from the scope of the scheme.

The project team would like to change the scope of the scheme to include improvements to the car park to make it fit for purpose as a pay and display facility, which would require an additional £87,200 funding, and further landscaping as a result of the proposal to relocate the Registration service to the building, which would require an additional £20,000 funding. This results in a projected total spend of £5.246m, an overspend of £66k on the agreed budget.

For further details of the above, please see the report that was presented to Commercial and Investment Committee.

General Purposes Committee is asked to approve additional Prudential Borrowing of £66,000 in future years to allow for the additional works to the car park and landscaping.

7.9 The 2017/18 capital receipts forecast is currently £1.5m more than originally budgeted. This reflects additional monies received, including a £3m receipt in respect of land at Bassenhally (Phase 2). Any further changes to this position will be reported throughout the year. Any surplus in capital receipts will be used to reduce the level of prudential borrowing needed to fund the capital programme.

8. FUNDING CHANGES

8.1 Where there has been a material change in 2017/18 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee (GPC) for approval.

School Improvement Grant

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

Allocations are based on the number of maintained schools in each Local Authority as at 1st September 2017; Cambridgeshire County Council's allocation of the £50m grant is £316,518, which has not been budgeted for.

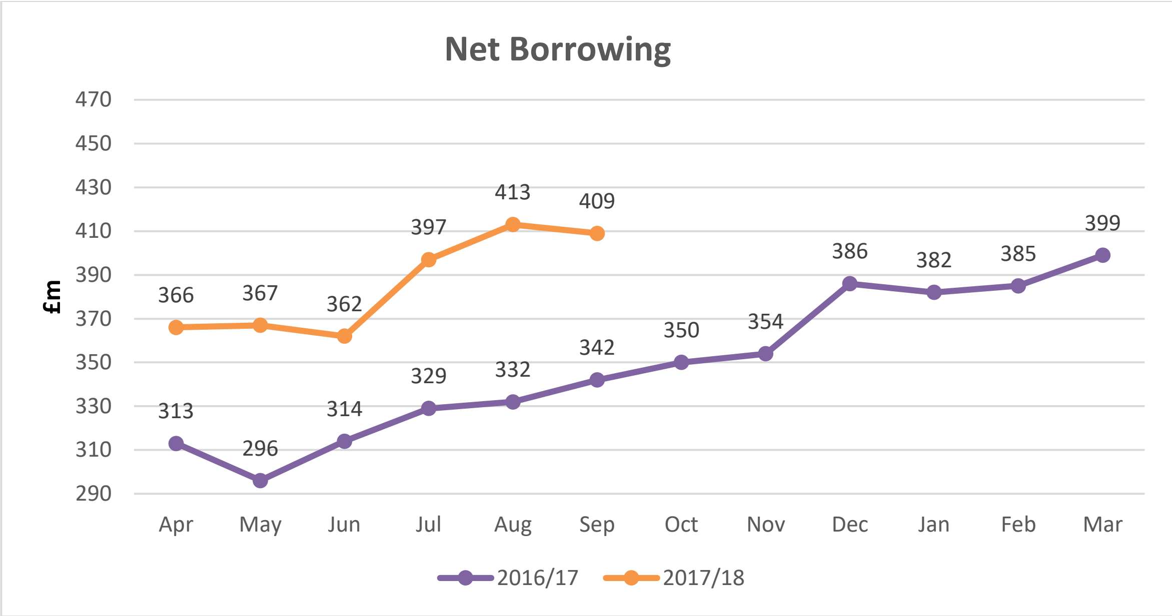
General Purposes Committee is asked to approve the allocation of this grant to People and Communities so it can be used for its intended purpose.

9. BALANCE SHEET

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

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

9.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of September 2017 were £23m (excluding 3rd party loans) and gross borrowing was £431.94m.



9.3 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 2017-18 TMSS was set in February 2017, it was anticipated that net borrowing would reach £466m at the end of this financial year. Net borrowing at the beginning of this financial year as at 1st April 2017 was £399m, this reduced to £366m at the end of April 2017 thus starting at a lower base than originally set out in the TMSS (£466m). This is to be reviewed as the year progresses and more information is gathered to establish the full year final position.

9.4 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.

9.5 Although there is link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including, interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.

9.6 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

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

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

10. ALIGNMENT WITH CORPORATE PRIORITIES

10.1 **Developing the local economy for the benefit of all**

There are no significant implications for this priority.

10.2 **Helping people live healthy and independent lives**

There are no significant implications for this priority.

10.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

11. SIGNIFICANT IMPLICATIONS

11.1 **Resource Implications**

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

11.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

11.3 **Statutory, Legal and Risk Implications**

There are no significant implications within this category.

11.4 **Equality and Diversity Implications**

There are no significant implications within this category.

11.5 **Engagement and Consultation Implications**

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

11.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

11.7 **Public Health Implications**

There are no significant implications within this category.

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	**Location**
ETE Finance & Performance Report (September 17) P&C Finance & Performance Report (September 17) PH Finance & Performance Report (September 17) CS and LGSS Cambridge Office Finance & Performance Report (September 17) C&I Finance & Performance Report (September 17) Performance Management Report & Corporate Scorecard (September 17) Capital Monitoring Report (September 17) Report on Debt Outstanding (September 17) Payment Performance Report (September 17)	1st Floor, Octagon, Shire Hall, Cambridge

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

	P&C	Public Health	ETE	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	237,311	200	38,682	22,803	15,542	6,500	2,702	7,746	24,377
Post BP adjustments	-292		-18		-69	521		-142	
Apprenticeship Levy	335	8	61		-456	6	5	40	
City Deal budgets not reported in CCC budget					-1,027				
Transfer Digital Strategy budget to CS - CCR	-1,286		-68		1,354				
Transfer Strengthening Communities budget to CS - CCR1			-689		689				
Property demerger from LGSS and rationalisation of property services			58			-7		-51	
Organisational structure review	-293				293				
Transfer budget for Court of Protection team to CS	-52							52	
Transfer surplus NHB funding from City Deal					-256				256
Transfer budget from reablement for In Touch maintenance	-10				10				
Allocation of inflation to Waste budget			200						-200
Drug and Alcohol Treatment service transfer to PH	-178	178							
Workforce development budget transferred to LGSS	-1,361							1,361	
Budget transfer per CCR	-43				43				
Property commissioning transfer budget to P&C	-11							11	
Dial a Ride budget to Total Transport	12		-12						
LAC demography	2,913				-2,913				
Waste demography			170		-170				
Transfer of savings LGSS to C&I							-349	349	
Welfare benefits budget to Financial Assessments and Adult Early Help	80				-142			62	
Combined Authority levy adjustment			1,327						-1,327
Budget transfer to Transformation Team					39			-39	
ETE use of earmarked reserves			287						-287
Catering and Cleaning services transfer to C&I	449						-449		
Business support transfer to applications development	-54							54	
Use of earmarked reserves for passenger transport			118						-118
Grants budget to P&C	130				-130				
Supporting Community Services budget transfers	139		76		-215				
Adult Learning & Skills transfer to P&C	180		-180						
Current budget	**237,968**	**386**	**40,012**	**22,803**	**12,592**	**7,020**	**1,909**	**9,444**	**22,701**
Rounding	-2	0	0	0	0	2	0	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2017	2017-18		Forecast Balance 31 March 2018	Notes
		Movements in 2017-18	Balance at 30 Sept 17		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	15,808	1,546	17,353	12,543	
- Services					Service reserve balances transferred to General Fund after review
1 P&C	540	-540	0	0	
2 ETE	2,229	-2,229	0	0	
3 CS	-64	64	0	0	
4 LGSS Operational	609	-29	580	0	
subtotal	20,162	-1,188	17,933	12,543	
Earmarked					
- Specific Reserves					
5 Insurance	3,269	0	3,269	3,269	
subtotal	3,269	0	3,269	3,269	
- Equipment Reserves					
6 P&C	133	0	133	83	
7 ETE	218	0	218	218	
8 CS	57	0	57	57	
9 C&I	726	0	726	0	
subtotal	1,134	0	1,134	358	
Other Earmarked Funds					
10 P&C	1,223	-422	801	366	
11 PH	2,960	0	2,960	2,302	
12 ETE	5,989	263	6,252	4,883	Includes liquidated damages in respect of the Guided Busway - current balance £1.5m.
13 CS	2,656	-4	2,652	2,181	
14 LGSS Managed	146	0	146	146	
15 C&I	442	27	469	558	
16 Transformation Fund	19,525	4,474	23,999	15,675	Savings realised through change in MRP policy
17 Innovation Fund	1,000	0	1,000	956	
subtotal	33,941	4,338	38,279	27,067	
SUB TOTAL	**58,505**	**3,150**	**60,615**	**43,236**	
Capital Reserves					
- Services					
18 P&C	1,827	31,161	32,988	0	
19 ETE	7,274	35,315	42,589	5,200	
20 LGSS Managed	72	-3	69	69	
21 C&I	0	3,076	3,076	0	
22 Corporate	29,782	2,627	32,408	12,397	Section 106 and Community Infrastructure Levy balances.
subtotal	38,955	72,176	111,130	17,666	
GRAND TOTAL	**96,808**	**75,326**	**171,745**	**60,903**	

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

Fund Description		Balance at 31 March 2017	2017-18		Forecast Balance 31 March 2018	Notes
			Movements in 2017-18	Balance at 30 September 17		
		£000s	£000s	£000s	£000s	
- Short Term Provisions						
1	ETE	669	0	669	0	
2	P&C	200	0	200	0	
3	CS	64	0	64	64	
4	LGSS Managed	3,056	-911	2,145	2,089	
5	C&I	24	0	24	24	
	subtotal	4,013	-911	3,102	2,177	
- Long Term Provisions						
6	LGSS Managed	3,613	-3,613	0	0	
	subtotal	3,613	-3,613	0	0	
GRAND TOTAL		**7,626**	**-4,524**	**3,102**	**2,177**	

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

<table>
<tr><th rowspan="2">Service</th><th>Current Budget for 2017/18</th><th>Actual</th><th colspan="2">Forecast Variance Outturn</th></tr>
<tr><th>£'000</th><th>£'000</th><th>£'000</th><th>%</th></tr>
<tr><td>9) SEN Placements</td><td>8,973</td><td>5,531</td><td>500</td><td>6%</td></tr>
<tr><td colspan="5">The SEN Placements budget is reporting a £500k pressure. This is an increase of £400k from last month due to 14 additional young people who are accessing 52 week education placements since the beginning of this academic year. A small number of these young people are in very high cost placements due to the complexity of their need.

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

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

<u>Actions being taken</u>:
• SEND Sufficiency plan to be implemented. This sets out what is needed, how and when;
• Three new special schools to accommodate the rising demand over the next 10 years. One school is opening in September 2017 with two more planned for 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan;
• Deliver SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;
• Work on coordination of reviews for ISEPs to look at returning in to county; and
• A full review of all High Needs spend is required due to the ongoing pressures and proposed changes to national funding arrangements.</td></tr>
<tr><td>10) LAC Transport</td><td>1,126</td><td>626</td><td>250</td><td>22%</td></tr>
<tr><td colspan="5">There is a £250k pressure forecast against the LAC Transport budget. The overall increase in Looked after Children has meant that more children are requiring Home to School Transport, with an average of 20 additional children being transported each month compared to this point in 16/17, with a corresponding increase in cost. As well as higher LAC numbers, the distances travelled to school have also increased with volunteer drivers covering an additional 37,500 miles compared to the same point last year.

The relevant Heads of Service will be meeting in the near future to review the current position and agree an action and implementation plan and timetable with the aim of bringing future spending in line with the available budget.</td></tr>
<tr><td>11) Strategic Management – Children & Safeguarding</td><td>2,492</td><td>2,380</td><td>686</td><td>28%</td></tr>
<tr><td colspan="5">The Children and Safeguarding Director budget is forecasting pressure of £686k. This is a reduction of £200k on the August 2017 position due to a positive revision to the vacancy savings forecast.

The Children's Change Programme (CCP) is on course to deliver savings of £669k in 2017/18 to be achieved by integrating children's social work and children's early help services in to a district-based delivery model. However, historical unfunded pressures of £886k still remain. These consist of £706k around the use of agency staffing and unfunded posts of £180k.The Business Support service pressure of £245k is now being managed in year and managed out entirely by 2018/19. Agency need has been reduced based on a 15% usage expectation in 2017/18 but use of agency staff remains necessary to manage current caseloads. All local authorities have agency social workers, many with a much higher % and therefore a budget to accommodate this need is necessary.

The service is also expected to exceed its vacancy saving target by £200k.</td></tr>
</table>

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

Strategic Management – Children & Safeguarding continued;

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

12) Looked After Children Placements	**17,344**	**8,075**	**1,750**	**10%**

A pressure of £1.75m is being forecast, which is an increase of £0.23m from the reported position at the end of August. Of this increase, £0.1m relates to a reduction in the forecast LAC savings (which will now be delivered in 18/19, later than planned), with the remaining amount being due to a combination of changes in placement fees (higher prices) and/or new placements (more placements). It is positive that the snapshot number of external placements has reduced as children have returned home or moved to in-house provision.

Overall LAC numbers at the end of September 2017, including placements with in-house foster carers, residential homes and kinship, are 697, 10 more than August 2017. This includes 68 unaccompanied asylum seeking children (UASC).

External placement numbers (excluding UASC but including 16+ and supported accommodation) at the end of September are 348, a decrease of 20 from the 368 reported at the end of August. However the composition of placement types and costs indicates that a small but significant number of children are in receipt of very intensive and costly packages of support which has increased since last month. The Access to Resources team and working with providers to ensure that support and cost matches need for all children.

External Placements Client Group	Budgeted Packages*	31 Aug 2017 Packages	30 Sep 2017 Packages	Variance from Budget
Residential Disability – Children	1	1	1	0
Child Homes – Secure Accommodation	0	0	0	0
Child Homes – Educational	16	20	16	0
Child Homes – General	22	36	36	+14
Independent Fostering	263	277	260	-3
Supported Accommodation	15	28	28	+13
Supported Living 16+	25	6	7	-18
TOTAL	**342**	**368**	**348**	**+6**

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

Actions being taken to address the forecast pressure include:

- Weekly panel that all requests for placements have to go to and review of high-cost placements on a regular basis. Access to Resources and operational managers to ensure that the plans for children remain focussed and that resources are offering the best value for money. This is chaired by the Assistant Director.
- Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time.
- All new admissions to care have to be agreed at Assistant Director or Service Director level.

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

Looked After Children Placements continued;

Development of a 'No Wrong Door' model to bring together the residential home, specialist fostering placements, supported lodgings and supported accommodation, with outreach services under one management arrangement. This will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of an all-inclusive team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned services.

13) Adoption	**4,406**	**2,300**	**450**	**10%**

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

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

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

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

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

14) Legal Proceedings	**1,540**	**978**	**550**	**36%**

The Legal Proceedings budget is forecasting a £550k pressure. This is an increase of £100k on the August 2017 position due to a revision of the forecast based on spend to date.

Numbers of care applications increased by 52% from 2014/15 (105) to 2016/17 (160), mirroring the national trend. Whilst we now have less ongoing sets of care proceedings (and less new applications being issued in Court) legacy cases and associated costs are still working through the system. Aside from those areas which we are working on to reduce costs i.e. advice/use of appropriate level of Counsel, the volume of cases remaining within the system indicates an estimated £550k of costs in 2017/18. This assumes overrun costs through delay in cases can be managed down as well as requests for advice being better managed.

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

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
15) Children's Disability Service	**6,527**	**3,294**	**168**	**3%**
The Children's Disability Service is forecasting a pressure of £168k. The Community Support Services budget has seen an increase both in the number of support hours, a high cost individual case (£35k) and in the number of joint funded health packages (also including some with high allocations of hours). Contributions to Adult Services (£45k) have increased and the service is also carrying a £50k pressure from 2016/17. <u>Actions being taken:</u> We will be reviewing the costs of current packages and in particular support levels for our young people.				
16) Safeguarding Hunts and Fenland	**4,994**	**2,510**	**122**	**2%**
The Hunts and Fenland Safeguarding service is reporting an over spend of £122k. This is an increase of £47k on last month. Pressures within the Safeguarding Units have now been quantified and a £101k pressure forecast. This is mainly due to the volume of cases within the Unit model and the need to provide accommodation whilst placements are being identified and the limited capacity of the Contact team to take on contact support. Interpreter costs (+£46k) continue to remain high as a result of the volume of cases that are in the system and a higher than expected number of requests due to No Recourse to Public Finds- NRPF (+£25k) has also added to the pressure. The above pressures are offset by a £50k underspend in the Head of Service budget. Actions being taken: We have undertaken analysis on our use of interpreters which has led to the use of another Local Authority's in house provision. We are also proposing recruitment of bilingual practitioners and an internal pool of workers to interpret and translate as a way of addressing this. We are liaising with the Home Office to manage our NRPF cases as well as reviewing support arrangements for these families whilst in our care.				
17) Executive Director	**211**	**162**	**219**	**103%**
It is not likely that the £219k Business Support saving will not be achieved in 17/18 through efficiencies identified within the business support functions. As such, there is a pressure of £219k being reported. However, work is ongoing to identify strategies to realise this saving.				
18) Financing DSG	**-39,991**	**-19,995**	**-662**	**-2%**
Within P&C, spend of £40.0m is funded by the ring fenced Dedicated Schools Grant. The DSG pressure of £662k is made up from SEN Placements (£500k); Commissioning Services (£100k); Early Years Specialist Support (£44k); SEND Specialist Services (£48k); offset slightly with savings within Early Help District Delivery Service (-£30k). For this financial year will be met by DSG reserve carry forwards.				

Appendix 4- Savings Tracker 2017-18

					Planned £000					Forecast £000								
				4,073	-15,785	-5,775	-4,830	-6,974	-33,364	-11,380	-4,263	-5,958	-6,012	-27,613	5,751			
Reference	Title	Description	Committee	Investment 17-18 £000	Original Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original Phasing - Q4	Original Saving 17-18	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving	Variance from Plan £000	RAG	Forecast Commentary	Links with partner organisations
A/R.6.001	DAAT - Saving from integrating drug and alcohol misuse service contracts	The NHS trust 'Inclusion' provides countywide specialist drug & alcohol treatment services. Currently there are separate treatment contracts for alcohol and drugs. Inclusion have agreed to commence full service integration in 2016-17. This will require fewer service leads employed in management grades and reduces the overall management on-costs in the existing contract agreement. It is also proposed to reduce Saturday clinics and/or move to a volunteer/service user led model for these clinics.	Adults, C&YP	0	-100	0	0	0	-100	-100	0	0	0	-100	0	Green	Saving Achieved	0
A/R.6.101	Recouping under-used direct payment budget allocations for service users	Improving central monitoring and coordination arrangements for direct payments - ensuring budget allocations are proportionate to need and any underspends are recovered.	Adults	87	-98	-99	-99	-99	-395	0	0	0	0	0	395	Red	Expecting to achieve direct payment clawbacks totalling £1.65m, which is short of the baseline target and therefore making none of the savings. This is based on monitoring after first 6 months of the year. This could also reflect progress in setting updated (lower) personal budgets in response to clients where there is a recurring underspend. This position will be kept under close review as direct payments are monitored each month.	N - except LD: Pooled budget - learning disability partnership
A/R.6.102	Care Act (part reversal of previous saving)	There is a £60k deficit on Care Act funded schemes going into 2017-18, and a further £60k required to fund a new Community Navigators scheme. A saving of £400k was taken from the Care Act funding in 2016-17. Part of this (£120k) will be reversed to fund these schemes now that they are established and ongoing	Adults	0	120	0	0	0	120	120	0	0	0	120	0	Green	In place	0
A/R.6.111	Supporting people with physical disabilities and people with autism to live more independently	The focus will be on helping people lead independent lives through the Transforming Lives programme and measures approved by Adults Committee in 2016.	Adults	128	-377	-138	-138	-138	-791	-27	-254	-255	-255	-791	0	Green	On track	0
A/R.6.112	Securing appropriate Continuing Healthcare Funding for people with physical disabilities and ongoing health needs	Careful consideration of the needs of people with complex needs to identify where these needs meet the criteria for Continuing Healthcare and full funding by the NHS.	Adults	0	-80	-80	-80	-80	-320	-66	-84	-85	-85	-320	0	Green	On track	NHS fund continuing healthcare
A/R.6.113	Specialist Support for Adults with Autism to increase their independence	Recruitment of two full time Support Workers for a twelve month period to work with service users to develop skills and access opportunities such as training or employment that would reduce the need for social care support.	Adults	50	-18	-18	-18	-18	-72	-6	-6	-7	-7	-26	46	Red	Mitigation work involves expanding the activity of the Workers to other Vulnerable Adults; monitoring the saving against avoided costs and the demographic expectation.	0
A/R.6.114	Increasing independence and resilience when meeting the needs of people with learning disabilities	The focus will be on helping individuals to be independent and resilient through the Transforming Lives initiative, together with policies approved by Adults Committee in 2016. Care and support will focus on developing skills and opportunities, wherever possible, to increase independence. In the short term this may include more intensive support in order to reduce reliance on social care support in the longer term.	Adults	750	-2,307	-74	0	0	-2,381	-904	-984	-493	0	-2,381	0	Green	On track	Pooled budget - learning disability partnership
A/R.6.115	Retendering for residential, supported living and domiciliary care for people with learning disabilities	Contracts will be retendered in 2017-18 with the intention of reducing the unit cost of care.	Adults	0	-63	-63	-102	-103	-331	-71	0	0	0	-71	260	Red	Domiciliary care retender has taken place and is expected to deliver associated saving. Decision taken to delay retender for supported living and residential frameworks to allow time to undertake detailed analysis of clients and the market to ensure retender is as effective as possible, will achieve in 18/19 instead.	Pooled budget - learning disability partnership
A/R.6.116	Using assistive technology to help people with learning disabilities live and be safe more independently without the need for 24hr or overnight care	New and existing care packages will be reviewed by specialist Assistive Technology and Occupational Therapy staff to identify appropriate equipment which could help disabled people to be safe and live more independently.	Adults	186	-53	-53	-54	-54	-214	-53	-53	-54	-54	-214	0	Green	On track.	0
A/R.6.117	Developing a new learning disability care model in Cambridgeshire to reduce the reliance on out of county placements	This work will entail a review of the most expensive out-of-county placements to inform the development of the most cost-effective ways of meeting needs by commissioning new services within county. In particular we know we will need to develop additional in-county provision with the expertise to manage behaviours that may be challenging. By replacing high-cost out of county placements with new in-county provision tailored to our needs we will reduce overall expenditure on care placements.	Adults	0	-58	-47	-35	0	-140	0	0	0	0	0	140	Red	Saving has been postponed to 2018/19 pending additional resource from the Transformation Fund.	Pooled budget - learning disability partnership
A/R.6.118	Review of Health partner contributions to the Learning Disability Partnership	Negotiating with the NHS for additional funding through reviewing funding arrangements, with a focus on Continuing Healthcare and joint funded packages.	Adults	0	-500	0	0	0	-500	-500	0	0	0	-500	0	Green	On track	NHS funding to pooled budget

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					Planned £000					Forecast £000								
				4,073	-15,785	-5,775	-4,830	-6,974	-33,364	-11,380	-4,263	-5,958	-6,012	-27,613	5,751			
A/R.6.121	Managing the assessment of Deprivation of Liberty cases within reduced additional resources	The March 2014 Supreme Court judgment on Deprivation of Liberty requires councils to undertake a large number of new assessments, including applications to the Court of Protection. Funding was made available to increase capacity to undertake best interest assessments and process applications for DoLS. The national demand for staff who are trained as best interest assessors has meant that it has not been possible to deploy all the available funding in this way. This position is not expected to change, and so a saving has been identified against this budget.	Adults	0	-100	0	0	0	-100	-100	0	0	0	-100	0	Green	Budget reduced - delivered	0
A/R.6.122	Transforming In-House Learning Disability Services	We will review and make necessary changes to in house services focussed on ensuring that resource is appropriately targeted to provide intensive short term support aimed at increasing independence. We will also Identify where we can work with the independent sector to provide for assessed needs in a different way and consider whether any under-utilitsed services are required for the future.	Adults	0	-375	0	-55	0	-430	-287	0	-35	0	-322	108	Red	A saving of £265k delivered from restructure implemented in May 2017. Phase two of restructure to deliver additional savings has been designed and will be implemented in the second half of the year. The time taken to design and implement phase two means that an element of this saving will be delivered in 2018/19 instead of 2017/18.	0
A/R.6.123	Rationalisation of housing related support contracts	In 2016-17 we completed a review of contracted services which support individuals and families to maintain their housing. A contract was terminated in November 2016, with the full-year effect of the associated budget reduction affecting 2017-18.	Adults	0	-58	0	0	0	-58	-58	0	0	0	-58	0	Green	Delivered through change to contract in 2016/17.	0
A/R.6.125	Supporting people with learning disabilities to live as independently as possible in adult life	This work has two elements which are focused on managing demand for long term funded services. 1. Work in children's services and in the Young Adults Team will ensure that young people transferring to the LDP will be expected to have less need for services. 2. Working proactively with people who are living at home with carers who are needing increased support to maintain their caring role for whatever reason.	Adults	0	-181	-181	-182	-182	-726	-27	-37	-37	-37	-138	588	Red	The circumstances of the young people as they reach 18 years old is monitored closely to confirm the level of funding required to meet their needs and to try to anticipate the sustainability of the arrangements. This includes both the home circumstances and the educational arrangements for the young person. This work has led to the forecast overspend.	Pooled budget - learning disability partnership
A/R.6.132	Promoting independence and recovery and keep people within their homes by providing care closer to home and making best use of resources for adults and older people with mental health needs	Reducing the cost of care plans for adults and older people with mental health needs will lead to savings. We aim to reduce residential and nursing care costs and increase the availability of support in the community.	Adults	0	-353	-252	-52	-19	-676	-66	-31	-98	-39	-234	442	Red	Demand for residential and nursing care is increasing across Mental Health services, and although a number of actions have been put in place to increase pace of delivery, there is expected to be a significant shortfall against the target.	0
A/R.6.134	Increase in income from Older People and Older People with mental health's client contributions from increased frequency of reassessments	Older people and those receiving elderly mental health services are not always being financially reassessed every year. The council will therefore reassess all clients more regularly to ensure that the full contributions are being collected. This programme has begun in 2016-17 and will continue into 2017-18 to complete.	Adults	46	-121	-139	-87	-34	-381	-155	-105	-87	-34	-381	0	Green	On track. Automatic (annual) uplifts in place for a growing number of clients using Abacus software. Staff in place working through more complex assessments. Monitored and reported through OP Management team.	0
A/R.6.140	Helping older people to take up their full benefits entitlements	The council will work with service users to make sure they receive all the benefits to which they are entitled and this is expected to increase service user contributions.	Adults	0	-72	-82	-51	-21	-226	0	0	-126	-100	-226	0	Green	Monitoring process in place and supplied to OP management team. Welfare benefits advisor team to be re-organised between the Adult Early Help team (CFA) and Financial Assessment team (LGSS) this has only recently been completed creating a delay. Financial Assessment staff have access to DWP database.	0

