

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING  
31<sup>ST</sup> MARCH 2017**

**To:** Audit & Accounts Committee

**Date:** 30<sup>th</sup> May 2017

**From:** Chief Finance Officer

**Electoral  
division(s):** All

**Forward Plan ref:** N/A **Key decision:** N/A

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

**Recommendations:** The Committee is asked to note the following recommendations to General Purposes Committee that will be included within the Outturn 2016/17 Integrated Resources and Performance Report, which is due to go to GPC on 13<sup>th</sup> June 2017:

- a) Note the increase of £1,675k to the Prudential Borrowing requirement in 2016/17 to fund the purchase of Vantage House, as approved by Assets & Investments committee; see section 6.7.
- b) Approve that additional funding of £431,037 received through the Education Services Grant be taken to the General Fund; see section 7.1.
- c) Approve that £453,207 of income received through the business rates retention scheme pilot be taken to the General Fund; see section 7.1.

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## 1. PURPOSE

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

## 2. OVERVIEW

- 2.1 The following table provides a snapshot of the Authority's forecast performance at year-end by value, RAG (Red, Amber, Green) status and direction of travel (DoT).

Area	Measure	Forecast Year End Position (February)	Forecast Year End Position (March)	Current Status	DoT (up is improving)
Revenue Budget	Variance (£m)	+£2.0m	+£1.2m	Amber	↑
Basket Key Performance Indicators	Number at target (%)	56% (9 of 16) <sup>1</sup>	56% (9 of 16) <sup>1</sup>	Amber	↔
Capital Programme	Variance (£m)	£0.0m	-£2.9m	Green	↑
Balance Sheet Health	Net borrowing activity (£m)	£416m	£399m	Green	↑

<sup>1</sup> The number of performance indicators on target reflects the current position.

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

- The overall revenue budget position is showing a forecast year-end overspend of +£1.2m, a net decrease of -£0.8m on the overspend reported last month. The main movements have been in Children, Families and Adults (CFA), which is reporting a £1m increase in its net overspend; Assets & Investments (A&I) and Corporate Services Financing are reporting -£0.7m and -£0.4m movements in their forecasts respectively. See section 3 for details. Financing items is also reporting a £0.5m increase in grant income; see section 7 for details.
- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2016/17. There are 18 indicators in the Council's new basket, with data currently being available for 16 of these. Of these 16 indicators, 9 are on target. All four of the indicators rated Amber are still within 3% of their target values, but the general direction of travel is downwards. See section 5 for details.
- The Capital Programme is forecasting a -£2.9m underspend at year end. CFA, Assets & Investments (A&I) and LGSS Managed have now utilised their full capital programme variations allocations and are reporting further slippage beyond these allocations. See section 6 for details.

- Balance Sheet Health; the original forecast net borrowing position for 31<sup>st</sup> March 2017, as set out in the Treasury Management Strategy Statement (TMSS) is £479m. This projection has now fallen to £399m, down £17m since last month. See section 7 for details.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