					Planned £000					Forecast £000								
				4,073	**-15,785**	**-5,775**	**-4,830**	**-6,974**	**-33,364**	**-11,380**	**-4,263**	**-5,958**	**-6,012**	**-27,613**	5,751			
Reference	**Title**	**Description**	**Committee**	**Investment 17-18 £000**	**Original Phasing - Q1**	**Original Phasing - Q2**	**Original Phasing - Q3**	**Original Phasing - Q4**	**Original Saving 17-18**	**Current Forecast Phasing - Q1**	**Current Forecast Phasing - Q2**	**Current Forecast Phasing - Q3**	**Current Forecast Phasing - Q4**	**Forecast Saving**	**Variance from Plan £000**	**RAG**	**Forecast Commentary**	**Links with partner organisations**
A/R.6.143	Savings from Homecare: re-tendering of home care to develop the market through a number of best practice initiatives including the expansion of direct payments	This proposal will focus specifically on piloting an alternative but complementary approach to home-based care that would try and find alternative and local solutions to traditional homecare - whilst still improving outcomes for service users, promote independence, and achieve savings to the Council. Through the tendering process for home care, the Council will engage potential providers within a price range consistent with achieving this saving. The model also envisages greater efficiency through working across all service user groups including those that that are the responsibility of the CCG.	Adults	0	0	0	-306	0	-306	0	0	-306	0	-306	0	Green	DPS selected for procurement exercise which aims to secure savings through price ceilings and floors for new work, manage current and future cost pressures through a managed and formulaic approach and reduce the number of homecare transition cars. Tender is running according to schedule in line with financial recommendations.	0
A/R.6.145	Using assistive technology to support older people to remain independent in their own homes	The proposal is to invest in and expand the use of Just Checking (or similar) equipment to reduce spending in older people's services. As part of a social care assessment the equipment gives us a full report of a person's movements during a given period allowing us to test whether they are able to go about daily life (eating, washing, dressing, going to the toilet) unaided and to check that overnight they are safe at home. This full picture of a person's daily patterns and movements allows us to say with significantly more accuracy and confidence whether they can or cannot cope independently at home. This additional information and confidence would allow older people, their families and social workers to only make the decision to recommend a move into residential or nursing care where it is absolutely essential. In this way we can reduce care spending overall whilst ensuring we do make provision for those who cannot be independent in their own homes.	Adults	110	-187	-134	-27	-10	-358	-166	-155	-27	-10	-358	0	Green	On track	0
A/R.6.146	Expansion of the Adult Early Help Team to minimise the need for statutory care	The Adult Early Help team was established in April 2016 to provide an enhanced first response to people contacting the County Council with social care concerns. The team help people to retain independence, access services and advise on ways in which older people and their carers can organise help for themselves. The goal is to try to resolve issues without the need to wait for a formal assessment or care plan. Through either telephone support or through a face to face discussion, we hope to work with older people to find solutions without the need for further local authority involvement. The intial phase is already resulting in a reduced number of referrals to social care teams. This business case builds on the first phase and proposes continuing the expansion of the Adult Early Help team, so that the team is able to meet more of the need at tier 2, preventing further escalation of need and hence minimising care expenditure. This contributes further savings in 2017-18 as part of the care budget targets in Older People's Services.	Adults	0	-201	-143	-29	-11	-384	-201	-143	-29	-11	-384	0	Green	On track. Work underway to be able to demonstrate avoid costs as a result of service's involvement.	0

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					Planned £000					Forecast £000								
				4,073	-15,785	-5,775	-4,830	-6,974	-33,364	-11,380	-4,263	-5,958	-6,012	-27,613	5,751			
A/R.6.149	Administer Disability Facilities Grant within reduced overhead costs	At present the County Council invests £300k into the Home Improvement Agencies, which oversee the Disabled Facilities Grants by each of the Districts. The County Council is working in partnership with the District Councils to reduce the cost of the administration of these services. There will be no reduction in the level of grant or service and the intention is to speed up the decision making process.	Adults	0	-150	0	0	0	-150	-150	0	0	0	-150	0	Green	Savings for 2017/18 agreed with District Councils and in the budget - complete.	District Council capital grants via Better Care Fund and central government significantly increased. District Councils engaged in review project
A/R.6.155	Securing appropriate contributions from health to section 117 aftercare.	Careful consideration of the needs of people sectioned under the Mental Health Act to identify joint responsibility and ensure appropriate contributions by the council and the clinical commissioning group to section 117 aftercare.	Adults	0	-150	-150	-80	-40	-420	-45	3	-215	-163	-420	0	Green	Delivery of this saving has been re-profiled over the second 6 months of the financial year to accommodate on-going work with the CCG in relation to section 117 and the Joint Commissioning Tool which has taken place over the first 6 months of the year and was completed in September. It should also be noted that the savings will not be achieved equitably over the next 6 months, for example, 70% of the savings may be achieved in month 11 etc.	NHS funding to section 117 aftercare
A/R.6.157	Increase in income from Older People and Older People with Mental Health's client contributions following a change in Disability Related Expenditure	Following a comparative exercise, the Adults Committee agreed a change to the standard rate of disability related expenditure (DRE) during 2016. This means that additional income is being collected through client contributions. This line reflects the 'full-year' impact of this change, reflecting that the new standard rate is applied at the planned point of financial assessment or reassessment for each person.	Adults	0	-53	-38	-22	-6	-119	-53	-38	-22	-6	-119	0	Green	Implemented following policy change in 2016. Achievement in 2017/18 is through full year effect (existing clients did not start adjustment until January, and will be picked up through scheduled financial assessment reviews). Monitoring process in place through to OP management team.	0
A/R.6.159	Efficiencies from the cost of Transport for Older People	Savings can be made through close scrutiny of the expenditure on transport as part of care packages in Older People's Services to ensure that travel requirements are being met in as cost efficient a way as possible.	Adults	0	-25	-25	-25	-25	-100	0	-16	-16	-16	-48	52	Red	Investigation has identified three areas in which £64k can be made and these are being implemented. £16k of this will be achieved next financial year and £48k will be achieved in year. This leaves £36k that is unlikely to be achieved.	0
A/R.6.160	Ensuring joint health and social care funding arrangements for older people are appropriate	We have been working with NHS colleagues to review continuing health care arrangements including joint funding, with a view to ensuring that the decision making process is transparent and we are clearer about funding responsibility between social care and the NHS when someone has continuing health care needs. Several cases has been identified where potentially health funding should be included or increased based on a review of needs.	Adults	0	-196	-143	-89	-36	-464	-106	0	-138	-130	-374	90	Red	To achieve the baseline CHC savings each year as well as continue with last year's permanent saving and make this year's saving requires the team to complete decision support tool that save £1.541m this year. Savings to date are £651k across the OP&MH directorate. Our progress is constrained by the pace and effectiveness of the CCG in completing the CHC process. Pace of delivery is expected to increase as these constraints are resolved.	0
A/R.6.161	Managing the Cambridgeshire Local Assistance Scheme within existing resources	The Adults Committee has considered several proposals on how to deliver the Cambridgeshire Local Assistance Scheme (CLAS). The contingency budget previosly held for CLAS has now been removed, as is no longer required to support the redesigned service.	Adults	0	-163	0	0	0	-163	-163	0	0	0	-163	0	Green	On-track. The contract has already been let and so the savings has been delivered.	0
A/R.6.163	Ensuring homecare for adults with mental health needs focuses on supporting recovery and piloting peer support delivered through the Recovery College	Savings will be achieved through reproviding homecare services for adults with mental health needs and helping people to return to independence more quickly.	Adults	0	-75	-75	-60	-40	-250	-38	-28	-35	-12	-113	137	Red	Savings delivery is behind profile, and although actions are being put in place to increase the pace of delivery, there is expected to be a shortfall against target at year end.	0
A/R.6.164	Reablement for Older People - Improving effectiveness to enable more people to live independently	Development of the Reablement Service to ensure it promotes independence and reduces the costs of care by being directed at the right people. Changes to the way the service operates will release additional capacity, allowing it to work with more people, achieve better outcomes and so reduce demand and cut costs. It is proposed that within existing staffing levels we can increase the number of people receiving a reablement service and increase the number of people for whom the reablement intervention is ended without the need for ongoing care or with a reduced need for ongoing care. To achieve this we will improve team structures and working practices and ensure the cases referred to the service are appropriate, where there is good potential for people to live independently again.	Adults	0	-93	-67	-42	-17	-219	-93	-67	-42	-17	-219	0	Green	On track. Likely efficiencies which are being made as a result of a number of service based innovations ('in touch' etc.) which should increase throughput of the service. Work underway to ensure that the service can measure the avoided cost as a result of the involvement and to avoid double counting with AEH. Key risk around pull towards mainstream provision.	0

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					Planned £000					Forecast £000								
				4,073	**-15,785**	**-5,775**	**-4,830**	**-6,974**	**-33,364**	**-11,380**	**-4,263**	**-5,958**	**-6,012**	**-27,613**	5,751			
A/R.6.165	Enhanced Occupational Therapy Support to reduce the need for double-handed care	The Double-Up Team was set up as a 'spend to save' initiative in 2013 based on evidence from other local authorities. Initially set up as a pilot project, it was endorsed as part of the County Council's prevention agenda, the implementation of Transforming Lives and the requirements of The Care Act. The team consists of two Senior Occupational Therapists (OTs) and two OT Technicians employed directly by the County Council. The team's remit is to focus on the review of service users to assess whether it is possible to either: • Reduce existing double-up packages of care to single-handed care OR • Prevent single-handed care packages being increased to double-up This team is currently based outside of the existing mainstream OT service to ensure focus on the delivery of actions that will benefit the recipients whist returning a saving direct to the Council. Through the actions of the existing team, savings from the Councils homecare budget were generated in the region of £1.1m in 2015-16 and are on track to achieve a similar figure in the current financial year. This business case proposes the expansion of the service through the recruitment of an additional two OT workers so they can share learning and benefits associated with the current model to other settings (further details are listed in the 'scope' section of this document) as well as providing additional review capacity.	Adults	90	-132	-94	-19	-7	-252	-42	-124	-39	-17	-222	30	Amber	0	Alongside mainstream occupational therapy service provided within community (CPFT) and hospitals based OTs
A/R.6.167	Voluntary Sector Contracts for Mental Health Services	Renegotiation of a number of voluntary sector contracts for mental health support has resulted in lower costs to the Council whilst maintaining levels of service provision for adults with mental health needs. The reductions have been discussed and negotiated with the providers impacted, and they have factored this into their own business planning. On-going investment by the Mental Health service in the voluntary and community sector remains over £3.7m	Adults	0	-130	0	0	0	-130	-130	0	0	0	-130	0	Green	Delivered	0
A/R.6.168	Establish a review and reablement function for older people with mental health needs	Redirect support workers within the Older People Mental Health team to provide a review and reablement function for service users in receipt of low cost packages (under £150 per week).	Adults	0	-20	-25	-15	-9	-69	-4	-1	-9	-2	-16	53	Red	Savings delivery is behind profile, and although actions are being put in place to increase the pace of delivery, there is expected to be a shortfall against target at year end.	0
A/R.6.169	Better Care Fund improvement	Each year the Council and the local NHS agree a Better Care Fund plan, this includes an element for social care services. Given the uplift in the BCF allocation in 2016-17 and an anticipated further increase in 2017-18 the Council will negotiate that a greater share of BCF monies are focused on provision of social care services. This supports the local NHS.	Adults	0	-930	0	0	0	-930	0	0	-930	0	-930	0	Green	On track	The Better Care Fund is a pooled budget with the NHS
A/R.6.170	OP contractual & demand savings (including respite beds) 6.170	Retendering of contracts in 2016-17 has presented the opportunity to reduce our block purchasing of respite beds, following under-utilisation and unused voids in previous arrangements. Use of spot purchasing for respite will be monitored. Additionally, as trends have continued towards supporting fewer people overall in 2016-17 it has been possible to reflect this cost reduction in a further small saving on demographic allocations.	Adults	0	-450	0	0	-100	-550	-450	0	0	0	-450	100	Red	Full delivery of respite block saving resulting from 2016/17 retendering, but demand pressures across OP locality budgets means that full delivery of this saving is not expected.	0
A/R.6.201	Staffing reductions in Commissioning Enhanced Services	Review of Commissioning across CFA.	C&YP	0	0	0	-107	0	-107	0	0	-107	0	-107	0	Green	On-track. Saving to be delivered as part of the Commissioning restructure.	0
A/R.6.202	Children's Change Programme: Changes to Management Structure in Children's Services	The Children's Change Programme is reviewing and transforming the system of children's services across early help, safeguarding and protection teams. Phase 1 of the programme will realise savings from staffing by deleting duplication and simplifying processes. Specifically, we will integrate social work and early help services into a district-based delivery model, unifying services around familiar and common administrative boundaries so they can align with partners better; and reducing the number of team manager level posts required.	C&YP	0	-619	0	0	0	-619	-619	0	0	0	-619	0	Green	On-track - Plan in place to deliver. Awaiting response from DfE on Innovation Funding before confirming full achievement of savings.	0
A/R.6.203	Amalgamating Family Support Services	Amalgamation of Specialist Family Support Service Family Support Workers in localities to produce better efficiency and subsequent a reduction of associated relief staff costs.	C&YP	0	-50	0	0	0	-50	-50	0	0	0	-50	0	Green	On-track - Plan in place.	0
A/R.6.205	Children's Social Care Support for young people with complex needs	Prevention of placement or family breakdowns by providing outreach support and the provision of a consistent wrap-around support for young people with complex needs to avoid the use of costly external residential provision that may not meet need.	C&YP	497	0	-135	-181	-243	-559	0	-51	-192	-100	-343	216	Red	Current forecasting shortfall in 2017/18 due to delayed start of The Hub but still forecasting ability to meet total savings over the next two years.	0

					Planned £000					Forecast £000								
				4,073	**-15,785**	**-5,775**	**-4,830**	**-6,974**	**-33,364**	**-11,380**	**-4,263**	**-5,958**	**-6,012**	**-27,613**	5,751			
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A/R.6.210	Home to School Transport (Special)	Most children and young people with Statements of SEND and Education, Health and Care (EHC) plans do not require special transport arrangements. Wherever possible and appropriate, the child or young person with SEN should be treated in the same way as those without. e.g. in general they should walk to school, travel on a public bus or rail service or a contract bus service or be taken by their parents. They should develop independent travel skills which should be assessed at each Annual Review. The majority of children/ young people of statutory school age (5-16) who have a Statement of Special Educational Need (SSEN) will attend their designated mainstream school. Only if, as detailed in their SSEN/EHC Plan, a child or young person has a special educational need or disability which ordinarily prevents them from either walking to and from school or accessing a bus or rail service or contract bus service, will they be eligible for free transport. With effect from 1 September 2015, the Council stopped providing free transport for young people with SEND over the age of 16, except those living in low income families. In addition to the £396k of savings in this business case, there are two separate invest to save proposals which are being funded by CFA underspend and ETE capital funding (Meadowgate footpath and Independent Travel Training) which relate to home to school transport (special). There is less likelihood of achieving savings from 2018-19 onwards as these are more reliant on a reduction in the number of children on EHC plans. The ability to make considerable savings from 2018-19 onwards is based on increased in-county education provision and reduction in EHC Plans due to more need being met within mainstream provision, both of which are needed to reduce the number of pupils requiring transport - even with demographic increase in population. We plan to achieve savings through a change to post-16 funding policy introducing contributions to all post-16 pupils. This is subject to Member approval.	C&YP	0	-124	-123	-123	-123	-493	-104	-93	-371	-253	-821	-328	Green	On Track – we are anticipating that this savings target will be surpassed, with savings already made due to a successful tender round, demography savings and an ongoing scrutiny of contract services to ensure that Council delivers the most efficient and cost effective school transport services. This over-achievement offsets pressures due to under achievement in A/R.6.214 and A/R.6.222	0
A/R.6.213	LAC Inflation Savings	Award inflation at 0.7% rather than 1.7%	C&YP	0	-31	-31	-31	-31	-124	-124	-23	-23	-22	-192	-68	Green	The forecast is based on the current fee uplifts agreed. If further fee uplift requests are received, and subsequently approved, the forecast surplus will decrease. Requests can be received throughout the year. This savings is likely to over deliver and mitigate under delivery in A/R. 6. 239	0
A/R.6.214	Moving towards personal budgets in home to school transport (SEN)	The Personal Transport Budget (PTB) is a sum of money that is paid to a parent/carer of a child who is eligible for free school travel. The cost of a PTB would not be more than current transport arrangements. A PTB gives families the freedom to make their own decisions and arrangements about how their child will get to and from school each day. Monitoring and bureaucracy of PTBs is kept to a minimum with parents not being expected to provide evidence on how the money is spent. However, monitoring of children's attendance at school is done and PTBs are removed if attendance falls below an agreed level.	C&YP	0	-58	-58	-58	-58	-232	0	0	0	0	0	232	Red	Not on track to deliver savings this financial year. While some parents have taken up the option of a PTB, a focused, strictly time-limited review will be undertaken to determine whether a greater level of savings could be achieved in future years by making changes to the scheme and relaunching it. Additional savings, outlined in A/R.6.210 are on track to be achieved and will offset this pressure.	0
A/R.6.215	Adaptation and refurbishment of Council Properties to reduce the unit cost of placements	Two properties owned by Cambridgeshire County Council have become vacant, or are becoming vacant over the coming months. This presents an opportunity to increase the capacity for in-county accommodation the Council has for children who are looked after and to contribute to the savings arising from the unit cost of placements. Refurbishment of the properties will take place to make these buildings fit for purpose.	C&YP	0	-141	-140	-141	-140	-562	0	-19	-54	-55	-128	434	Red	The original saving was predicated on a 12 month period for each of these placements. Due to issues with handing the properties over in a fit state the timescales for opening the homes slipped from April 17 to August 17. As a result of the lead times needed to progress the project, part of the saving will be pushed to 18/19 (a saving of -£92k is currently forecast to be delivered in 18/19). Not all the beds are occupied currently and the team continue to review placements in order to identify suitable young children to move into the properties.	0
A/R.6.216	Pathways to access contraception and sexual health services for priority groups	To provide intermediate level training to 100 staff from targeted services in residential children's homes, drug and alcohol services, adult mental health services, the Youth Offending Service, the 18-25 team and Domestic Violence Adviser team. We will purchase 12 contraception boxes for offices of services attending training for use with clients.	C&YP	0	-185	0	0	0	-185	0	0	0	0	0	185	Red		0
A/R.6.217	Enhanced intervention service for children with disabilities	Establish an Enhanced Intervention Service in Cambridgeshire. The purpose of the team would be to reduce the number of children with disabilities placed in out of county residential homes, to enable children to safely live with their family and access education in their local area.	C&YP	120	-29	-48	-48	-49	-174	-29	-48	-48	-49	-174	0	Green	On-track - Staff appointed, children identified and working within timeframes	0

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A/R.6.218	SPACE Programme – helping mothers to prevent repeat removals	The Space Programme works to engage with mothers who have had their baby permanently removed from their care, with the aim of reducing the likelihood of it happening again. The programme works with mothers and their partners where appropriate, to help them understand the range of issues they face and which may have contributed to their child becoming permanently removed in the first place. In partnership with other agencies, the programme works to promote positive relationships, self esteem and confidence and assertiveness, whilst encouraging access to universal and specialist services that can help mothers live healthier lives. The programme has been funded by CFA reserves from October 2015 to March 2017 and works on the assumption that the programme prevents six babies entering foster care in 2017-18 and 2018-19 as a result of the intervention work that's taken place in 2015-16 and 2016-17. Outcome data for the programme is currently being prepared and reviewed and options to secure permanent funding to sustain this work are being explored.	C&YP	0	-111	0	0	0	-111	0	0	0	0	0	111	Red	Savings deemed as not achievable. Under review.	0
A/R.6.219	Systemic family meetings to be offered at an earlier stage to increase the number of children being diverted from LAC placements	Change the referral criteria for systemic family meetings so they take place with families at an earlier stage - at the point just before beginning a child protection plan. This would enable us to work with a larger group of 390 children at Child Protection level, rather than 240 at court proceedings level.	C&YP	148	-115	-115	-115	-116	-461	-115	-115	-115	-116	-461	0	Green	On-track - Q2 savings quantified against benchmark data.	0
A/R.6.220	Increase the number and capacity of in-house foster carers	Reduce spending on foster placements from external carer agencies by increasing the capacity of the in-house service.	C&YP	0	-48	-49	-49	-49	-195	-73	-151	-22	-16	-262	-67	Green	On-track and currently forecasting exceeding savings by £78k.	0
A/R.6.221	Link workers within Adult Mental Health Services	Two Link Workers will embed a Think Family approach in adult mental health services and increase access to preventative and early help services to keep families together wherever possible.	C&YP	84	0	0	0	0	0	0	0	0	0	0	0	0	No savings planned for 17/18	0
A/R.6.222	Independent travel training for children with SEND	Proposal to introduce Independent Travel Training (ITT) for young people with SEND to help them cope with the often more complex journeys required to access further education. Once trained and assessed to be safely able to travel independently, we will no longer have to provide home to school transport for these young people.	C&YP	0	-24	-24	-24	-24	-96	0	0	0	0	0	96	Red	Not on track to deliver savings this financial year. A small working group will be established to begin work in Autumn 2017 to develop an action and implementation plan to deliver savings in 2018/19. Additional savings, outlined in A/R.6.210 are on track to be achieved and will offset this pressure.	0
A/R.6.225	Alternative model of delivery for school catering and cleaning [EI]	A new way of providing school catering and cleaning as either a joint venture or a partnership with another provider is at an advanced stage. A minimum of £50K has been set as a project priority.	C&YP	0	-13	-13	-12	-12	-50	0	0	0	0	0	50	Red	Management changes for the service have been implemented from 1 July - a recovery plan is being undertaken with support from theTransformation Team.	0
A/R.6.227	Strategic review of the LA's ongoing statutory role in learning	A programme to transform the role of the local authority in education in response to national developments such as the 2016 Education White Paper, and the local context, (e.g. the increasing number of academies and the educational performance of schools) has been started. This has four strands - the LA's core duties, traded services, local authority-initiated Multi-academy Trusts and the recruitment and retention of school staff. Early work has identified savings from reducing core funding by discharging the Education Advisor function with two f.t.e. staff, one funded centrally and one traded; Mathematics, English and Improvement advisers to be fully traded from 2017-18; Primary advisers to be part traded from 2017-18 and fully traded from 2018-19; Senior Advisers to be part traded; and a reduction in the intervention budget, supporting only maintained schools where we have a statutory responsibility to do so. The Education Advisers will generate a £10k surplus in 2018-19.	C&YP	0	-67	-68	-67	-68	-270	-180	-25	-35	-30	-270	0	Green	These savings have been met in full through grant funding and reduction in intervention budget	0
A/R.6.230	Reduction in Heads of Service	Reduce the number of Heads of Service in the Learning directorate from six to five in line with the reduction in staffing and changing role of the Directorate.	C&YP	0	-80	0	0	0	-80	-60	0	0	0	-60	20	Green	On-track - Head of Service for CID appointed as interim, permanent role still planned for deletion.	0
A/R.6.234	Home to School Transport (Mainstream)	The 2017-18 saving is made up of the summer term changes to post 16 and spare seats charging policy, implemented in 2016-17. As a result of a decision taken by SMT, all services are now required to absorb the impact of the general growth in population and no demography funding will be allocated for this purpose. This represents £598k for this budget. Full year savings of £438k from route retendering (which normally would be offered as savings) will instead be diverted to meet this pressure, with the remainder secured through a programme of route reviews.	C&YP	0	-70	0	0	-24	-94	-70	0	0	-24	-94	0	Green	On-track	0
A/R.6.236	Business Support	Development and implementation of course booking and customer feedback systems and new ways of working will enable us to reduce our business support capacity.	C&YP	0	-51	0	0	0	-51	-51	0	0	0	-51	0	Green	Saving achieved	0
A/R.6.238	Virtual Beds	Tender for 16 Block Distributed Purchasing (Flexi Beds).	C&YP	0	0	-23	-83	-99	-205	0	0	0	0	0	205	Red	Decision taken not to take this proposal forward. Alternative proposals are being progressed.	0

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A/R.6.239	Review of top 50 placements	Monthly review by panel of the top 50 most expensive external placements, with the objective of reducing placement costs wherever possible.	C&YP	0	-81	-81	-81	-81	-324	0	-24	-45	-128	-197	127	Red	The forecast saving is based on a review of the high cost placements that has been undertaken to date. 'Top 50' meetings are taking place to ensure regular review of high cost placements in order to secure further savings. There are also Purchased Placement review meetings being established that will be held by Placements Officers and Group Managers to review high cost placements that are made in an emergency and ensuring these are adequately reviewed. The forecast will be updated monthly following the outcome of these meetings. This is likely to generate further savings. It should also be noted that where a placement price is reduced, the saving is quantified over a 12 month period. Therefore any changes midway through the financial year will result in an element of the saving being pushed back into 18/19. Of the placements currently identified to deliver savings during 17/18 (-£197k), a further -£286k is forecast to be delivered in 18/19 from these placements.	0
A/R.6.240	Negotiating placement fees	Negotiate the costs of external placements for Looked After Children.	C&YP	0	-17	-18	-17	-18	-70	-9	-8	-7	-8	-32	38	Red	Savings are negotiated on an adhoc basis either at point of placement (for placement moves) or by reducing high cost packages. The team will continue to negotiate with providers where possible.	0
A/R.6.241	Foster carers to provide supported lodgings	Delivery of 10 new supported lodging placements	C&YP	0	0	-22	-65	-65	-152	0	0	-9	-7	-16	136	Red	Shortfall of savings projected based on availability of supported lodgings carers.	0
A/R.6.242	Reducing fees for Independent Fostering Agency placements	Reduce fees for Independent Fostering Agency (IFA) placements	C&YP	0	-30	-30	-3	-3	-66	-17	-12	0	0	-29	37	Red	Meetings continue to be arranged with providers, contracts and placements to support negotiations in order to try and secure further savings in this area.	0
A/R.6.243	Children's Change Programme: Hawthorns, FGC, PIP & Misc	Restructure of Children's Services through the Children's Change Programme, to be reinvested to support the revised structure (see proposal A/R.5.004).	C&YP	1,595	-1,595	0	0	0	-1,595	-1,595	0	0	0	-1,595	0	Green	Saving Achieved	0
A/R.6.244	Total Transport	This is an updated proposal, in light of the data and experience gained through Phase 1 of the Total Transport pilot, which was implemented in the East Cambridgeshire area at the start of September 2016. By investing in staff and by extending the use of smartcard technology, the Council will be able to deliver more efficient mainstream school transport services, matching capacity more closely with demand. The intention is to secure financial savings whilst ensuring that all eligible pupils continue to receive free transport with reasonable but efficient travel arrangements.	C&YP	132	-180	0	-290	-370	-840	0	-134	-336	-370	-840	0	Green	On Track	0
A/R.6.245	Cambridgeshire Race, Equality and Diversity Service (CREDS)	The de-delegation received by the Cambridgeshire Race, Equality and Diversity Service (CREDS) from maintained primary schools in 2017-18 will reduce as a consequence of the large number of recent and forthcoming academy conversions. This reduction in funding will require a restructure of the service, including staffing reductions.	C&YP	0	-125	0	0	0	-125	-125	0	0	0	-125	0	Green	On-track	0
A/R.7.101	Early Years subscription package	Proposal to develop Early Years subscription package for trading with settings.	C&YP	0	0	0	-28	0	-28	0	0	-28	0	-28	0	Green	On-track	0
A/R.7.103	Education ICT Service	Increase in trading surplus through expanding out-of-county provision.	C&YP	0	-25	-25	-25	-25	-100	-25	-25	-25	-25	-100	0	Green	On-track	0
A/R.7.104	Cambridgeshire Outdoors	Increase in trading surplus through cost reduction and external marketing.	C&YP	0	-12	-13	-13	-12	-50	-8	-8	-8	-9	-33	17	Amber	A plan has been developed across the three centres to achieve this target. Key actions include the development and marketing of new offers, including weekend and school holiday bookings, and a relative reduction in management costs. This plan is resulting in increased income, however it is unlikely that the full target will be reached.	0
A/R.7.105	Admissions Service	Increase in trading surplus through an increased use of automated systems.	C&YP	0	-3	-3	-3	-1	-10	-3	-3	-3	-1	-10	0	Green	On-track	0
A/R.7.106	Reduction in income de-delegated from Schools to CREDS	The de-delegation received by the Cambridgeshire Race, Equality and Diversity Service (CREDS) from maintained primary schools in 2017-18 will reduce as a consequence of the large number of recent and forthcoming academy conversions. This reduction in funding will require a restructure of the service, including staffing reductions.	C&YP	0	30	30	30	35	125	30	30	30	35	125	0	Green	On-track	0
B/R.6.001	Senior management review in ETE	A review of senior management in ETE to reduce cost and simplify structures, as well as sharing services with partners.	E&E, H&CI	0	-250	0	0	0	-250	0	0	0	-63	-63	187	Red	Given timescales this will now only be a part year saving, but other efficiencies may make up the difference.	N
B/R.6.002	Centralise business support posts across ETE	Costs will be reduced by centralising business support for the whole of ETE.	E&E, H&CI	0	0	0	-20	0	-20	0	0	0	-5	-5	15	Red	This will follow on from the senior management review so not yet started	N

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B/R.6.101	Improve efficiency through shared county planning, minerals and waste service with partners	Reduced costs to the Council by sharing our services for minerals and waste planning applications with other Councils.	E&E	0	-25	0	0	0	-25	0	0	0	0	0	25	Red	These savings were originally to be made by sharing services with the District Councils. The focus of sharing services is now with Peterborough City Council and work is underway to develop options. This saving will therefore be made later than originally anticipated and there is only likely at best to be a part year saving in 2017/18.	N
B/R.6.102	Improve efficiency through shared growth and development service with partners	Reduced costs to the Council by sharing our services with other councils to process major planning applications and negotiate financial contributions from developers that can be used to pay for essential infrastructure such as schools and roads.	E&E	0	-25	0	0	0	-25	0	0	0	0	0	25	Red		N
B/R.6.103	Reduction in Concessionary fare payments	To remove £300k from the Concessionary Fare budget for 2017-18 following actual underspend of £300k for 2015-16 and projected underspend of £300k for 2016-17	E&E	0	-75	-75	-75	-75	-300	-75	-75	-75	-75	-300	0	Green	Budget reduced to match reduction in demand	N
B/R.6.202	Upgrade streetlights to LEDs	This will involve upgrading street light bulbs with LEDs where this offers good value for money, such as the energy savings are greater than the cost of conversion. This links to capital proposal B/C.3.109. This is the full year effect of a saving made in 2016-17.	H&CI	0	0	-14	0	0	-14	0	0	0	-14	-14	0	Green	LED project plan for accrued street lights has been agreed with Balfour Beatty and Connect Roads. Work will take place in Q3.	N
B/R.6.203	Rationalise business support in highways depots to a shared service	Move to shared service business support across the highway depots.	H&CI	0	-25	0	0	0	-25	-25	0	0	0	-25	0	Green	Vacant post has been deleted from the establishment.	N
B/R.6.205	Replace rising bollards with cameras	The rising bollards in Cambridge are old and becoming increasingly expensive to maintain. This will save the annual maintenance cost of the bollards.	H&CI	0	-25	0	0	0	-25	-25	0	0	0	-25	0	Green	Three sites went live in 16/17 (Emmanuel Rd, Bridge St & Regent St). Station Road is due to go live immiently and there is the potential for two further sites in 2017/18 (Silver St, Worts Causeway), both of which are being investigated further.	N
B/R.6.207	Highways Services Transformation	The Council is replacing its existing contract for highway works such as road maintenance and pot hole filling. This will allow us to achieve greater value for money and reduce costs significantly while improving service quality.	H&CI	0	0	-267	-267	-266	-800	0	-267	-267	-266	-800	0	Green	The new highway contract has been procured, with Skanska the successful bidder. The contract started on 1 July and the year one saving (nine months) of £800k has been captured through the price of the tender.	N
B/R.6.209	Reduce library management and systems support and stock (book) fund	One year reduction of £325k in spending on new library stock, together with further savings in deliveries and some IT systems support. Any further reduction in support would impact the ability of communities to take on their libraries and there is reputational risk in reducing the book fund.	H&CI	0	-340	0	0	0	-340	-340	0	0	0	-340	0	Green	The saving has been made	0
B/R.6.211	Road Safety projects & campaigns - savings required due to change in Public Health Grant	This is a removal of a one off Public Health grant. This has funded specific work and campaigns which have now ended and so the money is no longer required.	H&CI	0	-84	0	0	0	-84	-84	0	0	0	-84	0	Green	This funding has been removed and therefore this saving achieved. The Road Safety team is utilising opportunities through the PCC To continue certain activities.	N
B/R.6.213	Move to full cost recovery for non-statutory highway works	Communities and Parish/Town Councils can pay for additional highway works such as traffic calming and yellow lines that are extra to the Council's normal work. The Council delivers these works but has not in the past recovered the full cost of delivery of schemes and officer time in preparing them will be charged.	H&CI	50	-100	0	0	0	-100	0	0	-50	-50	-100	0	Green	The £100k saving this year has been achieved by top slicing the budget. Therefore achievement of savings is not dependent on performance of the new scheme this financial year.	N
B/R.6.214	Street Lighting Synergies	Cambridgeshire County Council can make an £8m joint saving with Northamptonshire if both parties enter the same Street Lighting PFI contract. In order for this to happen, CCC will have to pay a Break Cost estimated to be £800k. This cost can be paid upfront or over time. It is proposed that CCC pays the Break Cost upfront.	H&CI	0	-32	-32	-32	-33	-129	-32	-32	-32	-33	-129	0	Green	"£800k investment in 16-17 The streetlighting synergies were signed in March 2017, but the full realisation of the saving will not be achieved until year end, with the savings made throughout the year"	N
B/R.6.215	Contract savings for the maintenance of Vehicle Activated signs (VAS) and traffic signal junctions/crossings	A new 5 year contract is now in place to provide maintenance for traffic signalled junctions, crossings and vehicle speed activated signs (VAS). The proposed saving is realised from sharing fixed contract overhead costs with neighbouring authorities and the reallocation of risk. Funding will no longer be available to replace VAS signs if they cannot be repaired unless they are safety critical.	H&CI	0	-17	-17	-18	-18	-70	-17	-17	-18	-18	-70	0	Green	The new contract will be paid for on a monthly basis and therefore the total saving will be achieved at year end	N
B/R.6.302	Renegotiation of the Waste PFI contract.	The Council has a contract with Amey to process and recycle the waste collected across Cambridgeshire. Through negotiation, the Council is seeking to reduce the cost of this contract.	GPC	0	-920	0	0	-80	-1,000	-100	-100	-200	-600	-1,000	0	Green	Savings of approximately £500,000 have been identified that will be delivered in this financial year. It is anticipated that further savings will come on stream in year that will contribute to achieving the overall £1m annual target.	0

					Planned £000					Forecast £000								
				4,073	**-15,785**	**-5,775**	**-4,830**	**-6,974**	**-33,364**	**-11,380**	**-4,263**	**-5,958**	**-6,012**	**-27,613**	5,751			
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B/R.7.100	Increase income from digital archive services	The Council currently charges for digital versions of documents from our archive. As more documents are being digitised each year, the Council expects income to increase.	H&CI	0	-5	0	-15	0	-20	0	-7	-15	0	-22	-2	Green	On track	0
B/R.7.109	Introduce a charge for commercial events using the highway	Large commercial events that require closures of roads such as cycling and running races currently cost the council money to administer. In future, the cost of the Council's work will be recovered. This will not impact on small community events.	H&CI	0	-2	-3	-3	-2	-10	-2	-3	-3	-2	-10	0	Green	On track	N
B/R.7.110	Increase highways charges to cover costs	This relates to a wide range of charges levied for use of the highway such as skip licences for example. All charges have been reviewed across ETE. Further targeted review and monitoring of charges will continue to ensure they remain relevant.	H&CI	0	-1	-1	-1	-2	-5	-1	-1	-1	-2	-5	0	Green	Fees & Charges increased inline with inflation for statutory services, whilst discretionary functions have been reveiwed and increased accordingly.	N
B/R.7.111	Introduce a highways permitting system	This proposal will allow the Council to better control works on our roads being carried out by utility and other commercial companies through the use of permits. This will mean better coordination of road works, reduced delays and the ability to fine companies when they do not work efficiently on our roads.	H&CI	0	-100	-40	0	0	-140	-100	-40	0	0	-140	0	Green	Permitting scheme implemented Oct 16. Already seeing overachievement in the first six months. Although likely to plateaux and drop off slightly as the scheme beds in, the income target will be achieved.	N
E/R.6.003	CCS contract for integrated contraception and sexual health services	Continued move to a more demand led model which means that although there will be a small reduction in clinic sessions the service will be even more targeted where there is most need. Specific proposals that reflect this approach are being discussed with Cambridgeshire Community Services.	Health	0	-50	0	0	0	-50	-50	0	0	0	-50	0	Green	On track	0
E/R.6.006	Review exercise referral schemes	As part of the Public Health drive to promote and increase physical activity to benefit everyone across the County the service is discontinuing investment in the current district based exercise referral schemes by £48k (recurrent). There is inequity in the current investment in exercise referral schemes as only two areas are funded. However the Health Committee approved at its November 2016 meeting a countywide physical activity programme which includes all the Districts. An additional £23k saving (recurrent) results from the end of a workplace physical activity pilot at County Council premises Scott House, from which the learning is now mainstreamed, and from ceasing other currently unallocated physical activity project budgets.	Health	0	-71	0	0	0	-71	-71	0	0	0	-71	0	Green	0	0
E/R.6.012	Public health services contract for children and young people aged 0-19	Reducing the cost of the contract for age 0-19 public health services with Cambridgeshire Community Services, while investing in public health school nursing services for Special Schools. Review of skill mix and ways of working in 0-5 public health services, including health visiting and family nurse partnership, which should enable saving of £150k. Existing staff will be working in a more integrated way with other Council services, such as Children's Centres and Together for Families Programme. Invest £60k to provide a public health school nursing service for Special Schools.	Health	0	-90	0	0	0	-90	-23	-22	-23	-22	-90	0	Green	On track	0
E/R.6.019	Public Health Programmes Team: proposed transfer to integrated lifestyles provider	It is proposed to transfer the CAMQUIT team to the current external Integrated Lifestyles Provider, subject to a Voluntary Transparency notice. Staff involved in microcommissioning of smoking cessation services in GP practices and pharmacies will not be transferred and will be in scope for the joint public health commissioning unit.	Health	0	-13	-12	-13	-12	-50	-13	-12	-13	-12	-50	0	Green	On track	0
E/R.6.021	Public health commissioning - explore joint work with other organisations	Create a joint Public Health commissioning unit with Peterborough City Council in order to drive best value across both areas, building on the existing Children's Health Joint Commissioning Unit and existing joint work across the two Councils by the public health specialist team.	Health	0	-14	-14	-14	-15	-57	-14	-14	-14	-15	-57	0	Green	On track	0
E/R.6.025	Smoking Cessation : Reduced spend on NRT and GP Payments	After review of smoking cessation spend on nicotine replacement therapy (NRT) and payments to GP practices and pharmacies in the first two quarters of 2016-17, it has been established that this level of saving can be withdrawn while meeting the current level of demand for the smoking cessation service.	Health	0	-28	-27	-28	-27	-110	-28	-27	-28	-27	-110	0	Green	On track	0
E/R.6.026	Chlamydia Screening : Online Testing and reduction in lab costs	Demand for the online chlamydia screening service has declined. This is partially due to adopting a more targeted screening model. This also results in a lower spend on laboratory tests.	Health	0	-13	-12	-13	-12	-50	-13	-12	-13	-12	-50	0	Green	0	0

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E/R.6.028	Food for Life : Jointly commission across Cambridgeshire and Peterborough	The Food for Life programme aims to promote a healthier eating lifestyle and reduce childhood obesity. Currently the Council and Peterborough City Council separately commission this programme. The proposal is to reduce costs by recommissioning jointly with Peterborough City Council the programme which will promote healthy eating and physical activity while targeting areas that are more deprived with higher levels of childhood obesity.	Health	0	-25	0	0	0	-25	-25	0	0	0	-25	0	Green	0	0
E/R.6.029	Traveller Health Team : Changed ways of working	Reduce value of contract with Ormiston Trust so that it reflects current level of community worker input, while funding additional input from Traveller Health specialist nurse.	Health	0	-5	0	0	0	-5	-5	0	0	0	-5	0	Green	On track	0
E/R.6.031	Contribution to CCC 0-5 voluntary sector contract no longer required	The Council's three year contract with Homestart ceased in September 2016 as part of a wider refocussing of preventive services for children aged 0-5. Public Health made a contribution to the overall budget for this contract, which is no longer required.	Health	0	-98	0	0	0	-98	-98	0	0	0	-98	0	Green	0	0
E/R.7.102	Reduction in income	Reductions in income from Cambridgeshire and Peterborough Clinical Commissioning Group for management of joint Health Intelligence Unit. A reduction in Public Health Consultant sessions of medical student teaching.	Health	0	56	0	0	0	56	56	0	0	0	56	0	Green	On track	0
F/R.6.107	Rationalisation of Property Portfolio	Savings generated by the more efficient use of Council properties.	A&I	0	-38	-38	-38	-40	-154	-14	-14	-14	-39	-81	73	Red	Savings based on 2 properties Meadows and Benedict Court. Benedict Court was vacated in 16/17. Will not make full year saving for the Meadows as lease was renewed to accommodate staff who were planned to move elsewhere. The lease has a break clause but is likely to be required for and additional 6-9 months. However new lease is at reduced rate from £57k to £41k so some saving is achieved.	N
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119	A&I	0	-3	-5	-6	-6	-20	-3	-5	-6	-6	-20	0	Green	On track	N
F/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.	A&I	0	-4	-4	-4	-3	-15	-4	-4	-4	-3	-15	0	Green	Additional income expected to be achieved	N
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.	A&I	0	-15	-15	-15	-15	-60	-15	-15	-15	-15	-60	0	Green	Additional income expected to be achieved	N
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17.	A&I	0	-160	-240	-240	-236	-876	-160	-240	-240	-236	-876	0	Green	On track	N
F/R.7.106	Renewable Energy Soham - Surplus to Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.	A&I	0	-33	-50	-50	-50	-183	-33	-50	-50	-50	-183	0	Green	On track	N
F/R.7.109	Telecommunications hosting policy	Review the Council's mobile telecommunications equipment policy. This will include exploring opportunities to generate revenue income from hosting telecommunications equipment on Council land and property assets and actively promoting better mobile coverage across the county.	A&I	0	0	0	-20	-20	-40	0	0	-20	-20	-40	0	Green	Costs lower than forecast. Following adoption of new policy, telecoms consultants will be appointed to identify sites and negotiate with operators with agreements anticipated later in the year.	N
F/R.7.120	Income from Rationalisation of Property Portfolio	Income generation from alternative use of major office building(s) to provide ongoing revenue streams.	A&I	0	-98	-98	-98	-99	-393	-98	-98	-98	-99	-393	0	Green	Full year effect for Castle Court income	N
G/R.7.002	Invest to Save Housing Schemes - Income Generation	Generation of long-term income stream associated with the development of new 'affordable' housing and open market rent housing on Council owned land.	GPC	0	0	0	0	-2,700	-2,700	0	0	0	-1,950	-1,950	750	Red	Loan arrangements to CHIC have begun which will be a key source of the receivable income for the Council. C&I Committee briefed on the possibility of a "portfolio sale" which will bring forward income possibility for CCC to mitigate this	0
C/R.6.101	Commercial approach to contract management	Ensuring the Council pursues all commercial opportunities, with a focus on contract management through improved commissioning and procurement.	GPC	0	0	0	-250	-250	-500	0	0	0	-30	-30	470	Red	Potential opportunities from insurance re-tender progressing, with premises costs to follow. Savings from contract management within services, however this full corporately held target will not be delivered this year due to timing (partially recognised as pressure in business plan)	0
C/R.6.102	Organisational Structure Review	Ensuring that the Council's structures are as efficient and effective as possible, to meet the needs of our communities. This is part of an ongoing programme of organisational redesign.	GPC	0	-333	-333	-333	-313	-1,312	-386	-300	-200	-100	-986	326	Red	Savings identified via: restructuring following spans of control work, and deletion of longer standing vacant posts. Services have been tasked with delivering the remaining shortfall in this area by year-end via holding further posts vacant where possible and sensible for financial reasons.	0
C/R.6.103	Courier Contract	A more efficient Council-wide postage service, has generated savings against courier costs.	GPC	0	-35	0	0	0	-35	-35	0	0	0	-35	0	Green	Existing contract terminated. New arrangements now in place	N
C/R.6.104	Citizen First, Digital First - Repayment of financing costs	Investment in a range of technology solutions that will enable us to ensure that our digital presence is engaging and easy to use, to integrate our various existing IT systems, and enable the delivery of the Citizen First, Digital First strategy. This saving will repay the debt charges resulting from borrowing.	GPC	0	-14	-14	-14	-14	-56	-14	-14	-14	-14	-56	0	Green	It has been identified how these savings will be released from the Contact Centre	N

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C/R.6.105	Citizen First, Digital First - Surplus to repayment of financing costs	Additional savings to C/R.6.104, after repayment of the debt charges resulting from borrowing to invest and enable the delivery of the Citizen First, Digital First strategy.	GPC	0	-62	-62	-62	-61	-247	-62	-62	-62	-61	-247	0	Green	On track	N
C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.	GPC	0	-10	0	0	0	-10	-10	0	0	0	-10	0	Green	Saving already being made by reducing payroll costs	N
C/R.6.107	Capitalisation of Redundancies	Using the flexibility of capital receipts direction to fund redundancies from capital instead of being funded by revenue.	GPC	0	-1,000	0	0	0	-1,000	-1,000	0	0	0	-1,000	0	Green	Accounting adjustment already made	N
C/R.6.109	Capitalisation of the Transformation team	Using the flexibility of capital receipts direction to fund the transformation team from capital instead of being funded by revenue.	GPC	0	0	-1,293	0	0	-1,293	-1,293	0	0	0	-1,293	0	Green	Accounting adjustment already made	N

Agenda Item No:6(a)

TRANSFORMATION FUND INVESTMENTS FOR BUSNESS PLANNING 2018-19 TO 2022-23

To:	**General Purposes Committee**		
Meeting Date:	**28 November 2017**		
From:	**Amanda Askham: Head of Transformation**		
Electoral division(s):	**All**		
Forward Plan ref:	**2017/056**	*Key decision:*	**Yes**
Purpose:	**The Committee is asked to consider the proposed investments from the Transformation Fund which support delivery of transformation and savings within the Council's business plan for 2018/19 to 2022/23.**		
Recommendation:	**The Committee are asked to approve the proposed investments.**		

	Officer contact:		***Member contacts:***
Name:	James Wilson	Names:	Councillors Count & Hickford
Post:	Transformation Manager	Post:	Chair/Vice-Chair
Email:	James.wilson@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699240	Tel:	01223 706398

1. BACKGROUND

1.1 In October draft proposals for the County Council business plan for 2018/19 to 2022/23 were shared with all Committees. They describe a programme of transformation to deliver savings and additional income of £37.9m in 2018/19 and the challenge of a total of £101m over the five years of the plan.

1.2 Transformation of this scale requires additional investment and so services have identified where transformation funding is needed to support delivery. General Purposes Committee (GPC) has responsibility for oversight and management of the Transformation Fund and so is asked to approve the necessary investments associated with the proposals. The total investment recommended from this set of proposals is 2919k to deliver 13,773k of the total savings/income target.

2. APPROACH

2.1 As the pace of transformation accelerates and we continue to move towards more fundamental changes in how services are delivered, the number of areas needing investment is increasing. As such, rather than asking GPC to approve a myriad of individual bids we are presenting a programme of grouped investments.

2.2 Sections 4-7 therefore provide an overview of the savings and income proposals within the remit of each Service Committee, the total level of transformation funding requested in each Service Committee area and an overview of the ways in which the transformation funding will be deployed.

2.3 GPC will continue to receive quarterly update reports on the schemes supported by transformation investments and this will include further detail on how the funding is being used, the impact it is having and any recommended changes to the amounts allocated to support each scheme. Equally service committees will receive regular updates on key schemes within their remits – in particular where significant transformation funding is being drawn down.

2.4 Work is still progressing on business plan proposals and in some areas further transformation bids may come forward before the final set of investments is recommended to Full Council in February as part of the final business plan. In particular we know that additional investment will be required to deliver the recommendations flowing from the Adults Positive Challenge Programme which is now underway. Once the review phase has concluded we will need to embark on a very significant transformation programme across all parts of the social work system and a further investment will be required. This significant Transformation Fund investment will be presented to GPC in January.

2.5 It is recommended that GPC approve the bids as set out below so that implementation can begin quickly and we minimise any risk to delivery of full-year effect savings in 2018/19. Any changes in the required investments or new proposals will be highlighted to GPC in either December or January before the final plan goes forward.

3. ENABLING INVESTMENTS

3.1 In addition to the specific investments which are directly associated with saving lines in the business plan there will sometimes be overarching investments requested to support delivery across a range of areas.

3.2 Systemic and Outcomes Focused Leadership (£150k)

Our outcomes framework is underpinned by a more place based approach, bringing the Council, partners and communities together to adapt to local demand and committing to a new contract with our citizens, so that the emphasis of all our practice is on working with communities, rather than doing things to them or for them. We are committed to working with the Combined Authority and partners across Cambridgeshire on public service reform and to seeking further opportunities to work more closely with Peterborough City Council.

Our programme of Outcomes Focused Reviews and the work we are doing with Collaborate on systems leadership is moving us towards becoming a cohesive, outcomes focused organisation. Investment is requested for dedicated capacity to support and embed the organisational learning and development that will arise from the programme of outcome-focused reviews and to help us develop a systems approach to working across Cambridgeshire.

This investment will support a number of the savings in the Business Plan, in particular those associated with sharing services with other local authorities, joint work across the health and social care system, managing demand in care provision and outcome focused reviews.

4. TRANSFORMATION INVESTMENTS FOR PROPOSALS WITHIN THE REMIT OF THE ADULTS COMMITTEE

Business Plan Proposals	Savings / Income 2018/19 (£000s)	Savings / Income over 5 years of business plan (£000s)	Transformation Fund Investments (£000s)
A/R.6.172 – Managing Demand in Older People’s Services	-1000	-5000	**116** Pilot of additional safeguarding posts in the Multi-Agency Safeguarding Hub as part of a new service model will reduce hand-offs and release capacity across the system **100** To support investment in modernising social care payments through the introduction of pre-paid cards and automatic payments – making direct payments easier will increase take up which in turn address care capacity pressures in the community care market *Note – additional investment will be required to deliver transformation flowing from the Adult Challenge Programme – as noted at section 2.4. This will be requested once the detail is known*
A/R.6.143 Homecare Retendering	-306	-1530	
A/R.6.114 - Increasing independence and resilience when meeting the needs of people with learning disabilities	-3,100	-15,500	**786** Dedicated social work and commissioning capacity to deliver the ongoing programme of service user reassessments, service re-design and provider negotiation work in learning disability services Specialist Assistive Technology Capacity within the ATT team to ensure technology improves independence
A/R.6.126 Learning Disability - Converting Residential Provision to Supported Living	-794	-3970	
A/R.6.127 Learning Disability - Out of Area Placements	-315	-1575	

A/R.6.129 Russel Street Learning Disability Provision Re-design	-70	-350	
A/R.6.122 Transforming Learning Disability in-house Services & Day Care	-50	-250	
A/R 7.110 Learning Disability - Joint Investment with Health Partners in rising demand	-900	-4500	
A/R.7.108 Client Contributions - Short Term Overnight Support	-100	-500	**280** Additional capacity in team conducting financial assessments and financial transactions function to ensure programme of reassessments is delivered and changes to policy and approach are implemented
A/R.7.109 Accounting for all appropriate benefits in contributions from service users receiving day time adult social care	-500	-2500	
Financial Reassessments in Adult Social Care	-412	-2060	
A/R.7.111 Modernising Payments, Direct Debits, Debt Collection in Social Care	-30	-150	
A/R.6.132 Mental Health Demand Management	-400	-2000	**340** Investment in additional upstream mental health social work capacity operating preventatively to reduce the demand for ongoing care – this includes links to the Adult Early Help team and Primary Care Mental Health Service as well as supporting service users to transition from 24 hour care back into community settings
Housing Related Support Review	-1000	-5000	**250** A one-off investment into the review under 'invest to save' principles – supporting capacity to deliver the changed model and also funding to mitigate any impact on commissioned services during the transition to the new approach
Total	**-8,977**	**-44885**	**1,872**

5. TRANSFORMATION INVESTMENTS WITHIN THE REMIT OF THE CHILDREN'S COMMITTEE

Business Plan Proposals	Savings / Income 2018/19 (£000s)	Savings / Income over 5 years of business plan (£000s)	Transformation Fund Investments (£000s)
A/R.6.253 Looked After Children Placement Budget Savings	-1500	-7500	705 Investment in specialist diagnostic assessment to understand and improve journeys of children and young people through the care system Investment focussed on recruitment of in-house foster carers and changing the placement mix – to include marketing, dedicated recruitment capacity and additional support for foster carers – ongoing savings made after year 2 should provide sufficient scope for reinvestment to sustain the additional resources.
A/R.6.227: Strategic review of the local authority's ongoing statutory role in learning. How services are provided to schools and how this is charged	-324	-1620	50 Dedicated specialist programme management required to support the incoming Director of Learning in reviewing the current model, facilitating delivery of a new approach and the establishment of new partnerships across the education sector
A/R.6.244 Total Transport/Home Schools Transport Mainstream	-342	-1710	100 Dedicated capacity to undertake case reviews of the most expensive specialist transport provision (for children with SEND and LAC children), delivering route reviews, seeking integration and savings and better policy implementation.
A/R. 6.214 Total Transport – Home to School Transport (Special) – Moving Towards Personal Budgets	-100	-500	
A/R.6.210 Home to School Transport (Special) – Route Retendering	-242	-1210	
Re-procurement of Route at Highfields and Meadowgate Schools	-82	-410	
A/R.6.251 Review of Home to School Transport Commissioning and Administration	-100	-500	
Total	**-3366**	**-13450**	**855**

6. TRANSFORMATION INVESTMENTS WITHIN THE REMIT OF THE HIGHWAYS AND COMMUNITY INFRASTRUCTURE COMMITTEE

Business Plan Proposals	Savings / Income 2018/19 (£000s)	Savings / Income over 5 years of business plan (£000s)	Transformation Fund Investments (£000s)
Library Service Transformation (B/R.6.208)	-230	-1150	137 Investment in dedicated time-limited business development capacity – focussed on generating new income streams and maximising the impact of our libraries. Investment to also include budget for marketing, minor building works, and investments in new technology solutions
Total	**-230**	**-1150**	**137**

7. TRANSFORMATION FUND INVESTMENTS WITHIN THE REMIT OF THE COMMERCIAL AND INVESTMENT COMMITTEE

Business Plan Proposals	Savings / Income 2018/19 (£000s)	Savings / Income over 5 years of business plan (£000s)	Transformation Fund Investments (£000s)
C/R.7.101 External Funding	-200	-1000	40 Funding for advertising and sponsorship coordination capacity to develop Council-wide structures and processes – it is planned that role will be self-sustaining in future years
Total	**-200**	**-1000**	**40**

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

A key focus of the Transformation Programme is on helping people to live healthy lives and cope more independently of public services

8.3 Supporting and protecting vulnerable people

The impacts associated with the people living healthy and independent lives are captured within Community Impact Assessments for each proposals within the Business Plan, including these transformation programmes. By successfully delivering transformation we can address the funding shortfall whilst protecting and enhancing outcomes for vulnerable groups. The transformation fund and its impact therefore mitigates the potential need for service reductions which would impact negatively on vulnerable people.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

The proposals set out and the associated transformation fund bids response to the financial context of the local authority and the need to change our service offer and model to maintain a sustainable budget. The total recommended allocation from the transformation fund is £2919k to deliver £13,773k in savings/income.

The budget impact is described in section 3-8 per service committee. The detail of the financial proposals and impact on budget is described in the financial tables of the business plan which went to committees in October and will be presented again in December. The proposals seek to ensure that we make the most effective use of available resources and are delivering the best possible services given the reduced funding.

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

No significant implications within this category.

9.3 Statutory, Legal and Risk implications

The proposals set out in this report respond to the statutory duty on the Local Authority to deliver a balanced budget. Cambridgeshire County Council will continue to meet the range of statutory duties for supporting our citizens.

9.4 Equality and Diversity Implications

The Community Impact Assessments for each proposal are available as part of the business planning papers which went to the October round of service committees and describe the impact of each proposal, in particular any disproportionate impact on vulnerable, minority and protected groups.

9.5 **Engagement and Communication Implications**

Our Business Planning proposals are informed by the CCC public consultation on the Business Plan and will be discussed with a wide range of partners throughout the process (some of which has begun already). The feedback from consultation will continue to inform the refinement of proposals. Where this leads to significant amendments to the recommendations a report would be provided to the GPC.

9.6 **Localism and Local Member Involvement**

As the proposals develop, we will have detailed conversations with Members about the impact of the proposals on their localities. We are working with members on materials which will help them have conversations with Parish Councils, local residents, the voluntary sector and other groups about where they can make an impact and support us to mitigate the impact of budget reductions.

9.7 **Public Health Implications**

The savings and investments for the public Health Committee are described in the table at section 7 – with full detail having been presented to the October meeting of the Health Committee.

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	N/A
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	N/A
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	**Location**
Business Planning Papers to October Service Committees	https://cmis.cambridgeshire.gov.uk/ccc_live/Committees.aspx

Appendix A

November 2017

Transforming Outcomes for Children and Young People in Care

Draft Business Case: Investing in in-house foster carers and reducing overall numbers of children and young people in care

Lou Williams

VERSION 1.1

Business Case: Transforming Outcomes for Children in Care in Cambridgeshire

1. Executive Summary

This paper discusses in detail the investment necessary to ensure we are delivering the best possible outcomes for children in care at affordable cost. Costs for children in care are associated with three main factors:

- The overall number of children in care;
- The placement mix and in particular the proportion of children and young people placed with in-house foster carers;
- Ensuring that externally provided placements [including IFA foster placements, residential placements and semi-independent placements] are purchased at the best available unit cost.

This paper focuses on the first two of these elements; we need to ensure that we are only looking after those children who really need to be in care. Once in care, we need to ensure that children progress through the care system without delay as this not only improves outcomes but reduces the overall numbers in care. We also need to ensure that we place as many of our children in local in-house foster placements as possible, again improving outcomes and reducing disruption while delivering the best value for money.

Colleagues in Commissioning are working separately on ensuring that when we do need to place a child or young person with external providers, we obtain the best possible value for money.

The tables below summarises the main areas for investment including a brief summary of the rationale and expected financial savings that would result; they indicate where in this report the detail behind this summary information can be located.

Investment Proposal 1: Diagnostic Assessment to understand and improve journeys of children and young people through the care system	
Indicative Cost	£50-£75K
Rationale: Numbers of children in care in Cambridgeshire are now significantly above the average of our statistical neighbours. This does not appear to be the result of too many children coming into care, so is most likely to be a function of delays in care planning once they are in care.	See section 4 on page 6 for details
Annual full year Savings by 2019/20 compared with current costs	£3M
Rationale for savings: There would be 90 fewer children and young people in care if our numbers return to the statistical neighbour average. At the average cost of an IFA foster placement this represents a full year saving of £3.7M against current costs. Savings would build gradually over the financial years 2018/19 and 2019/20. Not all care exits have zero costs, however, and so it is prudent to allow a significant sum for payment of Special Guardianship Order allowances and similar.	See section 4.2 on page 8 for details

Investment Proposal 2: Increasing focus on recruitment of in-house foster carers and changing the placement mix	
Annual Investment needed	£480K increased capacity + £150K - £225K focused marketing strategy over 3 years
Cambridgeshire has a much higher proportion of children placed with IFA carers than might be expected. Recruiting a higher number of in house foster carers would have a significant impact on reducing overall spend. In-house carers are also more likely to be local and we know our carers well, meaning that matching arrangements are more effective.	See section 5 on page 10 for details
Annual net savings by 2019/20 compared with current costs	£2M less on-going investment costs
Agency placements cost at least £800 per week; allowances and expenses to in-house placements average no more than £400 per week. Replacing an IFA placement with an in-house placement therefore saves £400 per week per child. There are some on-going costs, but savings above are net of these.	See section 5.2 on page 15 for details

Summary of Investment and Action Required

The upfront investment to run a diagnostic assessment of the journeys of children in care is urgent. OfSTED will be inspecting children's services within the first few months of 2018 and early permanence for children in care is a key focus under the new inspection framework. We cannot afford to be behind the curve in this area. This may mean finding a route through procurement rules so that we can initiate the work from mid-December 2017 for completion by end Feb/early March 2018.

One off Investment required diagnostic – up to: £75,000

One off Investment to support capacity in fostering 2018/19 is based on the following:

Up-front marketing investment through 3 years tender; up to:	£225,000
Additional capacity – marketing officers:	£80,000
Staffing capacity – recruitment, support and business support:	£210,000
Marketing – direct campaign costs	£20,000
Other recruitment incentives including introduction fees and golden hellos:	£70,000
Additional funds to improve support for foster carers:	£100,000
Total:	**£705,000**

2. Introduction

Cambridgeshire is facing significant financial challenges as a result of a care population that has risen significantly since 2015, combined with an increase in the unit costs of placements for children in care because the recruitment of in-house foster carers has not kept up with this rapid increase.

This paper is focused primarily on addressing the financial challenges over a two to three year period. It must be emphasised, however, that getting things right for children is generally also the cheapest in financial terms to the local authority. Children do best when cared for sufficiently well within their own families. The great majority of children grow up in this way, supported by universal services such as schools and universal health care.

All families encounter difficulties from time to time and most mange these using their own resources or those of extended family or friends.

A relatively small number of families may need the focused support of early help services, and a smaller number still may require support from specialist children's services. The children's change programme has delivered important change in this area by bringing early help and specialist services more closely together.

Even when children need to become looked after, the options that are least costly are also the ones that are likely to deliver best outcomes for the child. These include:

- A short period in care with an in-house foster carer followed by a well-managed permanent return home;
- A short period in care followed by adoption or other permanency arrangement such as a Special Guardianship Order;
- Longer term foster care with an in-house foster carer.

Children also generally do well when placed with agency foster carers over a short or longer period. Nevertheless these placements may be less effective than in-house ones, because:

- We know our cares well and so we can match children with them more effectively, making unplanned endings less likely;
- Our carers are more likely to be located within the County, closer to family, friends, schools and so on as well as to other sources of support including social workers. These factors lead to less disruption to the child and are associated with a greater likelihood of success.

In-house placements are also significantly less expensive than agency placements. An average in-house placement is likely to cost no more than £400 per week in fees and allowances, compared with an average agency placement cost of around £850 per week and often more.

The most expensive placements are residential; some specialist placements will always be needed – for example for children who have complex disabilities. For other children and young people, however, residential care is associated with some of the poorest longer term outcomes. Costs at typically £4,000 - £6,000 per week, are also extremely high.

Controlling and reducing the cost of looking after children in care also helps to avoid the need for reductions in expenditure elsewhere. This is important; many children and young people are able to benefit from an investment of £200,000 in focused family support – the annual cost of a residential placement for one child in care.

This paper focuses on two clear priorities for Cambridgeshire:

- Reducing the overall numbers of children and young people in care;
- Recruiting more in-house foster carers able to provide placements for older children and teenagers as well as younger children.

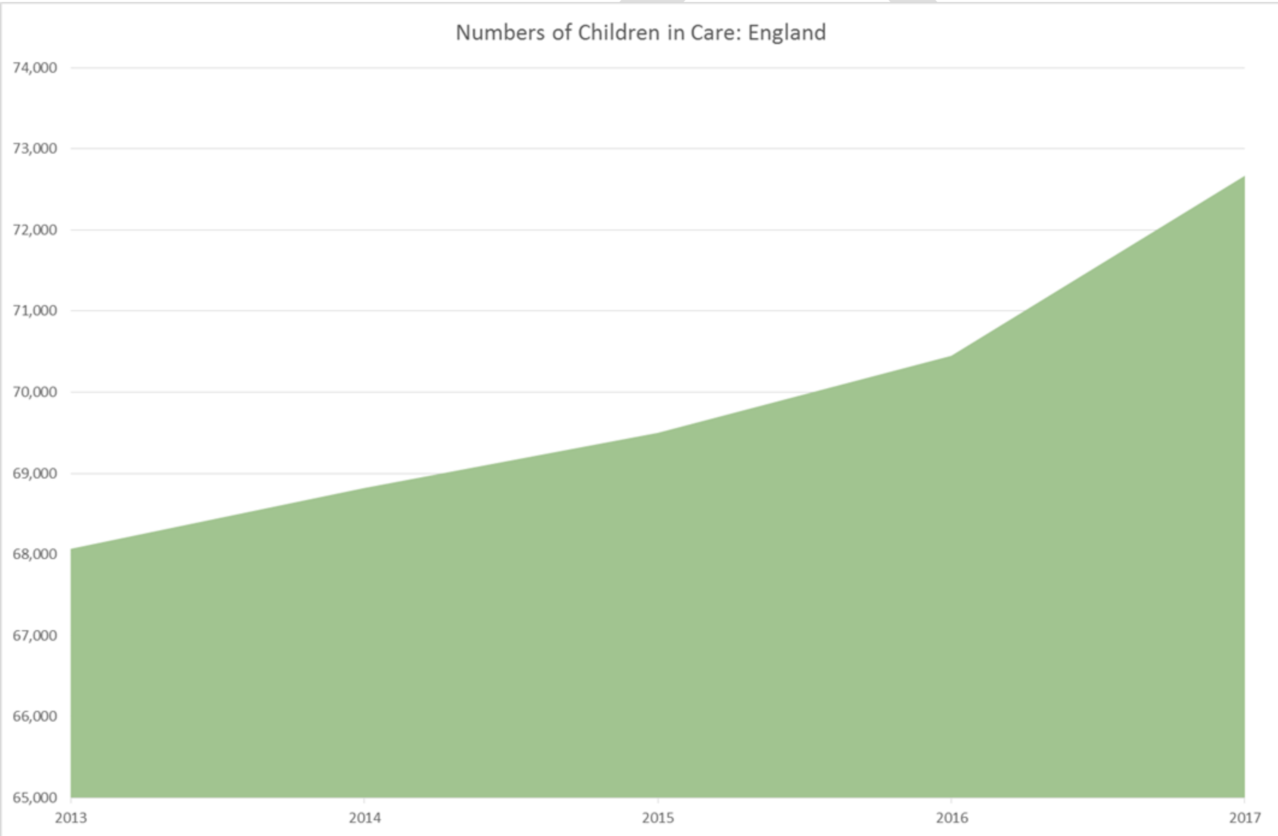
These priorities are interlinked and need to be considered together in addressing the financial challenges facing the Council as well as in delivering the best outcomes for children.

In parallel work, the Commissioning Service is focusing on reducing the unit cost of externally purchased placements including foster placements from the IFA sector, residential and semi-independent placements.

3. Reducing numbers of children in care: National & Local context

Numbers of children in care have been increasing nationally over recent years, with a particular increase in the last financial year.

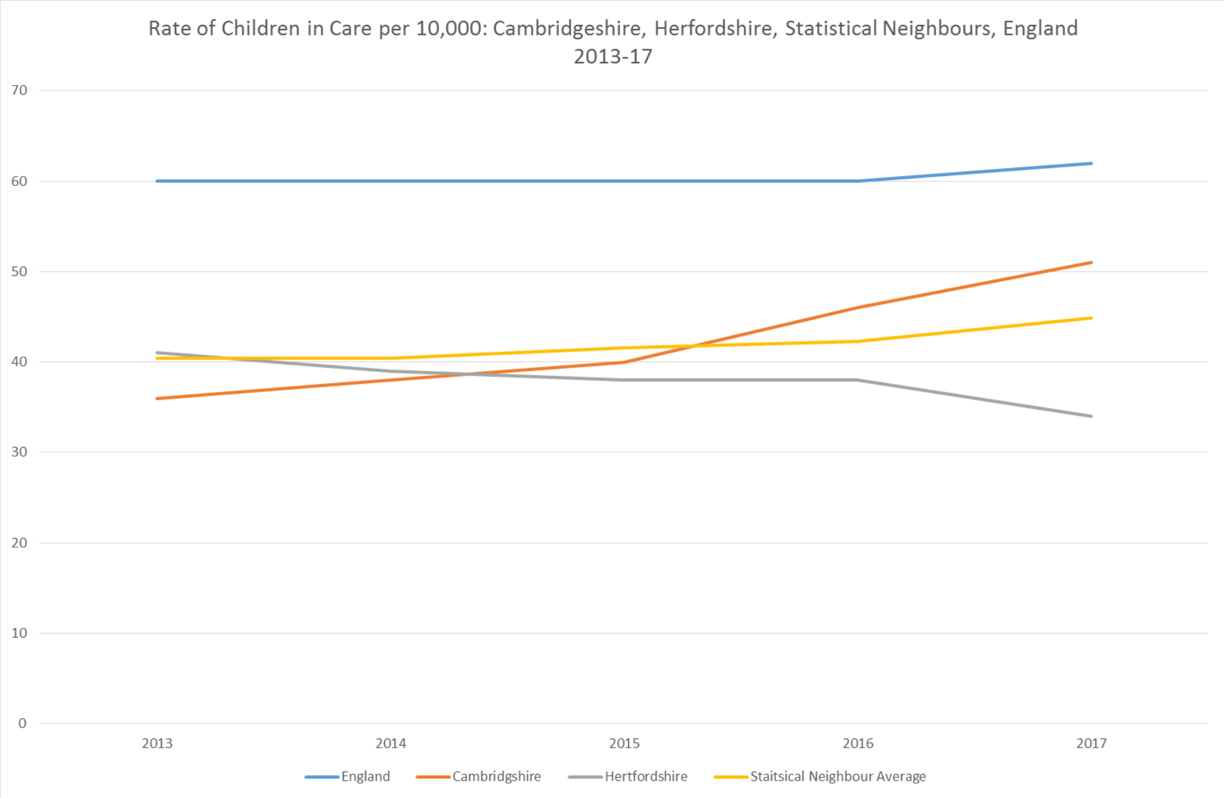
Chart 1: Numbers of children in care in England 2013-17



Although at least some of this trend for increasing numbers in care is likely to be associated with a growing population of children, this trend illustrates the scale of the challenge associated with reducing overall numbers of children in care.

When comparing the numbers of children in care in Cambridgeshire with similar areas, it is more helpful to consider the rate of children in care per 10,000 of the child population. Doing this illustrates how the picture in Cambridgeshire has been changing relative to the basket of similar authorities that form our statistical neighbour group. Hertfordshire is a statistically similar authority to Cambridgeshire and is included because in contrast with the position of other similar authorities, numbers of children in care have reduced.

Chart 2: Rate of children in care; England, Cambridgeshire, Statistical Neighbour Average and Hertfordshire



This chart describes the rate per 10,000 at the end of the 2016/17 financial year; Cambridgeshire reported looking after 690 children at this time, and so the rate per 10,000 will not have changed significantly as of October 2017.

It is possible to have too few children and young people in care; where thresholds into the care system are too high, children can be left in risky situations for too long. This can mean that when they do become looked after, they are older and may have suffered more harm. This in turn makes some of the most beneficial [and lowest cost] outcomes identified above – adoption and Special Guardianship Orders for example – less likely. These children are more likely to be in long term foster placements or escalate into higher cost residential placements, where long term outcomes are also likely to be poorer.

Some of the increase in children in care numbers in Cambridgeshire may be the consequence of the years during which numbers in the care system were very low, but this factor alone is unlikely to explain the continued increase.

There are a number of activities and business cases in place that are predicated on managing demand and these need to remain in place; but before adding more, we need to be clear about the impact of any underlying issues that are fundamental to the continuing growth in numbers.

4. Investment Proposal 1: Understanding the underlying causes of higher numbers of children in care in Cambridgeshire

In order to reduce overall numbers of children in care, we need to understand the factors that are contributing to the higher numbers. The overall number of children in care are based on the interplay between the numbers who come into the care system and the length of time they remain in care before they move on to other permanent arrangements – essentially leaving care to return home, to be cared for under a Special Guardianship Order, be adopted, or reach the age of 18.

Looking at threshold decisions in Cambridgeshire, it appears unlikely that it is the case that the wrong children are coming into the care system; we are not looking after children who do not need to come into care. This means that the growing numbers are likely to be the result of children spending more time in care than is optimal – from a financial perspective as well as for the children concerned.

It is important that we quickly understand the reasons why the care population is higher than it should be and so we need to commission an expert outside view of the experience of children in care in Cambridgeshire. We need to properly diagnose why children are spending longer in care and identify any other factors may be at play behind the increased numbers in the care system.

Undertaking this detailed level of work is likely to cost in the region of £50,000 - £75,000. Depending on the findings, there may be further costs associated with adopting different approaches to social work for children in care.

It is possible, subject to achieving agreement to this proposal quickly, that the diagnostic work could be completed by March 2018, with any recommendations for changes in delivery being completed within the financial year 2018/19.

There is an added urgency to this; our annual conversation with OfSTED is taking place in mid-January 2018. Children's services in Cambridgeshire have not been inspected since 2014. It is therefore likely that an inspection under the new inspection framework will take place any time from around March 2018.

OfSTED will have seen the same data that is being presenting here. OfSTED will have a number of hypotheses for explaining the increase in numbers in care, including:

- That threshold decisions into the care system in Cambridgeshire are poor, meaning that children are coming into care when this is not necessary;
- That early help services are not good enough and so are not helping families to address support needs quickly and effectively;
- That children are not progressing through to permanence sufficiently quickly.

It is important that we understand the underlying causation before any inspection. The journey of children through care to permanence is a current focus for OfSTED, making it of particular urgency that we understand whether this is the underlying reason behind increased numbers of children and young people in care.

Commissioning an external diagnostic assessment of the reasons behind our increased numbers of children in care will result in an ability to develop a clear action to reduce numbers of children in care safely to the average of our statistical neighbours, as described in the next section.

4.1 Returning to a position in line with our statistical neighbours

This section explores a number of trajectories for numbers of children in care. It assumes that we will be in a position to begin benefiting from any changes we need to make following the outcome of the diagnostic check from June/July 2018.

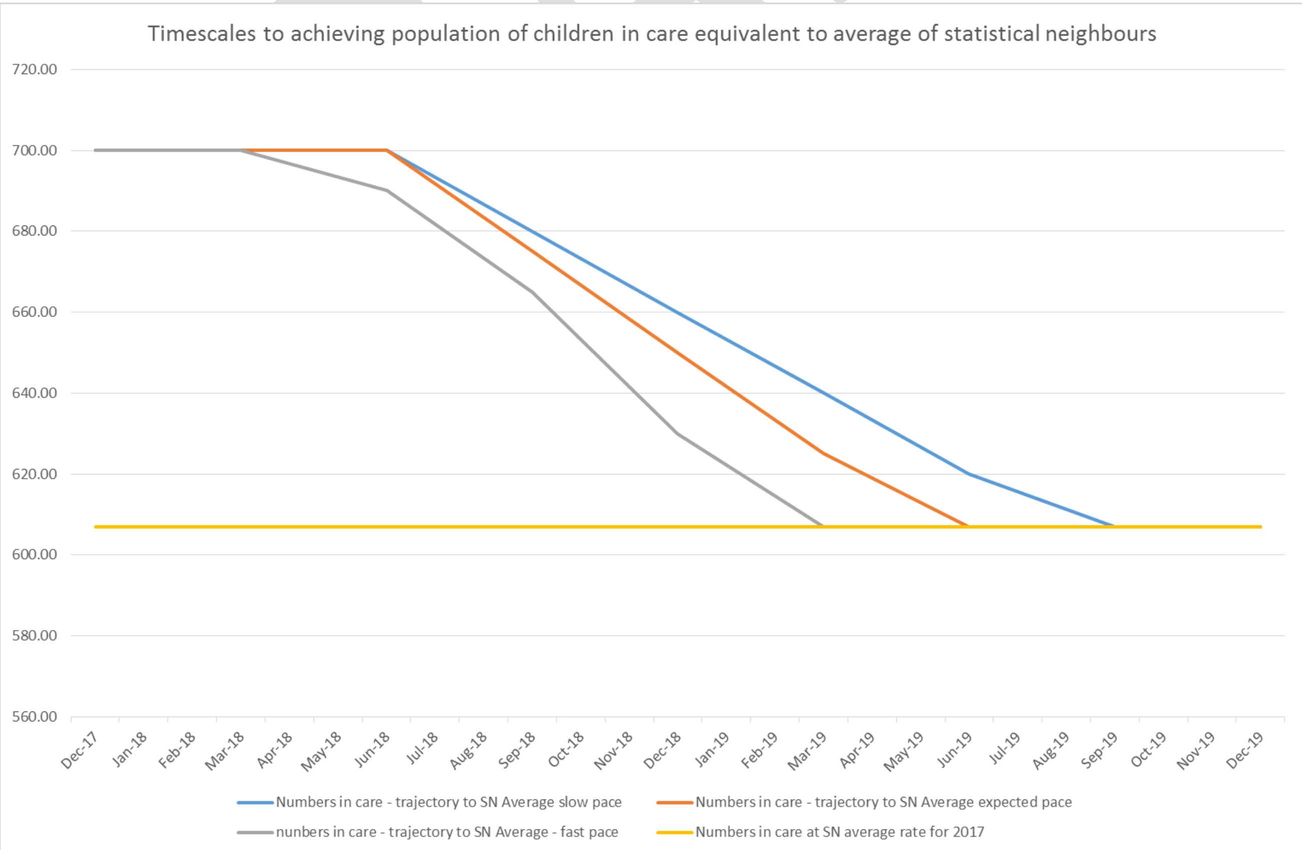
The point here is to set targets that are attainable, while bearing in mind that there is a likely pressure on children in care numbers from population increase that would be expected to add around 25 children per annum onto overall numbers.

In the tables and charts below, it is assumed that this additional demographic demand until 2020 will be managed through the more effective targeting of our prevention and early help services, the development of initiatives such as No Wrong Door and similar, following the children's change programme. Frankly, if this is not the case then there are questions to be asked about the long term sustainability of these approaches.

It is assumed that numbers in care do not increase from current levels between now and the end of the current financial year; there are risks to this assumption although broadly speaking, numbers have remained relatively constant at around 690-700 since the beginning of the current financial year.

The following chart identifies targets for reducing the numbers of children in care to the equivalent of the average of our statistical neighbours as of the end of 2017, which is illustrated by the horizontal yellow line.

Chart 2: Trajectory and timeline to achieving a number of children in care equivalent to the average of our Statistical Neighbours



The three lines indicate likely timescales assuming a relatively slow level of progress, an expected level of progress and faster rate of progress. The hypothesis is that ensuring that our systems are operating well should result in a reduction to the number of children and young people in care to the average of our statistical neighbours by June/July 2019.

4.2 Return on Investment

Reducing overall numbers of children in care delivers the fastest return on investment since savings are to a lesser extent offset by placement costs elsewhere. Not all exits from care have a zero cost, however; Special Guardianship Orders usually attract an allowance, for example, and while this is considerably less than the cost of looking after a child, illustrate how costs do not reduce to zero for all children leaving the care system.

In these calculations the assumption is that reductions in overall numbers of children in care will be equated with a saving based on average unit cost of an IFA fostering placement. This is likely to underestimate potential savings given the higher cost of residential placements. It assumes that in-house foster placements will continue to be used at the same volume as at present, and that IFA placement costs are on average £800 per week per child.

The following calculations are based on the expected rate of reduction – the orange line - in Chart 2 above.

2018/19

It is not expected that changes following the diagnostic review will begin to yield reductions in overall numbers in care until September 2018, with a reduction to 675 from that date and a further reduction to 650 from December 2018.

This means a saving against current expenditure of 25 IFA placements for 6 months and a further saving of 25 IFA placements for three months from December 2018. At an average cost of £800 per week, cumulative savings in 2018/19 would be £780,000.

Offsetting this saving, it would be prudent to allow for £250,000 in increased costs arising from increased Special Guardianship Order allowances and similar.

Net savings in 2018/19 could therefore be expected to be in the region of £530,000.

2019/20

Between December 2018 and March 2019, it is expected that numbers in care should reduce by a further 25. This would mean that, compared with current expenditure, there would be a full year impact of the 75 fewer IFA placements achieved in 2018/19 of £3.1M in 2019/20.

In addition, it would be expected a further reduction of 17 IFA placements would be achieved by June 2017, adding a further saving of £530,000.

Offsetting this, it would be prudent to allow for a full year impact of higher numbers of Special Guardianship Orders a figure of £600,000, making total net savings of £3M per annum.

2020 and beyond

No additional savings would be made as result of reducing numbers in care to the average of our statistical neighbours. There would be an on-going reduction in placement costs compared with the current financial year of around £3M per annum.

This amount would be unchanged regardless of the pace of reduction of overall numbers of children in care. Potential savings in earlier years may be higher or lower depending on the trajectory followed.

There is a likelihood that demographic pressures would begin to re-emerge regardless of demand management strategies at this point, however. The key to managing costs within this context is to ensure that there is a continuing recruitment campaign for foster carers so that any additional costs are maintained at a minimal amount.

5. Investment Proposal 2: Increase recruitment of in-house foster carers and reduce reliance on agency carers

Overall numbers of children in care are a major factor in increased pressures on budgets within the Cambridgeshire, as discussed above. The other significant factor is placement mix; fostering recruitment has not kept pace with the rapid increase in overall numbers of children in care in Cambridgeshire over the last two years. This is not altogether surprising given the lead in time for recruiting, assessing and training foster carers.

Nationally, around 62% of children in care are placed with general foster carers, 12% are placed with relatives or friends who are acting as foster carers, with 11% placed in some form of residential placement, 3% placed for adoption, 6% in semi-independent accommodation and around 3% placed with parents and a further 2% placed in 'other community settings'. Of this provision, around 35% is provided by private sector providers.

Cambridgeshire's performance in terms of numbers of children placed with foster carers is very close to national averages. As of the end of October, 441 Cambridgeshire children and young people were being fostered by general foster carers – local authority and IFA carers – the number that would be in these placements were Cambridgeshire's performance precisely in line with the national average would be around 435.

Where performance varies considerably from the national picture is the mix of placements between in-house and IFA carers. The position in Cambridgeshire as of the end of October is that around 61% of children placed in foster care are placed with IFA carers, compared with a more typical national average of 30%-40%. This difference is contributing to significant financial pressures within children in care budgets.

It is almost always the case that a proportion of children will be placed with IFA carers, although the actual use of this type of provision varies across the country. IFA carers, partly because of lower occupancy rates, are often better placed to offer placements to larger sibling groups than in-house carers. Traditionally, again partly because of lower occupancy rates, IFA carers have tended to accept children who are older and/or who may have experienced a higher number of previous placement disruptions.

In Cambridgeshire, we should set a stretch target and aim for 70% of all children placed with general foster carers to be placed with our own carers. At the current 700 children and young people in care, this would mean we should have around 300 children placed with our own foster carers, compared with the position at the end of October, where 198 children were placed with our own foster carers.

On average, fostering households offer 1.8 placements. This would imply that at current numbers of children in care, looking after 300 children would require around 170 households at 100% occupancy. Of course, 100% occupancy is never achieved – 75% is a more realistic level. At a 75%

occupancy level there would be a need for around 210 fostering households; as of the end of October 2017, there were 121 fostering households.

On looked after numbers as of the end of October 2017, this would imply that a need for an additional 90 fostering households. Actual recruitment would need to be higher, since a number of carers will leave fostering in any one year. Indeed typically around 15 households have left fostering in Cambridgeshire each year. Recruitment in 2017-18 is on-track to recruit an additional 35 households in the current financial year – much better than in recent years as is shown in the table below:

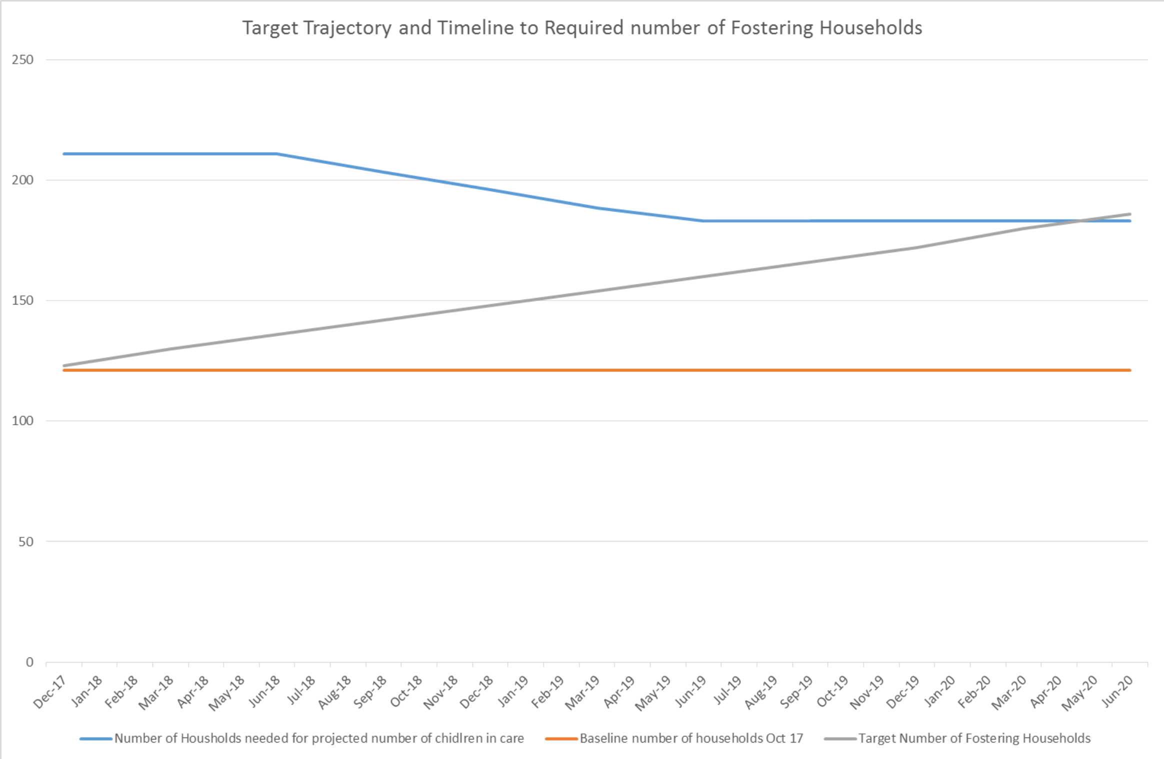
	2013/14	2014/15	2015/16	2016/17
New Approvals	**11**	**32**	**29**	**28**
Resignations/Deregistration	**26**	**14**	**15**	**22**
Net Change	**-15**	**18**	**14**	**6**

There are always going to be a number of households leaving fostering in any one year. Aside from any other factors, foster carers are typically from an older demographic and so a number will retire each year. In Cambridgeshire, 30% of fostering households are aged over 50, for example.

Offsetting this requirement for an increased number of fostering households is the impact of the planned reduction of numbers of children and young people in care. Reducing numbers in care to the average of our statistical neighbours would reduce the gap in the number of households needed to around 62. Achieving this number of additional households at the rate of net recruitment in the current financial year would take three years, or four years if the annual net recruitment were to fall back to 15 households per year as was the case on 2014-16.

This is not all about simple numbers of households, however. Carers recruited must increasingly be those who are able and willing to provide care to older children or young people; these are traditionally more difficult carers to recruit and require higher levels of support compared with carers for younger children.

The chart below illustrates a trajectory to achieving the number of fostering households needed for Cambridgeshire to be confident that it can place children in a mix of placements that is more in line with the national average placement mix. This trajectory is based on a stretch target of the service attracting 40 new households per year, but allowing for a continuing exit of fostering households of around 16 per annum:



At this rate of recruitment, and assuming that overall numbers in care reduce towards the statistical neighbour average as planned, the placement mix in Cambridgeshire in terms of fostering would be just slightly better than the national average by March 2020.

This is a stretching target, especially given the focus of recruitment that would be required that attracts carers willing and able to meet the needs of older children and young people.

5.1 Investing to secure recruitment

Considerable activity in recruitment of fostering is already taking place within the service and this is contributing to an increased number of approvals as noted above. However, providing some additional investment in order to step up recruitment will deliver longer term savings while improving outcomes for children in care.

The way that foster carers are recruited has changed markedly over recent years and all recruitment activity takes place in a very competitive market. Independent Fostering Agencies are much more likely to use targeted social media and other campaigns to target households in a local area that they know are more likely to fit the demographic profile from which fostering households are mostly recruited.

Marketing strategies need to incorporate the following activities:

- Devising strategies to drive online traffic to the fostering website;
- Tracking conversion rates and making improvements to the website;
- Developing and managing digital marketing campaigns that are able to promote the benefits of providing care for older children and young people;
- Utilising a range of techniques including paid search, SEO and PPC.
- Managing online brand and product campaigns to raise brand awareness.
- Review new technologies and keep the service at the forefront of developments in digital marketing.

Investment in creative marketing is critical here. While much traffic is generated through social media and this has an increased importance compared with more traditional advertising, the best outcomes are likely to result from blended approaches. We will therefore seek tenders for the development of creative marketing strategies that include:

- The development of high quality thematic video stories that can be used on-line and also for more traditional static displays;
- Use of print and other media that can also drive interest towards thematic content as above;
- Developing partnerships with local media to promote fostering through use of placed human interest stories and similar;
- Involving prominent local individuals in bespoke campaigns.

Once hooked as a result of targeted marketing activities, potential carers need to be directed towards dedicated fostering micro-sites that include a good degree of information about fostering presented in an accessible and attractive format. A Cambridgeshire micro-site needs to set out the benefits of fostering for the local authority, including:

More placements, more often - The ability to offer continuity of placements is key in converting enquiries, particularly among carers who are highly skilled and may consider making professional sacrifices in order to pursue fostering. Whilst placements cannot be guaranteed, we should provide clear, statistical evidence about higher occupancy levels among in-house carers compared with IFA carers.

Personal, professional and financial support - We have a strong package available to new foster carers who may have reservations about the levels of support available when fostering for a local authority as opposed to IFA. Carers are supported personally, through our buddy system, coffee mornings, support groups and social events; critically they join a community of local foster carers all fostering for a single authority. Professionally, via a comprehensive training and development programme and financially with competitive allowances, welcome payments and set-up grants.

Better matching and sustainable placements - As a local authority, we are in the unique position of having in-depth knowledge of both the foster carer considered for a placement, and the child we are aiming to match with them. This gives Cambridgeshire foster carers greater peace of mind, and a degree of assurance that placements are carefully considered and evidence based in order to minimise the risk of placement breakdowns.

Greater cohesion/accessibility of professionals - As above, we are in the advantageous position whereby all professionals working with the fostering family are employees of Cambridgeshire County Council as opposed to a series of third party organisations. This allows for better communication and greater accessibility for foster carers and the ability to talk to who they need to, when they need to, including the most senior managers and Members.

Less travel and disruption to daily routines - Because we are recruiting foster carers in the local area to care for Cambridgeshire children, this will often mean less time spent transporting children to school, appointments, meetings etc. – with agencies covering wider areas, this is a significant benefit as we strive to ensure households are able to foster with minimal impact on their existing standard of living.

We operate on a not for profit basis - This may appeal to foster carers who, by their nature are often motivated by a desire to ‘do the right thing’ – simply put, most have not decided to consider fostering because they want to contribute to the profits of multi-national private equity companies, but because they want to support good outcomes for vulnerable children.

Estimated investment required to develop a more focused and seamless marketing strategy:

Resource	**Cost**
Recurrent recruitment/marketing materials - cost for each of 3 years	£75,000
2 x marketing officers – recurring cost	£80,000 pa
Direct marketing costs	£20,000 pa

The marketing officers would also be responsible for redeveloping and managing updates to a new fostering micro site.

Once potential carers attracted by our improved targeted marketing and website decide to make further enquiries, it is vital that they are visited without delay for an initial discussion. Equally it is very important that there is no delay in them accessing training and assessment. Carers who have become excited about the prospect of becoming foster carers are very valuable assets and can be lost to other agencies if they experience any delays in the journey to become approved foster carers.

In order to ensure that additional demand for assessments is met in the earlier stages of the process, an additional two social workers would be needed to support initial visits and ensuring that assessments take place without delay.

Increasing the number of in-house fostering households means we will need to invest in the support available from supervising social workers. It is suggested that an additional role would be sufficient in the first financial year and, as recruitment begins to meet targets in 2020, it would be possible to move some capacity from initial visits and assessments to support for the increased number of fostering households.

This suggests that an additional three qualified social workers would be required to support initial recruitment activity and for supporting the additional households recruited.

It is essential that these activities are supported by effective business support capacity, and it is therefore proposed that an additional business support role is created to help ensure that assessment and approval activities take place efficiently.

Resource	**Annual Cost**
2 x social workers (recruitment team) (2 x £45,000)	£90,000
2 x social worker (support team)	£90,000
2 x Business support administrators	£30,000
Total	**£210,000**

Other recruitment incentives also need to be considered in this highly competitive market. The first is a bonus to existing in-house foster carers who refer a friend or family member to become foster carers. Much recruitment is through word of mouth and schemes such as this help to incentivise existing carers and ensure that friends are motivated to become foster carers for Cambridgeshire as opposed to another agency.

Under this proposal, the referring carer would receive a £1,000 bonus once the person they have referred accepts their first placement.

In the same vein, existing foster carers are often the best ambassadors for the service and should be expected to be paid for their time contributing to recruitment events and in other marketing activities.

It is recommended that a further £70,000 per annum is allowed for these and similar recruitment incentives.

5.2 Investing in support for carers

It is of course very important to retain carers once recruited. The fostering service offers a wide range of support to foster carers already, including:

- Peer-support groups/forums
- Targeted training
- Planned breaks
- On-call support/advice
- Events/activity days enabling families to meet and access support
- Buddying between families
- Support for birth children

Foster carers will always say that they value support highly and in most cases are able to identify where often relatively small amounts of additional expenditure can have a significant impact in terms of supporting their resilience to meet the needs of the children and young people they care for.

It would be prudent to include an element of funding to provide additional support to carers, and sensible to involve them as well as supervising social workers in thinking about how this would be most effectively used. This will be particularly important given the increased focus on providing placements for older children and teenagers.

A suggested sum of £100,000 per annum is suggested for this purpose.

Investment: 2018/19

Up-front marketing investment through 3 years tender; up to:	£225,000
Additional capacity – marketing officers:	£80,000
Staffing capacity – recruitment, support and business support:	£210,000
Marketing – direct campaign costs	£20,000
Other recruitment incentives including introduction fees and golden hellos:	£70,000
Additional funds to improve support for foster carers:	£100,000
Total:	**£705,000**

On-going investment: Future years

Additional capacity – marketing officers:	£80,000
Staffing capacity – recruitment, support and business support:	£210,000
Other recruitment incentives including introduction fees and golden hellos:	£70,000
Marketing – direct campaign costs	£20,000

Additional funds to improve support for foster carers:	£100,000
Total:	**£480,000**

Note: investment for financial years 2019/20 onwards should be met from savings in reduced cost of placements however projected savings must take account of these higher costs.

5.3 Return on Investment: Placement Mix

The financial assumptions made in this section assume that an IFA foster placement cost is £800 per week, which is likely to be an underestimate, and that the average cost in terms of fees and other expenses in an in-house placement is £4000 per week. Support costs from social workers are not included as these are budgeted for in the investment amounts above.

The reductions on use of IFA placement costs are based on the planned reduction in overall numbers of children in care, as discussed under investment proposal 1 above. This ensure that there is no double counting. Modelling is based on national averages for the proportion of children placed in general fostering.

No savings are assumed within the current financial year but it is assumed that the number of in-house fostering households would have increased by 8 to 130 by the end of this financial year, in line with expected recruitment performance for the remainder of the current financial year.

2018/19 financial year

Savings need to be profiled across the year as numbers of in-house carers increase.

Of the estimated 700 children in care as of 1st April 2018, 130 fostering households at 75% occupancy should be able to offer 176 placements at an average of 1.8 children per household. Given that we would expect 63% of children in care to be placed in a general fostering placement, this would mean that we would expect to see 265 children placed with IFA carers, compared with the baseline of 283 as of the end of October 2017. This would result in a saving of £374K over the whole year based on a weekly difference of £400 per week in placement costs for 18 children and young people, compared with current levels of expenditure.

By the beginning of quarter 2, there is no assumed reduction in numbers of children in care, but the number of fostering households should have increased to 136 based on an annual increase of 40 less 16 resignations. These 136 households should be able to offer 184 children and young people placements, reducing the number of IFA placements to 257. These 8 fewer children and young people in an IFA cost would save £400 per week over the remaining 39 weeks of the year: £125K.

By the beginning of quarter 3 we would expect the number of children in care to reduce to 675, meaning that the number of general foster placements required should also reduce to 425. The target 142 fostering households in place by this point should be able to offer 192 placements, meaning that 233 children and young people would be expected to need an IFA placement – a saving of the difference in cost of 22 placements over 26 weeks totalling £354K.

By the beginning of the final quarter, we would expect numbers of children in care to have reduced by a further 25, meaning that 410 would require a general fostering placement. By this time we would aim to have 148 fostering households able to look after 200 children and young people, meaning that 210 children and young people would need an IFA placement – 23 fewer children than in quarter 3. This would equate to a saving of £120K.

Assuming the numbers of children reduce towards the average of our statistical neighbour rate and we are successful in recruiting a net increase in foster carers of 18 by the beginning of quarter 4 of the financial year 2018/19, there should therefore be a cumulative saving over the financial year of £973K.

Offsetting this is the investment in year 1 of £705,000, resulting in a target net saving of £268K in 2018/19 as a result of increased fostering recruitment.

2019/20 Financial Year

Assuming the reductions in use of IFA placements take place during the financial year 2018/19 as described above, we should end the year requiring 186 IFA placements compared with the 265 we would expect to have needed at the start of that year. This would produce a whole year saving of £1.6M in the financial year 2019/20

Making the same assumptions as above – i.e. that overall numbers of children in care continue to decline slowly to the equivalent of the average of our statistical neighbour rate, reaching this level from June 2019 [607 children and young people in care] and that the recruitment of new fostering households continues at a net gain of 6 per quarter, further cumulative savings for this financial year would be £900K.

This implies that the savings per annum should be in the region of £2M allowing for the additional costs of £480K per annum.

2020 onwards

By 2020, we should aim to be ensuring that 70% of all children and young people needing a general foster placement are placed with an in-house foster carer and maintaining this level of performance.

Compared with current levels of expenditure, this should mean that we will need to spend around £2.5M per annum less on foster placement costs as a result of the much better placement mix and lower unit cost.

This saving would be offset by an on-going investment identified of £480K but this should still therefore deliver in the region of £2M per annum in savings against current spend.

6. Summary

By reducing numbers of children in care to the average of our statistical neighbours and recruiting an increased number of fostering households, actual placement costs net of investment should be in region of £5M per annum less than the current position.

6.1 Links to other savings plans

There have been a number of business cases submitted that are predicated on reducing numbers of children in care and we need to ensure that there is no risk of double counting of savings between those and the savings outlined in this paper.

6.2 Demography Funding

Funding has been identified by the Council to meet some of the demographic challenges in relation to managing pressures for children in care. While this paper is based on maintaining and then reducing overall numbers of children in care, those demographic pressures will remain and investment will still be required to manage demand. This investment will still be likely to be required.

6.3 Risks

There are clear risks associated with projecting the impact of changes to looked after children populations into the future. Demand led budgets such as these are highly volatile and small increases in the number of children requiring high cost specialist placements can add considerable pressures on placement budgets.

This paper is based on being able to reduce the number of children and young people in care which is in itself a high risk strategy given national patterns in relation to rising care numbers and the impact of changing demography in Cambridgeshire.

That said, we need to set targets as to the position where we are aiming to reach if we are to make progress in managing the costs of providing good quality care to children and young people.

Agenda Item No: 6(b)

TRANSFORMATION FUND MONITORING REPORT QUARTER 2 2017/18

To:	**General Purposes Committee**
Meeting Date:	**28 November 2017**
From:	**Amanda Askham, Head of Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To outline progress in delivery of the projects for which transformation funding has been approved at the end of the second quarter of the 2017/18 financial year.**
Recommendation:	**It is recommended that the Committee note and comment on the report, including whether the format of the paper gives the right level of detail and information to allow the Committee to fulfil its monitoring role.**

	Officer contact:		***Member contacts:***
Name:	Amanda Askham	Names:	Councillors Count & Hickford
Post:	Head of Transformation	Post:	Chair/Vice-Chair
Email:	Amanda.askham@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699796	Tel:	01223 706398

1. BACKGROUND

1.1 As part of a new approach to business planning, focused on outcomes, it was agreed that the Council would establish a fund that could be used to resource the costs of delivering transformation, ensuring that finance is not a barrier to change at pace across the organisation. A fund of nearly £20m was established and there is now a programme of schemes which have received funding and are supporting the delivery of saving in the current financial year (2017/18) and beyond.

1.2 General Purposes Committee (GPC) has responsibility for stewardship of the fund, approving business cases for new proposals and reviewing progress with existing schemes. In June the Committee received a baseline report describing how each of the proposals would be progressed and monitored and this paper provides the second quarterly in-year monitoring update on expenditure and outcomes to date, the first being received by GPC in September.

1.3 In June GPC asked that future reports provide a high-level overview of how proposals were working, using a Red Amber Green (RAG) rating system to highlight where things are on and off-track. The steer given was that individual Policy and Service Committees would review relevant projects in detail as appropriate, with GPC maintaining a strategic oversight role.

2. OVERVIEW OF PROGRAMME

2.1 The table at fig. 1 provides a summary for Committee regarding the proportion of schemes which are rated green as 'on track' and those which are amber or red because the delivery of benefits is either delayed or will not be achieved as originally anticipated. The total invested and delivered to date and projected over the lifetime of the programme is provided in overview.

Figure 1: Transformation Programme Overview

RAG Rating	No of Schemes	Investment to Q2 (£000)	Savings / Income to Q2 (£000)	Total Investment Committed (£000)	Total Projected Saving/income over lifetime of scheme (£000)
Green – On Track	12	1140	3177	3777	7190
Amber – Delayed or some risk of under-delivery	4	372	1010	1997	2943
Red – Not projected to deliver as originally planned	2	309.5	12	363	1625
Total	18	1821.5	4199	6137	11758

3. EXCEPTIONS

3.1 The Committee has requested details of schemes which are not on track and the table below therefore provides an overview of;

- investment funding spent and savings secured to the end of the quarter, and how this varies from the original profile
- the total projected saving from the investment, and how this varies from the original profile
- details of the reasons for the variance and any mitigating actions which could be put in place

<table>
<tr><th colspan="2">Scheme Description and Total Investment & Saving</th><th>Fund Expenditure to date at Q2 2017/18 (£000)</th><th>Savings to date at Q2 2017/18 (£,000)</th><th>Total projected Saving from investment</th><th>Progress & Commentary</th><th>RAG Rating</th></tr>
<tr><td colspan="2">Commercial Approach to Contract Management (c/r5.001)</td><td rowspan="3">267</td><td rowspan="3">-0</td><td rowspan="3">-2000</td><td rowspan="3">This investment supports additional external support in order to identify contract management savings. These will be reflected in underspends on contractual spend and in future business planning savings associated with externally commissioned services.

At present there are a number of initiatives derived from this investment that are delivering savings and efficiencies for 2017/18 across the Council. However, these are contributing to service-specific savings targets, rather than delivering savings against the centrally held savings target.

With greater governance now in place around the Council's purchasing and procurement, the Commercial Board is developing a specific programme to identify further savings opportunities from this work in 2019 and beyond.</td><td rowspan="3">Red</td></tr>
<tr><td>Invest £000</td><td>Saving £000</td></tr>
<tr><td>400</td><td>-2000</td></tr>
</table>

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q2 2017/18 (£000)	Savings to date at Q2 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Specialist Support for Adults with Autism to increase their independence (A/R 6.113)		22.5	-12	-20	This scheme has been partially successful but will deliver a smaller financial benefit (£20k) than originally estimated (£72k) Mitigation work involves expanding the activity to other Vulnerable Adults; monitoring the saving against avoided costs and the demographic expectation.	Red
Invest £000	Saving £000					
50	-72					
Scheme Description and Total Investment & Saving		**Fund Expenditure to date at Q2 2017/18 (£000)**	**Savings to date at Q2 2017/18 (£,000)**	**Total projected Saving from investment**	**Progress & Commentary**	**RAG Rating**
Enhanced Response Service: Falls and Telecare (C/R.5.313)		136	-0	-390	This project, which provides a 24/7 hours response service for telecare alerts and falls through our Reablement Teams to older people, is now operational and has responded to a total of 920 calls between April and October 2017. We have a proposal for an ERS Falls Register that will be implemented in February 2018 when the four Falls Prevention Leads are appointed and inducted. This will enable direct access to call ERS for people who have recurrent falls but who have had medical review and falls management optimised. Savings are modelled for 2018/19 onwards so not yet measurable.	Amber
Invest £000	Saving £000					
417	-390					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q2 2017/18 (£000)	Savings to date at Q2 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Enhanced Occupational Therapy Support to reduce the need for double-handed care (A/R.6.165)		11	-166	-252	Project is in progress and delivering savings Progress with the Care Home element of the project has been slower than anticipated, due to a member of the team being off sick for an extended period (now returned). The LD reviews are progressing somewhat more slowly due to the complexity of the cases but where care packages can be changed this is expected to bring significant savings. Amber status reflecting potential need to re-phase savings	Amber
Invest £000	Saving £000					
90	-252					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q2 2017/18 (£000)	Savings to date at Q2 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Sustaining Budgetary performance in older people's services (c/r 5.320)		186	-793	-793	Return on investment is linked to the reallocation of some of the achieved underspend in Older People's and Mental Health Services in 2016/17. This saving is predicated on the services continuing to meet people's needs within the reduced budget allocation. Demographic pressures have recently appeared and are now being managed / mitigated within Older People's and Mental Health Services. The amber status and lower saving projection reflects the growing pressure on this overall budget as shown in the Finance and Performance Report	Amber
Invest £000	Saving £000					
600	-1861					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q2 2017/18 (£000)	Savings to date at Q2 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Children's Social Care Support for young people with complex needs (C/R.5.404)		39	-51	-1508	Investment made in establishing the new hub model of supporting young people with complex needs who are in care and on the edge of care. The model is now live from 1/10/17 delivering outreach support, 4 residential beds and joint working with the police. Further residential beds and other placements (fostering and supported lodgings) will come on stream in Q3. Recruitment underway for clinician and communication support worker and these aspects will be available to the model by the end of Q3. Current forecasting shortfall in 2017/18 due to delayed start of The Hub but still forecasting ability to meet total savings over the next two years.	Amber
Invest £000	Saving £000					
890	-1508					

4. HIGHLIGHTS

4.1 Full details of the schemes which are on track are available as a separate background papers document at the following link: http://tinyurl.com/y8clbuh4. Some schemes which are of particular interest in terms of their positive impact on outcomes and savings are highlighted below.

4.2 Adults Transformation programme (C/R.5.319).

The Consortium of CapGemini, iMPOWER and Grant Thornton have now commenced the Challenge Programme in Adult Services and are on site meeting officers and Members and applying the agreed diagnostic tools to scrutinise all aspects of the Cambridgeshire model. The team are providing new thinking and tools to enhance our demand management strategies – in particular applying behavioural insights techniques to understand how our processes, systems and structures impact on the behaviour of professionals, families and service users. There is a strong and growing evidence base around the potential impact of behaviour insights – for example simple changes to the language we use in our paperwork, the structure of key meetings and the way messages are delivered can make the difference between a care plan which focusses on independence, recovery and strengths and one which reinforces dependence on services. We have not applied this thinking systematically before and are optimistic that it will significantly impact on the level of demand in our services. Initial funding of up to £500k had been approved for this external support – the actual requirement will be just over £400k. There is no direct saving from this first diagnostic phase, but it will help us to develop the model which can respond to the ongoing challenge of rising needs and reducing resources.

4.3 Total Transport (C/R 5.102)

Transformation funding has been used to recruit additional staff to proactively conduct route reviews, look at linkages between transport provision across client groups and develop the most cost-efficient bus journeys possible for the Council.

The latest round of reviews starting from September, is expected to generate savings of around £430,000 a year and this forms part of the overall programme which is on track to deliver the full £840k. As well as generating savings, we are using smart cards and journey monitoring technology to build up a much more sophisticated model of demand for transport. As this develops it will enable further improvements across other transport provision – making our delivery more efficient and improving the experience for service users.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

A key focus of the Transformation Programme is on helping people to live healthy lives and cope more independently of public services. The impact on independence is summarised in the updates for each proposal document that can be viewed as a separate background papers document at the following link: http://tinyurl.com/y8clbuh4.

5.3 Supporting and protecting vulnerable people

The impacts associated with the people living healthy and independent lives are captured within Community Impact Assessments for each proposals within the Business Plan, including these transformation programmes. By successfully delivering transformation we can address the funding shortfall whilst protecting and enhancing outcomes for vulnerable groups. The transformation fund and its impact therefore mitigates the potential need for service reductions which would impact negatively on vulnerable people.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

The resource implications are captured on the document that can be viewed as a separate background papers document at the following link: http://tinyurl.com/y8clbuh4 highlighting expenditure from the transformation fund and the actual and anticipated return on investment.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

No significant implications – in some instances the procurement process has taken longer than anticipated creating some delay in the expenditure and impact of the transformation investments – these are described within the commentary for each scheme.

6.3 Statutory, Legal and Risk Implications

There are no significant impacts for this category.

6.4 Equality and Diversity Implications

There are no significant implications within this category from this report – individual community impact assessments were completed for all schemes as part of the original business case.

6.5 Engagement and Communications Implications

There are no significant impacts for this category.

6.6 Localism and Local Member Involvement

There are no significant impacts for this category.

6.7 Public Health Implications

There are no significant impacts for this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes – Chris Malyon and Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	n/a
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	n/a
Have the equality and diversity implications been cleared by your Service Contact?	n/a
Have any engagement and communication implications been cleared by Communications?	n/a
Have any localism and Local Member involvement issues been cleared by your Service Contact?	n/a
Have any Public Health implications been cleared by Public Health	n/a

Source Documents	Location
General Purposes Committee Agenda, Reports and Minutes	https://cmis.cambridgeshire.gov.uk/ccc_live/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/2/Default.aspx

Agenda Item No:7

SERVICE COMMITTEE REVIEW OF THE DRAFT 2018-19 CAPITAL PROGRAMME

To:	**General Purposes Committee**
Meeting Date:	**28th November 2017**
From:	**Director: Corporate and Customer Services** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**This report provides the Committee with an overview of the draft Business Plan Capital Programme for Corporate and Managed Services.**
Recommendation:	**The Committee is requested to:**

a) note the overview and context provided for the 2018-19 Capital Programme for Corporate and Managed Services; and

b) comment on the draft proposals for Corporate and Managed Services 2018-19 Capital Programme and endorse their development.

	Officer contact:		***Member contacts:***
Name:	Chris Malyon	Names:	Councillors Count & Hickford
Post:	Chief Finance Officer	Post:	Chair/Vice-Chair
Email:	chris.malyon@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	Tel: 01223 699796	Tel:	01223 706398

1. CAPITAL STRATEGY

1.1 The Council strives to achieve its vision through delivery of its Business Plan. To assist in delivering the Plan the Council needs to provide, maintain and update long term assets (often referred to as 'fixed assets'), which are defined as those that have an economic life of more than one year. Expenditure on these long term assets is categorised as capital expenditure, and is detailed within the Capital Programme for the Council.

1.2 Each year the Council adopts a ten year rolling capital programme as part of the Business Plan. The very nature of capital planning necessitates alteration and refinement to proposals and funding during the planning period; therefore whilst the early years of the Business Plan provide robust, detailed estimates of schemes, the later years only provide indicative forecasts of the likely infrastructure needs and revenue streams for the Council.

1.3 This report forms part of the process set out in the Capital Strategy whereby the Council updates, alters and refines its capital planning over an extended planning period. New schemes have been developed by Services and all existing schemes have been reviewed and updated as required before being presented to the Capital Programme Board and subsequently Service Committees in September for further review and development.

1.4 An Investment Appraisal of each capital scheme (excluding committed schemes and schemes with 100% ring-fenced funding) has also been undertaken / revised in order to determine a prioritisation score. This score allows schemes within and across all Services to be ranked and prioritised against each other, in light of the finite resources available to fund the overall Programme and in order to ensure the schemes included within the Programme are aligned to assist the Council with achieving its outcomes.

2. DEVELOPMENT OF THE 2018-19 CAPITAL PROGRAMME

2.1 Prioritisation of schemes has been reviewed individually by Service Committees alongside the addition, revision and update of schemes. Prioritisation of schemes across the whole programme was also reviewed by General Purposes Committee (GPC) in October. GPC will review the final overall programme in December, in particular regarding the overall levels of borrowing and financing costs, before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.

2.2 The introduction of the Transformation Fund for the 2017-18 planning process has not impacted on the funding sources available to the Capital Programme as any Invest to Save or Earn schemes will continue to be funded over time by the revenue payback they produce via savings or increased income. This is the most financially sensible option for the Council due to the ability to borrow money for capital schemes and defray the cost of that expenditure to the Council over the life of the asset. However, if a scheme is transformational, then it should also move through the governance process agreed for the transformation programme, in line with all other transformational schemes, but without any funding request to the Transformation Fund.

2.3 There are several schemes in progress where work is underway to develop the scheme, however they are either not sufficiently far enough forward to be able to include any capital estimate within the Business Plan, or a draft set of figures have been included but they are, at this stage, highly indicative. The following are the two main schemes that this applies to:

- The Adults Committee first considered the Older People's Accommodation Strategy in 2016. Following consideration of outline modelling and a business case to increase the availability of affordable care home beds in the County through more direct intervention in the market by the Council, the Adults Committee received an update in September on market engagement and next steps towards a more detailed business case and procurement. Amongst a number of options, there is potential for implications for the Council's capital plans through provision of land, other assets or involvement with construction. The Council is engaged with health partners on these challenges, and plans are also in development for an investment in housing for vulnerable people using improved better care fund monies.

- The Council is in the fortunate position of being a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This has, however, required the Council to move from being a seller of sites to a developer of sites, through a Housing Company. A Special Purpose Vehicle has been established, the Cambridgeshire Housing Investment Company (CHIC), through which the Council will operate to make best use of sites with development potential in a co-ordinated and planned manner, in order to progress those sites for a range of development options. This will generate capital receipts to support site development and create significant revenue income for the Council which will help support services and communities.

  A comprehensive 10-year pipeline of development projects has been identified and the initial model is undergoing extensive review and refinement by both CHIC and the Council, taking into account the different options available. This work is nearing its conclusion, however the timing of it has meant that no update to figures has been included in this paper.

3. REVENUE IMPLICATIONS

3.1 All capital schemes can have a potential two-fold impact on the revenue position, relating to the cost of borrowing through interest payments and repayment of principal and the ongoing revenue costs or benefits of the scheme. Conversely, not undertaking schemes can also have an impact via needing to provide alternative solutions, such as Home to School Transport (e.g. transporting children to schools with capacity rather than investing in capacity in oversubscribed areas).

3.2 The Council is required by the Charted Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities 2011 to ensure that it undertakes borrowing in an affordable and sustainable manner. In order to ensure that it achieves this, GPC recommends an advisory limit on the annual financing costs of borrowing (debt charges) over the life of the Plan. In order to afford a degree of flexibility from year to year, changes to the phasing of the limit is allowed within any three-year block (the next block starts in 2018-19), so long as the aggregate limit remains unchanged.

3.3 For the 2018-19 Business Plan, GPC has agreed that this should equate to the level of revenue debt charges as set out in the 2014-15 Business Plan for the next five years (restated to take into account the change to the Minimum Revenue Policy agreed by GPC in January 2016), and limited to around £39m annually from 2019-20 onwards.

4. SUMMARY OF THE DRAFT CAPITAL PROGRAMME

4.1 The revised draft Capital Programme is as follows:

Service Block	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
People and Communities	88,880	122,132	79,045	40,734	29,562	79,549
Economy, Transport and Environment	34,714	24,946	17,940	18,894	20,152	19,238
Public Health	-	-	-	-	-	-
Commercial and Investment Committee	54,544	6,958	800	12,051	800	18,720
Corporate and Managed Services	8,453	734	680	460	-	-
LGSS Operational	-	-	-	-	-	-
Total	**186,591**	**154,770**	**98,465**	**72,139**	**50,514**	**117,507**

4.2 This is anticipated to be funded by the following resources:

Funding Source	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
Grants	51,521	32,989	32,855	33,844	35,832	76,427
Contributions	25,040	44,232	54,660	16,672	8,635	192,872
Capital Receipts	15,677	4,362	5,098	17,906	500	2,500
Borrowing	68,595	70,193	22,195	13,852	10,293	8,510
Borrowing (Repayable)*	25,758	2,994	-16,343	-10,135	-4,746	-162,802
Total	**186,591**	**154,770**	**98,465**	**72,139**	**50,514**	**117,507**

* Repayable borrowing nets off to zero over the life of each scheme and is used to bridge timing gaps between delivery of a scheme and receiving other funding to pay for it.

4.3 The following table shows how each Service's borrowing position has changed since the 2017-18 Capital Programme was set:

Service Block	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
People and Communities	285	16,205	38,385	3,319	795	-7,506	-3,104
Economy, Transport and Environment	13,537	462	-1,908	-2,572	-2,745	-6,435	-1,674
Public Health	-	-	-	-	-	-	-
Corporate and Managed Services	628	1,755	274	220	-	-	-
LGSS Operational	-100	-	-	-	-	-	-
Commercial and Investment Committee	340	8,999	-145	-337	-316	42	2,008
Corporate and Managed Services – relating to general capital receipts	-	5,999	890	1,517	1,630	1,409	7,056
Total	**14,690**	**33,420**	**37,496**	**2,147**	**-636**	**-12,490**	**4,286**

4.4 The table below categorises the reasons for these changes:

Reasons for change in borrowing	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
New	669	24,899	18,424	4,885	2,490	300	3,850
Removed/Ended	-4,986	-70	0	-170	-300	-9,550	10,715
Minor Changes/Rephasing*	-2,705	6,369	6,546	-9,333	5,748	3,320	-8,192
Increased Cost (includes rephasing)	-2,552	4,347	14,674	4,167	-1,799	-1,139	1,080
Reduced Cost (includes rephasing)	2,822	-3,341	-2,174	-1,820	-1,885	-3,182	0
Change to other funding (includes rephasing)	5,257	5,627	6,687	6,940	-2,462	1,155	154
Variation Budget	16,185**	-4,411	-6,661	-2,522	-2,428	-3,394	-3,321
Total	**14,690**	**33,420**	**37,496**	**2,147**	**-636**	**-12,490**	**4,286**

**This does not off-set to zero across the years because the rephasing also relates to pre-2017-18.*
***This reflects removal of this budget for 2017-18, as it is a rolling budget that is refreshed every year*

4.5 Since October GPC, there has been some movement regarding the levels of borrowing included within the above figures, mainly relating to:

- Addition of the new Shire Hall Relocation scheme (£10.3m)
- Addition of the new Laptop refresh scheme (£0.2m)
- Minor rephasing of school schemes
- Removal of the new Rackham primary scheme whilst the scheme assumptions are being reviewed (-£5.6m)
- Increase in cost for the new Spring Common Special School scheme to reflect latest cost estimates (£0.9m)
- Increase in cost for the new Milton Rd Library scheme to reflect fit-out of the library, as well as furniture and fixings (£0.3m)
- Refining of the General Capital Receipts forecasts, to remove any double counting with the housing schemes - this scheme has also moved from CS to C&I to reflect the movement of the Property team (-£10m over first 5 years)
- Revision to the Capital Variation budgets to reflect the above changes

4.6 The revised levels of borrowing result in the following levels of financing costs:

Financing Costs	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
2017-18 agreed BP	18.6	18.9	22.0	22.9	-
2018-19 draft BP	18.0	19.4	23.7	25.9	27.3
CHANGE (+) increase / (-) decrease	**-0.6**	**0.5**	**1.7**	**3.0**	**27.3**

4.7 Invest to Save / Earn schemes are excluded from the advisory financing costs limit – the following table therefore compares revised financing costs excluding these schemes. In order to afford a degree of flexibility from year to year, the limit is reviewed over a three-year period – based on the revised programme, the advisory limit is not exceeded for either of these 3 year blocks.

Financing Costs	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
2018-19 draft BP (excluding Invest to Save / Earn schemes)	27.8	30.3	33.9	36.2	37.8	37.8
Recommend limit	37.9	38.6	39.2	39.7	40.3	40.8
HEADROOM	**-10.1**	**-8.2**	**-5.3**	**-3.5**	**-2.5**	**-3.1**
Recommend limit (3 years)	115.7			120.8		
HEADROOM (3 years)	**-23.6**			**-9.1**		

4.8 Although the limit has not been exceeded, the Business Plan is still under review and as such adjustments to schemes and phasing will continue over the next two to three months. However, as there is significant headroom available, it is not expected that any further revisions will cause a breach of the advisory limit.

5. OVERVIEW OF CORPORATE & MANAGED SERVICE'S DRAFT CAPITAL PROGRAMME

5.1 The revised draft Capital Programme for the Council's Corporate and Managed Services is as follows:

Capital Expenditure	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
Corporate & Managed Services	8,453	734	680	460	-	-

5.2 This is anticipated to be funded by the following resources:

Funding Source	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Later Yrs £'000
Capital Receipts	2,293	-	-	-	-	-
Borrowing	6,160	734	680	460	-	-
Total	**8,453**	**734**	**680**	**460**	**-**	**-**

5.3 The full list of Corporate and Managed Services capital schemes are shown in the draft capital programme at **appendix one**. Table 4 lists the schemes with a description and with funding shown against years. Table 5 shows the breakdown of the total funding of the schemes, for example whether schemes are funded by capital receipts or prudential borrowing.

5.4 The following changes have been made to existing schemes in the 2018-19 Corporate & Managed Services Business Plan:

- C/C.2.012 Laptop Refresh
  A one year budget has been added to the programme for 2018-19 to complete the rollout of laptops across the Council and replace any of the early machines. From 2019-20, a £1.1m budget will be added to revenue in order to facilitate the refresh of a third of all laptops on a 3-year rolling programme basis. This budget is being added to revenue rather than capital as it is a more efficient use of resources due to the short life of these assets and the nature of the rolling programme.

6. ALIGNMENT WITH CORPORATE PRIORITIES

6.1 Developing the local economy for the benefit of all

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

6.2 Helping people live healthy and independent lives

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

6.3 Supporting and protecting vulnerable people

The Services discussed in this report play a significant role in enabling the Council to achieve this priority.

7. SIGNIFICANT IMPLICATIONS

7.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- There may be revenue implications associated with operating new or enhanced capital assets but equally capital schemes can prevent the need for other revenue expenditure.
- The overall scale of the capital programme has been reduced to limit the impact on the Council's revenue budget and this in turn will have beneficial impacts on the services that are provided from that source.

7.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

7.3 Statutory, Legal and Risk Implications

The following bullet points set out details of significant implications identified by officers:

- Regulations for capital expenditure are set out under Statute. The possibility of capital investment, from these accumulated funds, may ameliorate risks from reducing revenue resources.
- At this stage, there are no proposals with significant risk arising from "pay-back" expectations.

7.4 Equality and Diversity Implications

There are no significant implications within this category.

7.5 Engagement and Communications Implications

The following bullet point sets out details of significant implications identified by officers:

- Consultation is continuous and ongoing between those parties involved to ensure the most effective use of capital funding.

7.6 Localism and Local Member Involvement

The following bullet point sets out details of significant implications identified by officers:

- Local Members will be engaged where schemes impact on their area and where opportunities for strategic investment arise.

7.7 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 Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Tom Barden
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
The 2017/18 Business Plan, including the Capital Strategy	<https://www.cambridgeshire.gov.uk/council/finance-and-budget/business-plans/>
Capital Planning and Forecast: financial models	c/o Group Accountants 1st Floor Octagon Shire Hall Cambridge

Agenda Item No:8

AGRESSO (UNIT4 BUSINESS WORLD) IMPLEMENTATION

To:	**General Purposes Committee**
Meeting Date:	**28 November 2017**
From:	**LGSS Director Business Services, Systems and Change**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To update General Purposes Committee on the progress of the programme to implement Agresso (Unit4 Business World) system to replace the existing Oracle system.**
Recommendation:	**General Purposes Committee is requested to:**

a) note the progress on the implementation of Agresso (Unit4 Business World) and the revised Go Live date of 1 April 2018;

b) approve a further £410k of capital spend to complete the implementation; and

c) note the additional LGSS revenue savings identified for Cambridgeshire County Council (CCC) building to £150K pa from 20/21 which will improve the original business case and result from enlarged ERP Gold implementation including Milton Keynes Council (MKC) requirements.

	Officer contact:		***Member contacts:***
Name:	Mark Ashton	Names:	Councillors Count & Hickford
Post:	LGSS Director Business Services, Systems and Change	Post:	Chair/Vice-Chair
Email:	MAshton@northamptonshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01604 365732	Tel:	01223 706398

1. BACKGROUND

1.1 Northamptonshire and Cambridgeshire County Councils formally approved the original business case in May 2015 for replacing the existing Fujitsu / Oracle ERP systems (Enterprise Resource Planning is a large scale business system integrating HR, Payroll and Finance). The programme will still deliver the originally approved £7.3m over 7 years of LGSS net savings for Cambridgeshire County Council (CCC) and Northamptonshire County Council (NCC) when implemented, albeit later than planned. In addition, LGSS has identified and will deliver additional savings of £150k pa for CCC as from 20/21. A joint public procurement was first undertaken during the summer of 2015 to select the most economically advantageous, modern and agile replacement shared ERP system for the ERP Gold programme delivery, to be subsequently planned with a requirement to replace the existing Fujitsu Oracle application before its primary contractual end date of November 2017 (so as to avoid the cost and need for any short term extensions). Following a successful procurement exercise the Unit4 Business World One (aka Agresso) ERP product was selected and licence agreements signed in September 2015 to allow the original ERP Gold Programme to be initiated and mobilised for CCC and NCC requirements only.

1.2 From November 2015 to March 2016 LGSS was also engaged on a joint business case development with Milton Keynes Council (MKC) in support of them joining the LGSS shared services partnership as a full partner. At that time MKC was also considering its existing ERP SAP systems replacement options and a key deadline for MKC was its primary contractual support service on SAP expiring in July 2017. A key part of the MKC business case and the shared business benefits for the three councils, was them joining the ERP Gold programme, which long-term enabled the £4.2m of shared saving benefits for the three councils. MKC and LGSS jointly planned for MKC SAP requirements to be planned into the ERP Gold Programme as from April 2016 with a necessary go-live date by MKC at the time of April 2017. The addition of MKC to the ERP programme increased the £7.3m of savings shown above to £9.86m over 7 years.

1.3 MKC subsequently joined LGSS as a full partner on April 2016, and the ERP Gold programme was then expanded and re-planned to incorporate MKC SAP replacement requirements and it was accepted and agreed to incorporate the pre-existing £1.600m of MKC SAP project budget into the wider ERP Gold plans on a shared project risks basis by the three councils, as part of the wider MKC OBC and PDA agreement for joining LGSS. Additional resources were therefore planned into the programme as from April 2016 to address what where known additional scale, complexities and risks that could be anticipated or foreseen at that time for the MKC SAP requirements. It also required the programme to plan against a 'hard-stop' go-live date of April 2017 to accommodate the MKC SAP support deadline of July 2017. LGSS has also subsequently identified additional savings for CCC (and NCC) resulting from the ERP Gold implementation which rise to £150K pa each from 20/21 onwards.

2. MAIN ISSUES

2.1 Since the last time that GPC was provided with an update, back in July, a number of factors have come together to make the planned October Go- Live unrealistic and the decision was taken by the ERP Board in September to reschedule the Go-Live to later in the year. The

Chief Finance Officers (CFOs) are members of the Board and were naturally involved in the decision and made aware at that time of the inevitable additional cost.

2.2 The programme has continued to struggle with Data Migration, mainly from the two Oracle systems. This has proven to be extremely complex and has meant that they have had to bring in some additional outside support from Fujitsu to help supplement their already overstretched technical resource. At the time of writing this report, they now believe that they have succeeded with the Data Migration challenge and are now ready to move forward into Payroll Parallel Running (PPR) and Regression testing (full end to end testing) phase of the programme.

2.3 The failure to achieve Data Migration in the timescale previously reported has meant that the Programme has had to move the go-live date back to April 2018.

2.4 Further, additional work has been undertaken to analyse the impact that the implementation of ERP Gold will have on the Finance transactions team and Payroll. This further analysis, completed with greater understanding as to how the system will eventually work, means that a further £75k of previously undisclosed annualised savings is available to each of the three Partners with effect from 2019.

2.5 In June 2017 the forecast total cost of the programme through to the 1st October 2017 was £7.138m. As a result of the further rescheduling the latest forecast of the total costs of the programme taking it to the 1st April 2018 is £8.709m. This is an increase of £1.572m. LGSS has identified some mitigating factors and through further revenue contributions of £268k and other capital funds of £28k, the remaining shared pressure is **£1.275m**.

2.6 The extended timeline for the ERP programme means there will be resultant additional costs for the implementation. For both Cambridgeshire and Northamptonshire County Councils additional capital costs will continue to be part mitigated by in-year LGSS revenue savings. The Business Systems team is currently fully budgeted for but will be slimmed down post completion of the build, as previously reported. This will give rise to savings in future years which will be embedded in the LGSS Strategic Plan

<u>ERP Programme forecast outturn</u>

2.7 The revised capital budgets below include the increase in relation to previous requests for additional capital funding of £187k for both CCC and NCC, and £634k for MKC, and £28k from other ERP/eform schemes.

2.8 The table below sets out the current forecast and how this is shared between the three authorities. The CCC and NCC amounts include £164k of specific costs in relation to extended support on the current Oracle ERP system. Also shown are the significant revenue contributions from CCC and NCC arising from the utilisation of the LGSS business systems and change team on this project. This results in a net capital cost of £6.767m which results in a variation on the plan of £1.275m (shared as shown across the three councils).

	Revised Capital Budget	Current Forecast	Revenue Contribution	Net Capital Cost	Variation
	£k	£k	£k	£k	£k
Cambridgeshire	1,615	2,959	935	2,024	410
Northamptonshire	1,643	2,959	935	2,024	382
Milton Keynes	2,234	2,791	72	2,718	484
Total	**5,492**	**8,709**	**1,942**	**6,767**	**1,275**

2.9 Inevitably the rescheduled Go Live means all of the project resources are required for a greater period of time, every additional month adds proportionately to the overall cost. The forecast includes specific recharge amounts for HR, Finance and some IT items, and has an additional estimated charges or contingency of £150k as well as £100k for programme management. The forecast also includes a CCC and NCC specific cost of extended support of Oracle, which has been allocated to the current forecast for just CCC and NCC.

2.10 After the revenue contributions the remaining capital pressures are as follows:

- CCC = £410k
- NCC = £382k
- MKC = £484k

2.11 The specific impact on Cambridgeshire County Council is as follows:

For CCC the capital budget includes the original £1.428m and the £187k additional capital funding ask. Throughout the programme this has been supplemented by the revenue budgets of the current business systems and LGSS Programme team by £935k over the three years, giving a total available budget of £2.550 million. The predicted forecast CCC spend for the programme is £2.959 million (up to 1 April 18). This leave a forecast capital overspend of £410k for CCC (i.e. which is just over an 18% increase in original cost estimate).

CCC	Revenue and Capital Budget	Actuals Prior years	Actual 2017/18	Actual Total	Outturn Variance
	£k	£k	£k	£k	£k
Capital	1,615	1,107	917	2,024	410
Revenue	935	533	402	935	0
Totals	**2,550**	**1,640**	**1,319**	**2,959**	**410**

2.12 An additional £410k capital resource will need to be secured for CCC. However, there will also be additional LGSS revenue savings delivered for CCC's benefit as detailed below for CCC of £50k pa from 2019/20 increasing to £75k pa from 2020/21 onwards in respect of the Business Systems team and a further £75k pa from 2019/20 in respect of Finance Transactions and Payroll i.e. this is a capital payback period on additional capital funds of circa. 5 years for CCC.

Additional Business Systems and Transactional Savings

2.13 Post-delivery it is anticipated that additional savings will be delivered from the Business Systems, Finance Transactions and Payroll teams to offset the additional capital costs. The additional savings will pay back the forecast project overspend in about four years. The table below sets out the CCC share of additional savings only.

Additional Savings	2018/19	2019/20	2020/21	2021/22	2023/24
	£k	£k	£k	£k	£k
Business Systems	0	-50	-25	0	0
Finance Transactions	0	-33	0	0	0
Payroll	0	-42	0	0	0
Totals	**0**	**-125**	**-150**	**-150**	**-150**

Current Strategic plan savings

2.14 The ERP programme is set to help deliver savings both on licence and support costs, but also from within the transactional teams. Any pressures on the delivery of these savings are set to be managed within the LGSS medium term plan and mitigated in full by the LGSS management board. This will mean short term negative impacts forecast on additional capital investment required from CCC is both fully mitigated by these additional LGSS savings to CCC which also gives a slightly improved business case return position for CCC over the 5 years.

Savings totals as per the LGSS Strategic Plan vs. Actual Delivery (the tables below are shown as the total LGSS savings delivery as per the Strategic Plan).

	2016/17	2017/18	2018/19
	£k	£k	£k
ERP Savings			
(CCC/NCC)			
Original Planned	-100	-400	-600
Cumulative	-100	-500	-1,100
Actual Delivery	0	0	-1,100
Difference	100	500	00
Transactional savings			
Service Reviews	n/a	-50	0
MK Partnership	n/a	-470	-240
Cumulative	n/a	-520	-760
Actual Delivery	n/a	-285	-760
Difference	n/a	235	0
Total Shortfall	100	735	0

2.15 The £100k pressure in 2016/17 has been reported as part of the LGSS Outturn Position throughout the 2016/17 financial year. The £235k savings pressures in transactional services during 2017/18 will be mitigated during the financial year through staff turnover and holding vacancies wherever possible. A contingency was established when MKC joined the partnership to address any timing difficulties such as this one in delivering the ERP and MKC business cases. There is sufficient in that contingency to meet these short term one off costs.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 There are resources implications for CCC which are detailed in the body of the report. £1.614m is the revised capital budget for the CCC's capital contribution to the total cost of the implementation. The current forecast as a consequence of rescheduling the Go Live to April 18 is a net capital contribution of £2.024m an increase of £410k.

4.1.2 Additional revenue savings of £125k in 2019/20 and a further £25k for 2020/21 and future years which mean the additional capital costs are effectively covered in 5 years.

The rescheduled Go Live does have an impact on the delivery of LGSS Strategic Plan savings, a relevant share of which is included in the CCC Business Plan. There is a delay in the delivery of the Business Systems savings. Contingency does exist to cover timing difficulty. There are also potential delivery challenges with the delivery of transactional savings. These will in part be met through turnover and vacancies but there is further contingency built into the MKC Partnership arrangements which could also meet this.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 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: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	None
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	None
Have the equality and diversity implications been cleared by your Service Contact?	None
Have any engagement and communication implications been cleared by Communications?	None
Have any localism and Local Member involvement issues been cleared by your Service Contact?	None
Have any Public Health implications been cleared by Public Health	None

Source Documents	Location
ERP Business Case	MAshton@northamptonshire.gov.uk

Agenda Item No: 9

INFORMATION SECURITY REPORT – EMAIL SECURITY

To:	**General Purposes Committee**
Meeting Date:	**28 November 2017**
From:	**Sue Grace, Director of Corporate & Customer Services**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* ***No***
Purpose:	**To consider the Council's Email Policy and Email Security**
Recommendation:	**General Purposes Committee is asked to:**

a) Approve the Email Policy and Personal Commitment Statement and where it is appropriate for Members to sign a personal commitment statement by end of December 2017.

b) Mandate for all Members to complete the Member Data Protection course by end of December 2017.

	Officer contact:		***Member contacts:***
Name:	Dan Horrex	Names:	Councillors Count & Hickford
Post:	BI Manager – Information & Records	Post:	Chair/Vice-Chair
Email:	Dan.horrex@cammbridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 728416	Tel:	01223 706398

1.0 BACKGROUND

1.1 Information is an important asset to any organisation and it is important that we manage such information both efficiently, effectively, safely and securely. As the majority of our information is managed digitally, IT security must also be considered.

1.2 Over the last few years, organisations globally and governments have been subject to cyber attacks by sophisticated cyber hackers who have been able to secure access to systems which were regarded as very secure (**Appendix A**). Information security incidents can occur for a range of reasons, including fraud as well as forging access through systems known as hacking. We, like many organisations, witness this sort of activity on a regular basis. For instance, email addresses can be spoofed, this is where an address is imitated so that communications can be sent out from an unknown source disguised as someone who is known to the receiver. In a recent example emails were sent out asking recipients for money. This is called phishing and involves fraud through impersonation to gain financial advantage. A report produced by Symantec (an internet security company) stated that email was popular as an attack channel because it does not rely on vulnerabilities in the infrastructure itself but uses simple deception to lure victims into opening attachments, following links and disclosing their credentials.

1.3 As the Council is hit on an hourly basis by phishing and spam attacks we protect ourselves in three ways against these attacks:

- Sophisticated filters which prevent such emails coming through;
- Frequent communication with staff and Members when an attack gets through alerting of the risk;
- Careful monitoring of incoming emails to spot patterns of emails from fraudulent senders so that effective action can be taken.

1.4 Against this background there is both national guidance and legislation which sets a framework for good practice in information security and governance. The main legislation governing this area is the Data Protection Act 1998, and the General Data Protection Regulations (which will be introduced in 2018). Principle 7 of the Data Protection Act states we must keep information secure. Likewise the Council's Information Management Strategy sets out the key principles of effective Information Management. One of these principles is that information should be kept secure.

Information governance/security maintains the following principles:

- Confidentiality – Protecting sensitive information from unauthorised access or disclosure.
- Integrity – Safeguarding the accuracy and completeness of information and processes.
- Availability – Ensuring that information is available to authorised people when needed.

1.5 The Council distils the legislation and guidance into a policy framework and good practice for the safe handling of information. With the acceleration of cyber crime, hacking and phishing, the Council has decided to review these policies with a particular emphasis on the safe handling of information through email correspondence. This paper sets out the findings of the review and action which now needs to be taken to ensure the security of sensitive information contained in emails.

2.0 MAIN ISSUES

2.1 The review looked at a number of factors as follows:

- The security of personal email accounts;
- Compliance with other legislative requirements such as General Data Protection Regulations and Freedom of Information;
- The consequences to the Council and Members of an information security breach.

2.2 Specialist email providers will claim that they can make email accounts secure and whilst a degree of security can be maintained there are a number of factors which mitigate against this as follows:

- Emails sent via Council email are part of a secure email network. Personal email accounts send emails over the open internet in an unsecure form which is readable by others.
- If a personal email account is hacked, it may often initially go unnoticed by the user and the Council will not know either which means that the Council may lose sensitive data with no means of knowing what has been lost and to whom. Logging and monitoring of the Council email account will show when hacking is attempted or is successful.
- There is evidence to suggest that Members are at greater risk of cyber attack as their email addresses are publicised and criminals target these.
- Passwords can be hacked and once hacked there can be access to highly sensitive information of which the Council and sometimes the user has no knowledge. Having a complex password is key to security of an email account.

2.3 The Council has obligations under the Freedom of Information legislation which also applies to emails from personal email accounts. For example, a senior Government Minister was required by the Information Commissioner to disclose emails sent to his personal email address. In his ruling the Information Commissioner urged the Minister and his officials to stop using private email for government business and warned him that the use of private emails and texts should be actively discouraged.

2.4 The consequences of an information security breach can include fines. The Information Commissioner can levy fines now of up to €10m for administrative breaches of our obligations to manage information properly and up to €20m for a serious breach. Substantial fines have been levied on the following organisations:

- London Borough of Lewisham £70,000
- Leeds City Council £95,000
- Stoke-on-Trent City Council £120,000
- Greater Manchester Police £150,000
- Welcome Financial Services £150,000
- Brighton and Sussex University Hospitals NHS Trust £ 325,000
- Talk Talk £400,000

2.5 The Council's network has the following advantages:

- Emails between @cambridgeshire.gov.uk addresses are secure and not accessible without network access;

- Access to the network itself is protected, monitored and can be investigated.

In paragraph 1.3 other measures which protect the Council's network are described.

3.0 The Way Forward

3.1 Workshops have been held with Members to discuss proposals to implement controls which will decrease the likelihood and impact of any cyber attack. These include the following:

- All Members to use secure CCC email for Council business.
- Increased awareness of information security and data protection - a new e-learning course has been produced specifically for Members so they can be aware of information security and data protection issues.
- Members to have CCC laptops issued to them to make access to email and Council information easier and safer.
- Members to access emails on a non-council device via appropriate secure means (e.g. the Blackberry software on a mobile device).

3.2 The feedback from Members was that whilst it is important to maintain the security of emails, there was a need to maintain the convenience of personal email accounts.

3.3 Therefore it is proposed that any Member who uses a personal email account or automatically forwards emails from their CCC account to a personal email account must do the following:

- Sign a Personal Commitment statement which highlights Members' responsibility to keep information secure (**Appendix B**).
- Use controls such as regular password changes, using a strong/complex password and anti-virus software, and to take all other reasonable technical and organisational measures which will enhance the security of the email account.
- Read the Information Security – Member Guide (**Appendix C**).

3.4 It is also proposed that all Members need to complete the Member Data Protection e-learning course, regardless of whether they primarily use a CCC email address or an alternative personal, or any other, email account.

3.5 The Email Policy has been revised to take these proposals into account, and is attached as an appendix to this paper (**Appendix D**).

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

The Data Protection Act requires us to protect sensitive information from unauthorised access or disclosure.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The implications of not keeping information secure could result in significant fines being levied on the Council.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

This paper discusses the statutory framework for information security and enforcement at paragraphs 1.4, 2.3 and 2.4. The proposed changes are intended to limit identified risks around loss of information and unsafe information handling.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Communications Implications

Workshops were held to discuss this issue with Members as part of the review.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 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: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	N/A
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Maria Damigos
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Sue Grace
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
Global and Local Risks of Cyber Crime Email Policy Information Security – Member Guide Personal Email Security Commitment	Shire Hall, Castle Hill, Cambridge CB3 0AP

Appendix A Global and Local Risks of Cyber Crime

We live in an easily connected world through the development of the World Wide Web, new technologies and software applications such as Facebook and Twitter. There are many benefits to the end user of being connected, however there are many risks too. For example,

- Cyber crime is increasing, there were an estimated 3.6 million cases of fraud and two million computer misuse offences in a year, according to an official The Crime Survey for England and Wales.
- Online fraud is now the most common crime within UK with almost one in ten people falling victim.
- Identity fraud is also prevalent with 9 out of 10 identity frauds committed online.

Other cyber attacks continue to happen, such as ransomware attacks. Ransomware is a virus that encrypts files and prevents access to them, organisations are held to ransom for their release. Recently Lincolnshire County Council was hit with a £1 million ransom demand. Cyber crime like this is costing UK businesses £29 billion (figure from 2016).

Cambridgeshire County Council has been and will continue to be targeted by hackers and criminals. IT notice and flag phishing emails with regularity. The Symantec report suggests that globally, 1 in every 141 emails received by public bodies contains malware, 1 in every 2329 emails is a phishing attack, and as much as half of inbound email could be spam, some of which may contain a threat. This, along with the recent Member spoofing incident, has forced us to review our current position on information security.

Appendix B Personal email security commitment

1. As an elected Member of Cambridgeshire County Council ("the Council") I am registered, as the law requires, with the Information Commissioner as a controller and processor of data. I acknowledge that this places certain responsibilities on me to uphold the statutory Principles relating to data protection. This includes my duty to take appropriate technical and organisational measures to prevent accidental loss or destruction of, or damage to, personal data which I process and hold.

2. The Council has various policies in place to govern and manage the risks posed to the data and information it holds and I accept that the use of personal email is a security risk as it can increase the risk of email security incidents and reduces the control of, and what the Council can do to manage, this risk. I understand that these risks include (but are not limited to) cyber security threats such as viruses, hacking, cyber ransoms and phishing and accidental disclosures. I also understand that the Council's network is configured and managed to prevent and warn against such risks and minimise the damage in the event of a successful attack.

3. I wish to use a personal or alternative email account in order to discharge my duties as a Cambridgeshire County Council Member and the Council has agreed to correspond with me using a personal/alternative email account for those purposes. I understand that both I and the Council will abide by the Council's Email Policy, which states the following principles:

- all Members and Council staff to use their @cambridgeshire.gov.uk email address for Council business unless a Member has signed this personal email commitment statement;
- all Members and Council staff to use County Council laptops/PCs, devices protected by Council security software i.e. 'Blackberry' software or County Council remote access to access CCC email accounts;
- all Members and Council staff to undertake the data protection/information governance awareness e-learning training;
- all staff to contact Members on Council business using their @cambridgeshire.gov.uk address to maintain security where the Member is using a Council email address;
- no Official Sensitive Council information should be sent to Members' personal email accounts.

4. I am committed to ensuring the integrity and confidentiality of the Council's information and in order to safeguard the Council's information I confirm that I will take all reasonable measures to reduce the risks associated with my personal email accounts so far as reasonably practicable. I accordingly confirm I will, as a minimum:

- Change my personal email account password every 90 days and maintain the security of my email account password
- Ensure I use a strong password (using more than 8 characters including upper and lower case and special characters)
- Use 2 factor authentication sign in where available

- Ensure completion of the Council's Member data protection e-learning course and read the Council's email policy together with any refresher training as required
- Not click on any links within emails where I am not certain of their security credentials
- Ensure that I have a sufficient backup of emails with my email provider
- Maintain adequate anti-virus on any device which I use to access my email
- Ensure the security of devices which I use to access my email such as locking screen when not in use, encrypting the device, password protection, secure WIFI/network connection.
- Inform the Council immediately by emailing data.protection@cambridgeshire.gov.uk if there is a breach of my personal email account
- Take all other reasonable technical and organisational measures which will enhance the security of my email account and the Council's information
- Comply with all applicable Council policies and obligations relating to its information including freedom of information and data retention requirements
- Immediately upon ceasing to be a Member for the Council return all information or data held and/or securely purge, delete or destroy all copies of such information or data and if required will provide confirmation that this has been done.

5. I understand that the use of a personal or alternative email account will be at my risk and I am taking responsibility for the security of the Council's data and information which is sent to or by me, or otherwise processed by me using such an email account.

6. I also understand that the Information Commissioner may take action against me in the event of a data protection breach. The sanctions imposed by the Information Commissioner may include written undertakings and audits but also monetary penalties.

Signature:...

Name:………

Date:…………………………..

Information Security

- A Members' Guide

Appendix C

www.cambridgeshire.gov.uk

This is an overview of the Information Security at Cambridgeshire County Council for Members.

Data protection e-learning course for Members - link

Handling information safely is crucial to enable the Council to comply with legislation such as the Data Protection Act, Freedom of Information Act, Human Rights Act, Computer Misuse Act, Companies Act and Civil Contingencies Act.

The Safe Information Handling Policy which forms part of the Information Management Policy framework describes:

- how to transport data from one computer to another;
- how to ensure that information is destroyed securely.

It is your responsibility to ensure that these policies are adhered to.

What information do we need to be careful with?

It is important to know the sensitivity of the information which we handle, we categorise information into 2 categories, this are:

- Official - the majority of information.
- Official Sensitive – more damaging consequences on individuals or the Council is lost or unauthorised disclosure
  - e.g. it contains information about individuals such as their address or date of birth.

We need to be particularly careful when we're handling Official Sensitive information.

What makes a good Password?

The Council's password policy states that passwords must include:

- creating a password of at least 8 characters (preferably more characters) including an upper, lower and numeric or special character; and
- not writing your password down or sharing it with anyone; and
- making your password unique and not easily guessed.

A good password should be:

- a combination of upper, and lower case letters, numbers and special characters; and
- not be something that is easily identifiable to you, i.e. your pet's name.

Creating and remembering passwords

- use phrases - you can add a number according to which letter you have used and any punctuation. For example, using the phrase "I wandered lonely as a cloud" could become "!W4nd3r3dlonlelyasacloud";
- use codes - turn certain letters into numbers and insert them into a phrase or word. For example "a" becomes @, e becomes 3;
- shuffling - choose a word and a number of the same length, for example "minion" and 456789. Alternate each character to produce a random, mixed password - "@!*m4i5N6i7o8n9".

Password Security

The important things to remember are that:

- you must never write it down;
- you must never share it with anyone;
- if you think that someone knows your password, change it immediately.

It is your responsibility for anything that is done under your user name and password, regardless of whether or not it was you.

Safe Information Handling Guidance states that:

- when out of the office you must maintain the security of any Council information or devices
  - i.e. locking away and not left unattended;
- use follow-me printers/ MFD when printing to ensure security. Stand by the printer and ensure all pages have been printed and collected;
- take particular care in doing so if the follow-me printer/MFD is in a publicly-accessible location;
- if sending a letter or email, check that the address for the recipient is clearly marked and is correct.
- faxing should generally be avoided as it is insecure;
- fax machines must only be used to transfer personal information where it is absolutely necessary to do so and there is no more secure alternative, e.g. secure email.

Security incident or breach

A security incident or data breach happens when there is an accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed in connection with the provision of a public electronic communications service.

When a security incident/breach happens then this can cause the following:

- loss of trust;
- compensation;
- fines or other sanctions from the Information Commissioner.

When there is a security breach or incident then you must do the following immediately:

- call the police, report the theft and get a crime reference number;
- email data.protection@cambridgeshire.gov.uk and IT Helpdesk (0300 126 7333) and report the incident;
- assist the Data Protection Officer in the investigation.

For further guidance please contact the Information and Records team data.protection@cambridgeshire.gov.uk

Cambridgeshire County Council - Email Policy Appendix D

Author:	Daniel Horrex
Contact point:	Information and Records Team, Business Intelligence Service info.security@cambridgeshire.gov.uk
Policy approval:	
Date created:	November 2017 v2.4
Date of next review:	November 2019

Contents

Part One - Introduction

1. Purpose

To inform employees and Members of their rights and responsibilities with respect to the proper use of the Council's email systems in order to protect both the Council and its employees & Members.

2. Background

The Council mandates the business use of email for all employees and Members. It therefore needs to have a formal policy regarding the appropriate use of email, and needs to inform Members, employees and managers of their rights and responsibilities associated with this use. A formal policy aids the Council in communicating appropriate procedures and in protecting against potential disclosure of sensitive information or litigation arising out of potential violations of responsibility or invasion of privacy.

3. Objective

The Council email policy is intended to allow the Council to derive the benefits of increased efficiency through the use of email, whilst ensuring the protection of information assets, reputation and integrity of the Council and employee rights.

4. Scope

This policy applies to:

- all users of the Council email system regardless of their affiliation (e.g. Council employees, Members, agency workers, contractors, partners, e.g. NHS employees);
- all Council owned or operated email systems;
- all email messages, attachments and associated files.

This policy forms part of the Council's Information Management Policy Framework.

Part Two – Policy

5. Safe Information Handling

The Council is responsible for a wide diversity of information, including information that is in the public domain to highly sensitive personal information whose security needs to be ensured.

To manage information appropriately, staff/Members must identify the level of sensitivity of information and use this as the basis to confirm suitably secure working practices. In general, the more sensitive the information being handled, the more secure the handling and transit mechanisms required.

The Council deals with two types of information:

Official - day to day Council information such as policy documents, emails received by the organisation, processes etc. which do not require special measures to ensure confidentiality beyond standard Council practices.

Official sensitive - highly sensitive information with potential to cause substantial damage or distress to individuals or significant harm in other ways. This needs the most secure management and handling.

Official sensitive information can include personal information relating to individuals e.g. their financial position, details of cases handled by the Council, as well as Special personal information, relating to individuals' racial or ethnic origin, political opinions, religious or other beliefs, trade union membership, health, sexual orientation, commission or alleged commission of offences or criminal proceedings involving them.

6. Use of Cambridgeshire County Council and Personal Email

Council email is more secure than personal email accounts because:

- the Council has control over the emails which it holds;
- Council email is backed up, other personal email accounts typically are not;
- the Council maintains security of the email system and mandates security controls;
- the Council controls access to the accounts whereas personal email access control is reliant on the email provider.

It is therefore the Council's policy that Council email must be used by all staff and Members for Council business unless a personal email security commitment has been agreed with the individual Member.

It is advised that a personal email account should not be used for Council business as it is unsecure and not safe. It is intended that the use for all Council email systems (i.e. @cambridgeshire.gov.uk) is for business related communication. It is advised that the personal use of Cambridgeshire County Council email is permitted in emergency occasions, personal email should be used for personal use. Technical support will not be provided for issues or problems arising from personal use of email.

Council emails must not be forwarded to a personal email account. If emails or the content of emails need to be printed then this should be done via CCC MFD (Multi-Functional Devices) which are located in CCC buildings.

Email systems and all email generated using CCC email systems, including their associated backups, are considered to be an asset owned by the Council and are not the property of any users of the Council email services regardless of whether they are employees of the Council or not.

The key principles are:

- all Members and Council staff to use their @cambridgeshire.gov.uk email address for Council business unless a Member has signed the personal email commitment statement;
- a personal email commitment statement must be signed if a member is auto-forwarding emails from their CCC email address to an alternative non CCC email account;
- all Members and Council staff to use County Council laptops/PCs, devices protected by Council security software i.e. ‘Blackberry’ software or County Council remote access to access CCC email accounts;
- all Members and Council staff to undertake the data protection/information governance awareness e-learning training;
- all staff to contact Members on Council business using their @cambridgeshire.gov.uk address to maintain security where the Member is using a Council email address;
- no Official Sensitive Council information should be sent to Members’ personal email accounts.

If Members decide not to use @cambridgeshire.gov.uk and continue to use an alternative email account then they must accept the increased risks and liability for any security incidents involving their email accounts and sign a personal email security commitment. There are requirements set out in this agreement which mandates a number of measures to ensure that there is a decreased likelihood of their personal email account getting hacked, these include changing their password frequently and choosing a strong password.

7. Monitoring

It is the policy of the Council to monitor email messages for performance of operation, maintenance, auditing, security or investigative purposes. Full co-operation will be given to law enforcement agencies if circumstances prove necessary.

Three types of monitoring may be undertaken:

7.1 Email Filtering

The Council uses an email filtering system to screen incoming and outgoing mail (including attachments) and protect CCC systems from:

- virus attack;
- executable (.exe) files;

- spam;
- denial of service attack;
- email content deemed contrary to County Council policies regarding acceptable mail;
- prohibited file attachments such as MP3/video files that could be subject to copyright protection.

Email may be quarantined and/or deleted without the sender or intended recipient being notified.

Where this filtering system stops legitimate County Council business mail, exceptions may be made.

7.2 Manual Monitoring

Manual monitoring of email messages is not routinely undertaken. However, the Council may monitor email content if there are suspicions of misuse or excessive personal use. Any user who has the content of their mail monitored will be informed before the monitoring takes place, in accordance with the Employment Practices Data Protection Code.

7.3 Monitoring for Internal Investigations

We reserve the right to monitor email accounts in order to conduct internal investigations into allegations that the County Council's Disciplinary Rules, Codes of Conduct or Policies and Guidance have not been complied with.

In order to gain access to employee and Member email accounts, the Investigating Manager must submit a request to the Data Protection Officer explaining why the access is required, and the steps that will be taken to minimise the risk of unnecessary intrusion. Any access to staff email accounts can only be granted by the Data Protection Officer.

7.4 Monitoring of Government Connect Secure Email

Any email sent or received via GCSx* mail may be monitored and/or recorded for any lawful purpose.

* GCSx stands for Government Connect Secure Extranet and is part of the wider Government Connect initiative from central government to securely connect IT networks and share secure transport of emails and confidential data between central government and local authorities.

If no further action is taken as a result of monitoring email use, the data collected as a result of the monitoring will be destroyed immediately. Where further action is taken records will be maintained in accordance with the Council’s disciplinary procedures.

8. Mailbox Storage Limits

Storage space for large, resilient systems is costly to the Council. Therefore, to ensure the efficient running of the Exchange service, all email users must keep their mailboxes within approved limits.

Employees who have a genuine business need for a larger mailbox limit should contact the Business Support Helpdesk to discuss their requirements. Members should contact Democratic Services.

9. Access to Mailboxes

9.1 Employees with Access to Mailboxes

Network administrators and others charged with the administration, maintenance, security or operation of any Council owned system, are responsible for safeguarding employees' email messages. Normally, only the person holding an individual mailbox account has access to that mailbox. However, under certain circumstances, e.g. for support purposes, the selected staff referred to above will be able to access a user's mailbox account.

9.2 Access during Periods of Absence

9.2.1 Auto-response ('Out of Office')
It is the employee's responsibility to ensure that auto-response is switched on for periods of absence. However, line managers may request that the Business Support Helpdesk sets up an auto-response for an employee's mailbox when that employee is unexpectedly absent from work.

9.2.2 Emergency Access to Email
Emergency access to another employee's items of email without his/her express consent may only be granted at the request of that employee's Head of Service or above, who may ask that:

- specific email messages may be extracted and forwarded internally to a named employee if these emails can be identified; and/or

- all unopened and new emails may be auto-forwarded internally to a named employee.

An email will be sent to the absent employee's email account informing them of the action taken.

Once the employee returns to work it is the responsibility of the requesting department to notify the Business Support Helpdesk so that auto-forwarding can be stopped.

9.2.3 Long Term Absence
When an employee is likely to be absent for a prolonged period (e.g. maternity leave) and HR have been notified, the line manager should request that the mail account is disabled and hidden from the mailing list. Once the account has been disabled the mailbox will no longer be accessible by any other member of staff and will not receive incoming mail.

The Business Support Helpdesk will disable the accounts of employees included on the monthly HR list of long-term absentees, without a request from the line manager. Employees will be advised when this process comes into effect.

In some circumstances, e.g. during periods of secondment, the user may give permission to another named employee to access their mail account during their absence. In this case the mailbox will not be disabled. However, the named employee must undertake to manage the mailbox.

10. Mail Accounts for Agency Workers and Fixed Term Employees

Requests for accounts for agency workers are managed by the Agency Worker team. These accounts provide mailboxes which are used by the temporary worker. When the worker leaves, their mailbox is deleted.

Line managers may also arrange for Replaceable Temporary Accounts. These accounts are owned by the line manager and may be transferred to a new, temporary worker/employee complete with the existing mailbox. When the user leaves, the User Admin team should be notified, so that this account can be deleted. Before the account is transferred to a new temporary worker/employee the User Admin team must be informed and provided with the new temporary worker's details.

For audit purposes all temporary mailbox accounts must be named accounts, i.e. contain the user's *First* and *Last* names; e.g. firstname.surname@cambridgeshire.gov.uk.

11. Procedure for Employees Leaving County Council Employment

On notification from HR that an employee has left the employment of the County Council, the Business Support Helpdesk will disable and hide the user's mailbox account. All items contained within the mailbox at the time of disablement will be archived. The mailbox will remain hidden for a period of 30 days after which it will be deleted.

It is the manager's responsibility to ensure that any business related email is extracted before the mailbox is disabled.

12. Email Auto-forwarding

Auto-forwarding is the application of an email handling rule that enables email intended for one mailbox or recipient to be forwarded automatically to other designated recipient mailboxes. Although this may be a convenient means of transferring email data from one mailbox to another, it creates security risks i.e. personal data leaving secure IT networks and being sent to potentially insecure IT networks.

Email auto-forwarding to external accounts (i.e. outside the Council) was disabled on the Microsoft Exchange server on 31 October 2009.

Email auto-forwarding to internal accounts is permitted (e.g. from account1@cambridgeshire.gov.uk to account2@cambridgeshire.gov.uk). This requires the approval of the appropriate Head of Service or above.

Auto-forwarding of email to or from a secure account that may contain strictly confidential information, such as a GCSx mailbox, is not permitted.

13. Confidentiality

Nothing written in an email message can be guaranteed complete privacy. Employees and Members should be aware that email messages that have been sent to others:

- can be potentially forwarded from recipients to other users of the email system;
- can be printed and ultimately read by anyone who sees the printed message;
- can be inadvertently routed to an individual other than the intended recipient (e.g. when the recipient has email delegates); and
- can be potentially accessed by others if PCs/laptops are unattended while log-in is active.

To minimise the risk of unauthorised disclosure of confidential email, all confidential messages should be flagged as such and include 'confidential' in the subject heading.

14. Security of Email Sent Beyond the County Council Environment

There are two options for sending this type of email when sending confidential/Official Sensitive information to another local authority such as Peterborough City Council or another organisation.

There are two options for sending this type of email, either:

- send or receive it between Government Connect mailboxes (GCSx accounts);
- use the Managed File Transfer tool.

Further information about safe information handling can be found in the Information Management Policy Framework or from the Safe email choices guidance.

15. Use of External Email Accounts

As external email services are not guaranteed to be secure, users must not:

- conduct County Council business via any other email service than that authorised by the County Council, unless a personal email security commitment has been agreed with the individual Member and/or
- forward mail from their County Council mailbox to any other email account that they hold.

16. Use of Government Connect Email Accounts

A Government Connect (GC) account allows access to the Government Connect Secure Extranet (GCSx) and enables communication via secure email with other local authorities and government organisations connected to the GCSx.

Restrictions on GC email accounts

There are stringent policy requirements and security restrictions that apply to all users accessing GCSx. Users must not grant other users access to their account under any circumstances or forward GC emails to unsecured accounts or users who are not entitled to view them.

Relationship between GC secure mail and NHS mail

GC and NHS both offer a secure way to send data via email. Local authority staff should use a GC Mail account (.gcsx.gov.uk) to send and receive patient data to and from health sector staff with NHS Mail accounts (.nhs.uk).

Further information about Government Connect can be found on the County Council Intranet.

17. Publication of Email Addresses

To ensure that all email enquiries from the public are responded to promptly, wherever possible generic email addresses that are accessible by several employees should be displayed on the CCC Internet site (www.cambridgeshire.gov.uk) or on other published material.

18. Acceptable Use

Email users are responsible for all email sent from their individual accounts and should be aware of the following:

18.1 Message Content

Email system users must not send or forward mail messages that:

- contain information that could damage an individual, personally or professionally, e.g. defamatory messages; and/or
- are illegal, would be considered offensive, or would bring the Council into disrepute.

18.2 Email Addressing

The sending of email messages to the entire County Council address list is permitted but only with authorisation from the IT Client Team or Communications & Information Service. This method of addressing can lead to overloading of the email system and disrupt the service for all users, so it should be used carefully.

18.3 Emailing members of the Public

When emailing members of the public (e.g. for consultation) emails must be addressed using the 'BCC' field to prevent recipients' email addresses being disclosed unnecessarily. Great care must be taken to ensure that private email addresses are not disclosed to other members of the mail list, as doing so could breach the Data Protection Act and/or General Data Protection Regulations.

18.4 Unauthorised Access to email

Users must not access and/or store email files and messages that they are not authorised to view. Email system users must not forward mail messages and attachments that contain information that the recipient is not authorised to have access to. Users must not post or send anonymous messages, or pose as another user.

19. Retention of Email

Email communication forms part of the Council's recorded information as defined in legislation such as the Freedom of Information Act 2000. Individual communications may also form part of client files, contractual agreements and other official records. Therefore, it is important that these communications are suitable for inclusion in official records and are retrievable.

Retention of some email will be determined by policy and / or statutory requirements. Users should refer to the archiving and retention policies issued by the Information and Records Team or County Council services.

The current email system (Microsoft Outlook) and email archive should not be used for the long term storage of email. The email archive currently holds emails for 12 years before deletion, the Council will move to holding emails in the archive for 6 years to comply with Limitation act 1980. Staff and Members are advised to store outside of the email system/archive any emails which they need to retain as a formal record, e.g. saved in a network shared area.

Part 3 – Policy Application

20. Disciplinary Action

Employees and other users of the email system who wilfully or knowingly violate or otherwise abuse the provisions of this policy may be subject to disciplinary action as determined by current HR policy and Code of Conduct.

21. Contact List

Business Support	
Business Support Helpdesk (as defined in the policy)	0300 126 7333
Information and Records Team	01223 699137 data.protection@cambridgeshire.gov.uk

Agenda Item No:10

TREASURY MANAGEMENT REPORT - QUARTER TWO

To:	**General Purposes Committee**		
Meeting Date:	**28th November 2017**		
From:	**Chief Finance Officer**		
Electoral division(s):	**All**		
Forward Plan ref:	**Not applicable**	*Key decision:*	**No**
Purpose:	**To provide the Second quarterly update and mid-year review on the Treasury Management Strategy 2017-18, approved by Council in February 2017.**		
Recommendation:	**The General Purposes Committee is recommended to:**		

a) Note the Treasury Management Report.

b) Forward to Full Council for approval.

	Officer contact:		*Member contacts:*
Name:	Lewis Chingwaru	Names:	Councillors Count & Hickford
Post:	Group Accountant – Treasury & Tax	Post:	Chair/Vice-Chair
Email:	LChingwaru@northamptonshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01604 367858	Tel:	1223 98

1. BACKGROUND

1.1 Treasury Management is governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code). The Code has been developed to meet the needs of Local Authorities and its recommendations provide a basis to form clear treasury management objectives and to structure and maintain sound treasury management policies and practices.

1.2 The Code was adopted via the Treasury Management Strategy Statement (TMSS), which was approved by Council in February 2017. It requires the Council to produce an annual treasury report and a half yearly report. Alongside these, General Purposes Committee are also provided with quarterly updates on progress against the Strategy.

1.3 This report has been developed in consultation with the Council's external investment manager and treasury advisors, Capita Asset Services (CAS) and provides an update for the second quarter to 30th September 2017.

2. SUMMARY OF KEY HEADLINES

2.1 The main highlights for the quarter are:

- Investment returns received on cash balances, compares favourably to the benchmarks. A return of 0.20% was achieved compared to the 7 day and 3 month London Interbank Bid Rate (LIBID) benchmark (0.11%, 0.16% respectively). See section 6.

- A £350k underspend is currently reported for the second quarter, following initial assessment of the annual minimum revenue provision (MRP) technical adjustments. The first quarter position was a nil variance. However work is still being progressed on capitalisation of interest and 2017-18 MRP calculations. The forecast will be updated at the next reporting stage as new data becomes available. For further information please see Section 9.

3. THE ECONOMIC ENVIRONMENT

3.1 This information has been provided by Capita Asset Services – Treasury Solutions (CAS Treasury Solutions), the Council's treasury management advisors.

3.2 During the quarter ended 30th September 2017, the significant UK headlines of this analysis were:

- The national economy struggled to pick up much pace;
- The labour market tightened further, but underlying wage pressures remained weak;
- Headline inflation picked up further;
- The Monetary Policy Committee (MPC) of the Bank of England took a much more hawkish turn;
- The public finances performed better than expected;
- There is uncertainty around the progress of Brexit negotiations

4. SUMMARY PORTFOLIO POSITION

4.1 A snapshot of the Council's debt and investment position is shown in the table below:

	TMSS Forecast March 2018 (as agreed by Council February 2017)		Actual as at 31 March 2017		Actual as at 30th September 2017		Revised Forecast to March 2018	
	£m	Rate %	£m	Rate %	£m	**Rate %**	**£m**	**Rate %**
Long term borrowing								
PWLB	439.4	4.5	278.6	4.3	278.6	**4.5**	278.60	**4.3**
PWLB (3rd Party Loans)	-		3.9	2.3	3.84	**2.3**	6.64	**2.3**
Market	-		45.0	4.0	45.0	**4.0**	45.00	**4.0**
LOBO	34.5	3.6	19.5	3.6	19.5	**3.3**	19.50	**3.3**
Total long term	**473.9**	**4.3**	**347.0**	**4.3**	**346.9**	**4.3**	**349.74**	**4.3**
Short term borrowing	-	-	92.0	0.4	85.0	**-**	105.00	**-**
Total borrowing	**473.9**	**4.2**	**439.0**	**3.4**	**431.94**	**3.7**	**454.74**	**3.7**
Investments	**7.9**	**0.5**	**40.5**	**0.3**	**22.57**	**0.2**	**10.0**	**0.2**
Total Net Debt / Borrowing	**466.0**	**-**	**398.5**	**-**	**409.37**	**-**	**444.74**	**-**
3rd Party Loans & Share Capital	**-**	**-**	**4.3**	**-**	**4.24**	**-**	**7.04**	**-**

4.2 Net debt at 30th September 2017 (£409.37m) is considerably less than originally set out in the Treasury Management Strategy Statement in February 2017 (£466m). The full year projection shows that net debt as at 31st March (£444.7m) is forecast to be less by £21m compared to the original TMSS estimate of (£466m). The forecast includes 3rd Party loans to Cambridgeshire Housing Investment Company (CHIC) of £2.8m (the first loan amount with further activity of this kind expected in the final quarter).

4.3 Some analysis by our independent treasury advisors has showed that the Council is experiencing weaker than anticipated cash backed reserves and working capital surplus and this will have a negative impact on interest receivable underpinned by investments on money market funds. This is evidenced by increase in the forecast borrowing requirements to £444.7m, in particular on short-term borrowing.

4.4 Further analysis of borrowing and investments is covered in the following two sections.

5. BORROWING

5.1 The Council can take out loans in order to fund spending for its Capital Programme. The amount of new borrowing required each year is determined by capital expenditure plans and projections of the Capital Financing Requirement, forecast reserves and current and projected economic conditions.

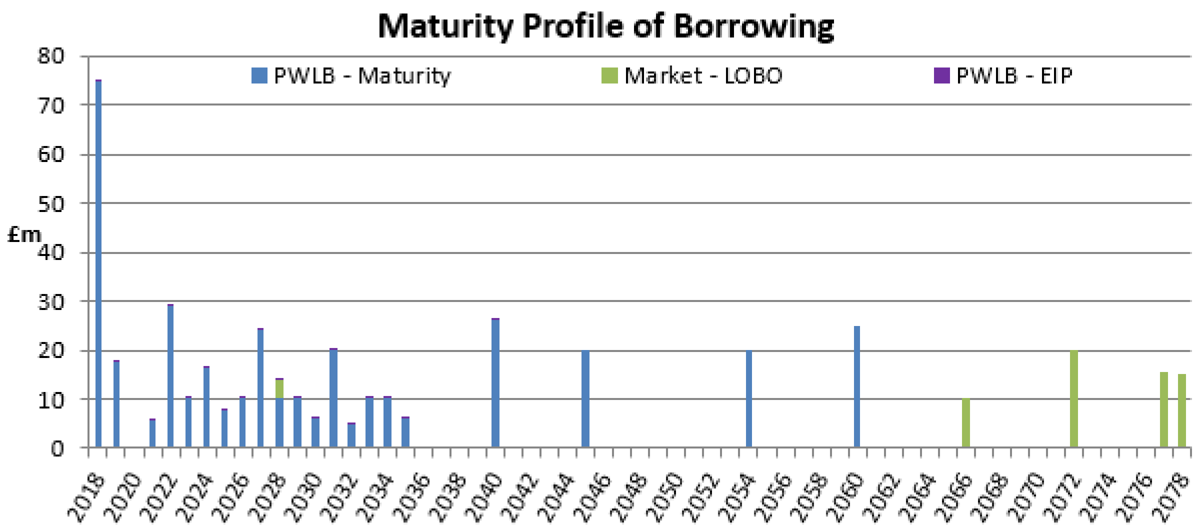
New loans and repayment of loans:

5.2 This section shows details of new long term (>1yr) loans raised and loans repaid during this quarter. No Loans were raised or repaid during the 2nd quarter to 30th September 2017.

Maturity profile of borrowing:

5.3 The following graph shows the maturity profile of the Council's loans. The majority of loans have a fixed interest rate and are long term which limits the Council's exposure to interest rate fluctuations. The weighted average years to maturity of the portfolio (assuming Lender Option Borrower Option (LOBO) Loans run to maturity) is 18.7 years.

5.4 The presentation below differs from that in Treasury Indicator for maturity structure of borrowing in **Appendix 1** paragraph 4, in that the graph below includes LOBO loans at their final maturity rather than their next call date. In the current low interest rate environment the likelihood of the interest rates on these loans being raised and the loans requiring repayment at the break period is extremely low.



Loan restructuring:

5.5 When market conditions are favourable long term loans can be restructured to:

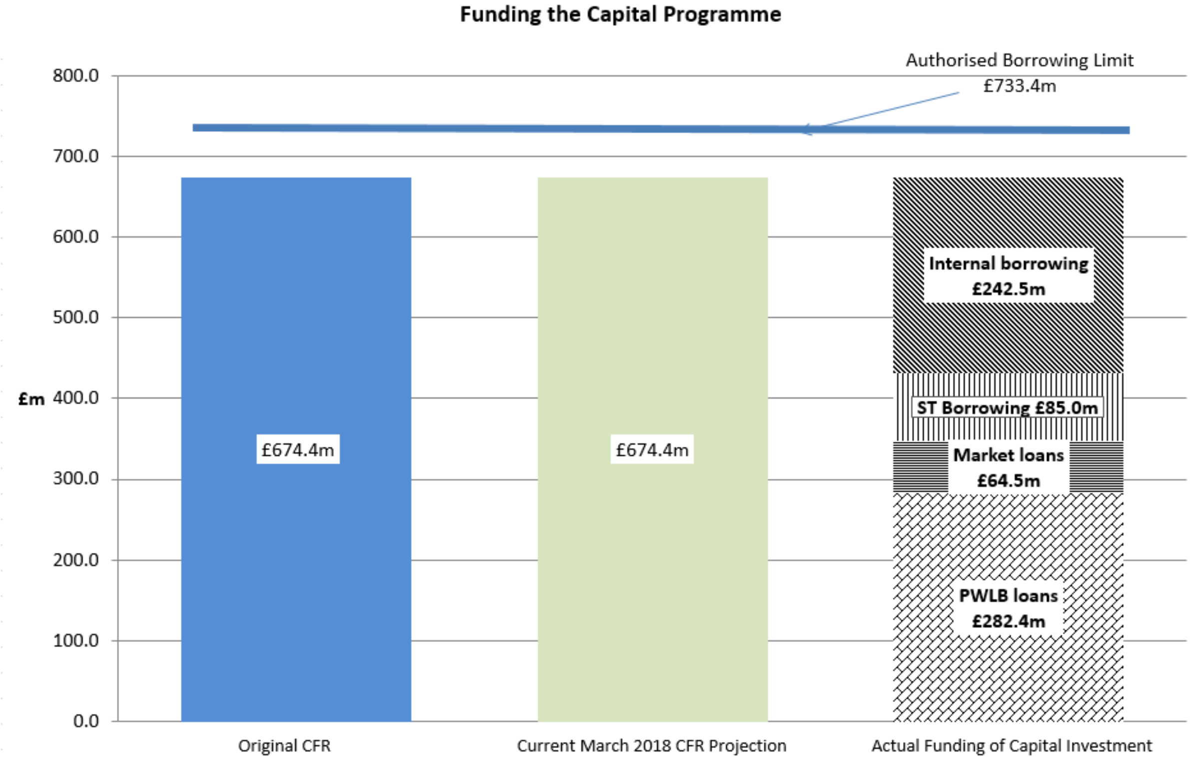
- to generate cash savings
- to reduce the average interest rate
- to enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (volatility is determined by the fixed/variable interest rate mix)

5.6 During the quarter there were no opportunities for the Council to restructure its borrowing due to the position of the Council's borrowing portfolio compared to market conditions. Debt rescheduling will be considered subject to conditions being favourable but it is unlikely that opportunities will present themselves during this year. The position will be kept under review, and when opportunities for savings do arise, debt rescheduling will be undertaken to meet business needs.

Funding the Capital Programme:

5.7 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the next year. It identifies the expected level of borrowing and investment levels. When the 2017-18 TMSS was set, it was anticipated that the Capital Financing Requirement (CFR), the Council's liability for financing the agreed Capital Programme, would be £674.4m. This figure is naturally subject to change as a result of changes to the approved capital programme.

5.8 The Chart below compares the maximum the Council could borrow in 2017-18 with the forecast CFR at 31st March 2018 and the actual position of how this is being financed at 30th September 2017.



5.9 As shown on the chart above, it can be seen that the council's current CFR projection is £59.0m below the statutory Authorised Borrowing Limit set for the Council at the start of the year.

5.10 In addition, the chart shows how the Council is currently funding its borrowing requirement (through internal and external resources). As at 30th September 2017, based on current projections of the Capital Financing Requirement, internal borrowing is expected to be approximately £242.5m. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally.

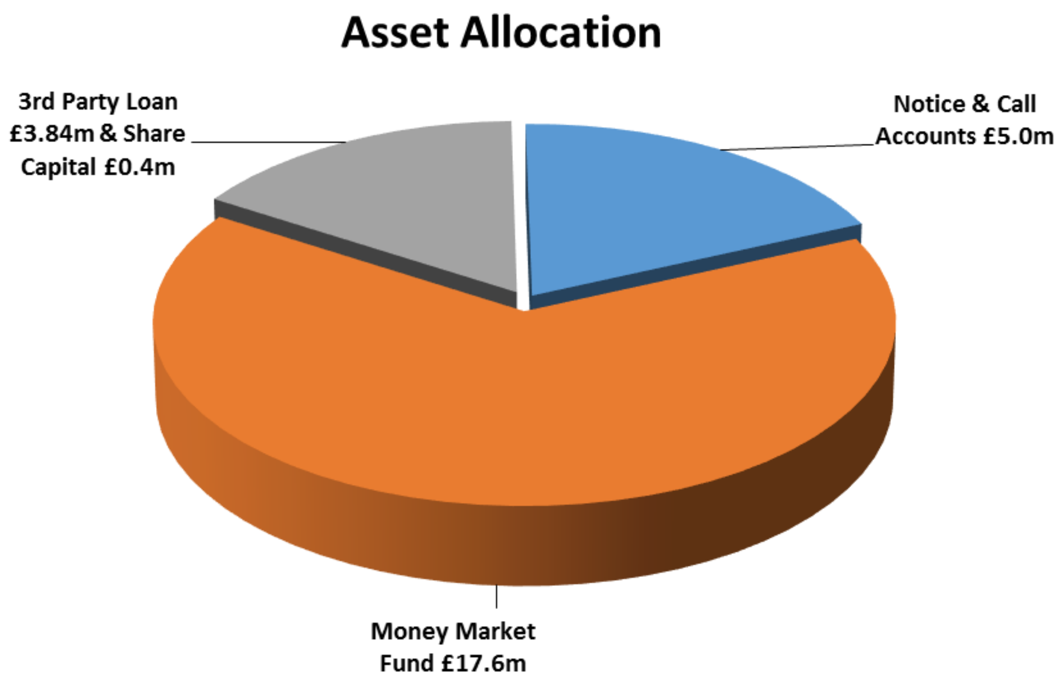
6. INVESTMENTS

6.1 Investment activity is carried out within the Council's counterparty policies and criteria, and with a clear strategy of risk management in line with the Council's treasury strategy for 2017-18. This ensures that the principle of considering security, liquidity and yield, in that order (SLY), is consistently applied. The Council will therefore aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity. Any variations to agreed policies and practices are reported to GPC and Council.

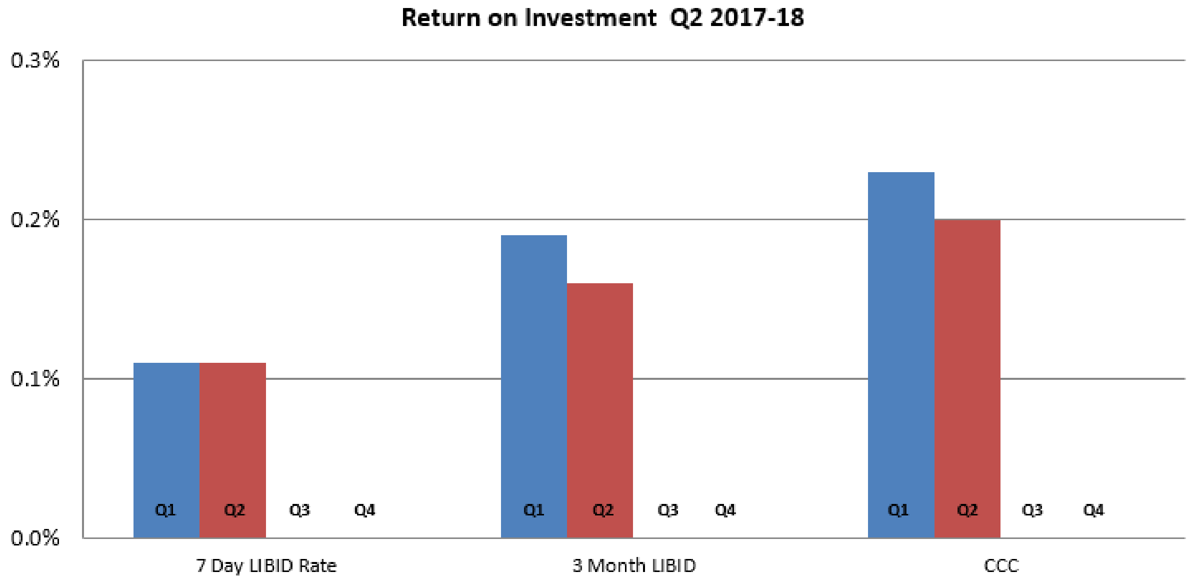
6.2 As described in paragraph 5.10, the strategy currently employed by the Council of internal borrowing also has the affect of limiting the Council's investment exposure to the financial markets, thereby reducing credit risk.

6.3 As at 30th September the level of investment totalled £22.57m, excluding 3rd party loans and share capital which are classed as capital expenditure. The level of cash available for investment is as a result of reserves, balances and working capital the Council holds. These funds can be invested in money market deposits, placed in funds or used to reduce external borrowings.

6.4 A breakdown of investments by asset allocation are shown in the graph below, with detail at **Appendix 3**. The majority of investments are in notice and call accounts and money market funds to meet the liquidity demands of the Council. The weighted average time to maturity of investments at 30th September is 1 day. Where possible deposits are placed for longer durations with appropriate counterparties to obtain enhanced rates of return.



6.5 The graph below compares the returns on investments with the relevant benchmarks for the each quarter this year.



6.6 It can be seen from the graph that investments returned 0.20% during the 2nd quarter which is more than both the 7 day London Interbank Bid Rate (LIBID) (0.11%), 3 month LIBID (0.16%) benchmarks.

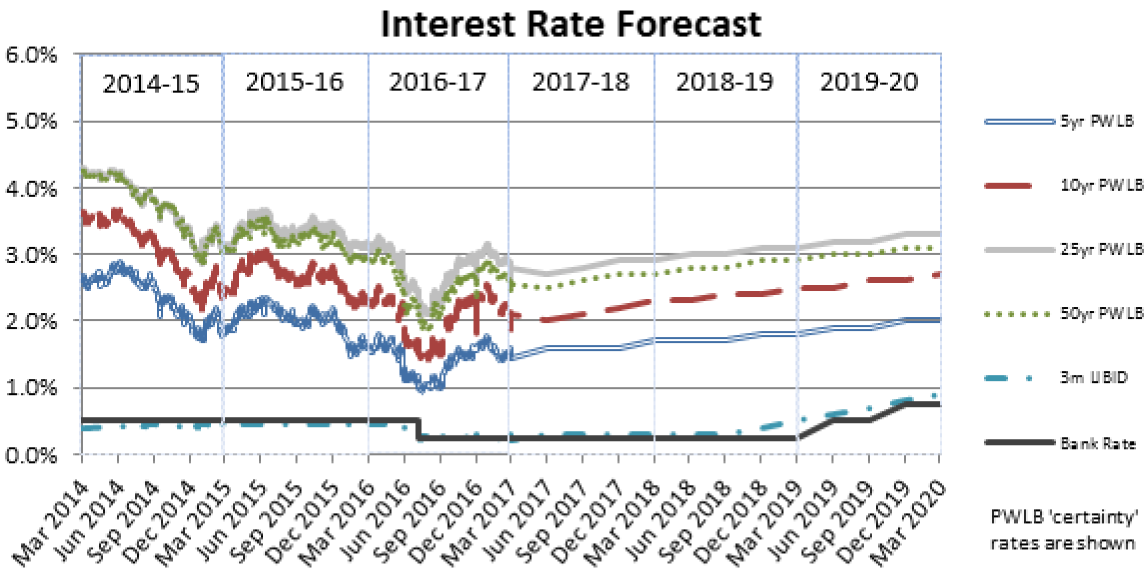
6.7 Using credit ratings, the investment portfolio's historic risk of default stands at 0.0001%. This simply provides a calculation of the possibility of average default against the historical default rates. The Council is also a member of a benchmarking group run by CAS which shows that, for the value of risk undertaken and duration of investments, the returns generated are currently below the Model Band. This is because the Council maintains low cash balances compared to the size of its balance sheet, and a high proportion of these balances are held in a low interest bearing instant access account with Barclays, to meet business needs.

6.8 Leaving market conditions to one side, the Council's return on investment is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument. Credit risk is a measure of the likelihood of default and is controlled through the creditworthiness policy approved by Council. The duration of an investment introduces liquidity risk; the risk that funds cannot be accessed when required, and interest rate risk; the risk that arises from fluctuating market interest rates. These factors and associated risks are actively managed by the LGSS Treasury team together with the Council's Treasury Advisors (CAS).

7. OUTLOOK

7.1 The current interest rate forecast is shown in the graph below. The performance of the economy over the coming months will be critical for any further monetary policy easing or tightening. The central forecast now is for increases in Bank Rate to commence in quarter ending June 2019, but these will very much depend on how strongly and how soon the economy makes a gradual recovery, and so start a process of very gradual increases in Bank Rate over a prolonged period.

7.2 Geopolitical events, sovereign debt crisis developments and slowing emerging market economies make forecasting Public Works Loan Board (PWLB) rates highly unpredictable in the shorter term. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is expected to remain unchanged. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.



7.3 From a strategic perspective, the Council is continually 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. Cash flows in the last couple of years have been sufficiently robust for the Council to use its balance sheet strength to limit the amount of new long term borrowing undertaken.

8. THIRD PARTY LOANS

8.1 A loan to Arthur Rank Hospice Charity of £4m was approved in 2015-16 and advanced in the form of a secured loan in June 2016 to enable the charity to build a 24 bedded hospice.

8.2 Interest and principal repayments for this loan have been made accordance with the loan agreements.

9. DEBT FINANCING BUDGET

9.1 Overall a £350k underspend is currently forecasted and reported for Debt Charges. The forecast will be updated at the next reporting stage as new data becomes available from the work in on technical adjustments on capitalisation of interest and the finalisation of 2017-18 MRP calculation.

9.2 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.

10. MUNICIPAL BONDS AGENCY

10.1 This authority approved entry into the Framework Agreement, which allows the Council to borrow through the Municipal Bonds Agency (MBA) at lower rates than from the Public Works Loan Board. It is not anticipated that any borrowing will be raised in this way during the course of the year. Currently four councils (including Westminster Council & Cambridgeshire County Council) have been approved for the first tranche of the bonds issuance. Delay is due to agreeing the sign off and dating of the Joint and Several Framework Agreement by the first four councils. The indications are this might happen soon with the bonds issuance to follow.

11. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

11.1 With effect from 1st April 2004 The Prudential Code became statute as part of the Local Government Act 2003 and was revised in 2011.

11.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the Council are **affordable, prudent and sustainable**. To ensure compliance with this the Council is required to set and monitor a number of Prudential Indicators.

11.3 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (TMSS) and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in **Appendix 1.**

12. ALIGNMENT WITH CORPORATE PRIORITIES

12.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

12.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

12.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

13. SIGNIFICANT IMPLICATIONS

13.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Section 9 shows the impact of treasury decisions impacting the Debt Charges Budget, which are driven by the capital programme and the Council's overall financial position.

13.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications in this category.

13.3 Statutory, Legal and Risk Implications

The Council continues to operate within the statutory requirements for borrowing and investments. Further details can be found within the Prudential Indicators in **Appendix 1**.

13.4 Equality and Diversity Implications

There are no significant implications in this category.

13.5 Engagement and Communications Implications

There are no significant implications in this category.

13.6 Localism and Local Member Involvement

There are no significant implications in this category

13.7 Public Health Implications

There are no significant implications in 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 the LGSS Head of Procurement?	Not applicable
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable
Have any engagement and communication implications been cleared by Communications?	Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable
Have any Public Health implications been cleared by Public Health	Not applicable

Source Documents	Location
None	N/A

Appendix 1

Prudential and Treasury Indicators at 30th September 2017

Monitoring of Prudential and Treasury Indicators: approved by Council in February 2017.

1. **Has the Council adopted CIPFA Code of Practice for Treasury Management in the Public Services?**

   The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. This is a key element of the Treasury Strategy 2017-18 which was approved by Council in February 2017.

2. **Limits for exposure to fixed and variable rate net borrowing (Borrowing less investments)**

	Limits	**Actual**
Fixed rate	150%	79.99%
Variable rate	65%	20.01%
Total		100%

The Interest rate exposure is calculated as a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or negative depending upon the component parts of the formula. The formula is shown below:

<u>Total Fixed (or Variable) rate exposure</u>
Total borrowing – total investments

Fixed Rate calculation:

<u>(Fixed rate borrowing £327.44m - Fixed rate investments £0m*)</u> = 79.99%*
Total borrowing £431.94m - Total investments £22.572m

*Defined as greater than 1 year to run

Variable Rate calculation:

*<u>(Variable rate borrowing £104.5m** - Variable rate investments £22.572m**)</u> = 20.01%*
Total borrowing £431.94m - Total investments £22.572m

** Defined as less than 1 year to run or in the case of LOBO borrowing the call date falling within the next 12 months.

3. **Total principal sums invested for periods longer than 364 days**

	2017-18 Limit £m	Actual £m
Investment longer than 364 days to run	0.0	0.0

Notes: This indicator is calculated by adding together all investments that have greater than 364 days to run to maturity at the reporting date.

4. **Limits for maturity structure of borrowing**

	Upper Limit	Actual
under 12 months	80%	24%
12 months and within 24 months	50%	2%
24 months and within 5 years	50%	10%
5 years and within 10 years	50%	16%
10 years and above	100%	48%

Note: The guidance for this indicator requires that LOBO loans are shown as maturing at the next possible call date rather than at final maturity.

Affordability

5. **Ratio of financing costs to net revenue stream**

2017-18 Original Estimate %	2017-18 Revised Estimate %	Difference %
7.7	6.32	-1.38

6. **Estimated incremental impact of capital investment decisions on band D council tax**

2017-18 Original Estimate £	2017-18 Revised Estimate £	Difference £
11.38	11.75	0.37

Prudence:

7. **Gross borrowing and the Capital Financing Requirement (estimated borrowing liability excluding PFI)**

Original 2017-18 Capital Financing Requirement (CFR) £m	2017-18 CFR (based on latest capital information) £m	Actual Gross Borrowing £m	Difference between actual borrowing and original CFR £m	Difference between actual borrowing and latest CFR £m
674.4	674.4	346.9	327.5	327.5

Capital Expenditure

8. **Estimates of capital expenditure**

For details of capital expenditure and funding please refer to the monthly capital report.

External Debt

9. **Authorised limit for external debt**

2017-18 Authorised Limit £m	Actual Borrowing £m	Headroom £m
733.4	346.9	386.5

The Authorised limit is the statutory limit on the Council's level of debt and must not be breached. This is the absolute maximum amount of debt the Council may have in the year.

10. **Operational boundary for external debt**

2017-18 Operational Boundary £m	Actual Borrowing £m	Headroom £m
703.4	346.9	356.5

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised limit and must be monitored carefully.

Appendix 2

Investment Portfolio as at 30th September 2017

Class	Type	Deal Ref	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Share Capital	Share Capital	CCC/59	25/09/2014	25/09/2024	The UK Municipal Bonds Agency	-	-	400,000.00
3rd Party Loan	Fixed	CCC/88	16/06/2016	16/06/1941	Arthur Rank Hospice Charity	EIP	3.3400%	3,840,000.00
3rd Party Loans & Share Capital Total							**3.3400%**	**4,320,000.00**
Deposit	Call	CCC/CE/6	01/12/2014		Barclays Bank plc	Maturity	0.1500%	5,000,000.00
Call Total							**0.1500%**	**5,000,000.00**
Deposit	MMF	CCC/ST/3	31/03/2014		SLI Sterling Liquidity/CI 2	Maturity	0.2027%	17,572,000.00
MMF Total							**0.2027%**	**17,572,000.00**
Deposit Total							**0.6392%**	**26,812,000.00**
Grand Total								**26,812,000.00**

GENERAL PURPOSES COMMITTEE AGENDA PLAN	Published on 1st November 2017 As at 17th November 2017	Cambridgeshire County Council

Notes **Agenda Item No.11**

Committee dates shown in bold are confirmed.
Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.
* indicates items expected to be recommended for determination by full Council.
\+ indicates items expected to be confidential, which would exclude the press and public. Additional information about confidential items is given at the foot of this document.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
28/11/17	1. Minutes – 24/10/17	M Rowe	Not applicable	15/11/17	17/11/17
	2. Integrated Resources and Performance Report (September)	R Barnes	2017/024		
	3. Resources and Performance Report (September) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	4. Treasury Management Report – Quarter 2*	L Chingwaru	Not applicable		
	5. Second Review of Draft 2018-19 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Transformation Fund - 2018/19 Business Planning - Monitoring of Transformation Fund 2017/18	J Wilson	2017/056		
	7. E-Mail Policy	S Grace	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	8. ERP Gold	C Malyon	Not applicable		
19/12/17	1. Minutes – 28/11/17	M Rowe	Not applicable	06/12/17	08/12/17
	2. Integrated Resources and Performance Report (October)	R Barnes	2017/025		
	3. Resources and Performance Report (October) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2018-19 to 2022-2023 (whole Council)	C Malyon	Not applicable		
09/01/18	1. Minutes – 19/12/17	M Rowe	Not applicable	21/12/17	29/12/17
	2. Integrated Resources and Performance Report (November)	R Barnes	2018/001		
	3. Resources and Performance Report (November) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Overview of Business Planning Proposals	C Malyon	Not applicable		
	6. Workforce Strategy*	L Fulcher	Not applicable		
23/01/18	1. Minutes – 09/01/18	M Rowe	Not applicable	10/01/18	12/01/18
	2. Transformation Strategy/Strategic Framework	C Malyon	Not applicable		
	3. Capital Receipts Strategy	C Malyon	Not applicable		
	4. Treasury Management Strategy	C Malyon	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	5. Business Plan*	C Malyon	Not applicable		
	6. Consultation Report	S Grace	Not applicable		
[27/02/18] Provisional Meeting				14/02/18	16/02/18
27/03/18	1. Minutes – 23/01/18	M Rowe	Not applicable	14/03/18	16/03/18
	2. Treasury Management Report – Quarter 3	L Chingwaru	Not applicable		
	3. Integrated Resources and Performance Report (January)	R Barnes	2018/002		
	4. Resources and Performance Report (January) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 3 2017-18	J Wilson	Not applicable		
[24/04/18] Provisional Meeting				11/04/18	13/04/18
29/05/18	1. Minutes – 27/03/18	M Rowe	Not applicable	16/05/18	18/05/18
	2. Integrated Resources and Performance Report (March)	R Barnes	2018/003		
	3. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	L Chingwaru	Not applicable		
[26/06/18] Provisional Meeting					

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
24/07/18	1. Minutes – 29/05/18	R Barnes			
	2. Resources and Performance Report (May) – Corporate and Customer Services and LGSS Managed		Not applicable		
	3. Integrated Resources and Performance Report - May 2017	R Barnes	2018/012		
[21/08/18] Provisional Meeting					
20/09/18	1. Minutes – 24/07/18				
	2. Resources and Performance Report (July) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report – July 2017	R Barnes	2018/015		
	4. Treasury Management Report – Quarter 1	L Chingwaru	Not applicable		
	5. Medium Term Financial Strategy	C Malyon	Not applicable		
	6. Capital Strategy	C Malyon	Not applicable		
	7. Strategic Framework	C Malyon	Not applicable		
	8. Investigation into alternative office software	S Smith	Not applicable		
	9. Transformation Fund Monitoring Report Quarter 1 2018-19	J Wilson	Not applicable		
23/10/18	1. Minutes – 20/09/18				
	2. Resources and Performance Report (August) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - August 2017	R Barnes	2018/013		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	4. Service Committee Review of Draft Revenue Business Planning Proposals for 2019/20 to 2023/2024	C Malyon	Not applicable		
	5. Draft 2019/20 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
27/11/18	1. Minutes – 23/10/18				
	2. Resources and Performance Report (September) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - September 2017	R Barnes	2018/014		
	4. Treasury Management Report – Quarter 2*	L Chingwaru	Not applicable		
	5. Second Review of Draft 2019-20 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Business Planning 2019-20 to 2023-24 – update	C Malyon	Not applicable		
	7. Transformation Fund Monitoring Report Quarter 2 2018-19	J Wilson	Not applicable		
18/12/18	1. Minutes – 27/11/18				
	2. Resources and Performance Report (October) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - October 2017	R Barnes	2018/016		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2019-20 to 2023-2024 (whole Council)	C Malyon	Not applicable		
08/01/19	1. Minutes – 18/12/18				

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	2. Resources and Performance Report (November) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - November 2017	R Barnes	2019/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Overview of Business Planning Proposals	C Malyon	Not applicable		
22/01/19	1. Minutes – 08/01/19				
	2. Capital Receipts Strategy	C Malyon	Not applicable		
	3. Treasury Management Strategy	C Malyon	Not applicable		
	4. Business Plan*	C Malyon	Not applicable		
	5. Consultation Report	S Grace	Not applicable		
[26/02/19] Provisional Meeting					
26/03/19	1. Minutes – 22/01/19				
	2. Resources and Performance Report (January) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (January)	R Barnes	2019/002		
	4. Treasury Management Report – Quarter 3	L Chingwaru	Not applicable		
[30/04/19] Provisional Meeting					

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
28/05/19	1. Minutes – 26/03/19				
	2. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (March)	R Barnes	2019/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	L Chingwaru	Not applicable		

GENERAL PURPOSES COMMITTEE TRAINING PLAN

The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
1.	Emergency planning	The Council's roles and responsibilities, how do we respond in an emergency		25th July 2017	Stuart Thomas / Sue Grace		GPC	Bailey Bates Bywater Count Criswell Dupre Hickford Hudson Jenkins Nethsingha Schumann Shuter	80%
2.	Business Intelligence	Data / system integration Date sharing with other authorities. The importance of good governance and information management. *(pre reading material required)*		28th November 2017	Tom Barden/ Sue Grace		GPC		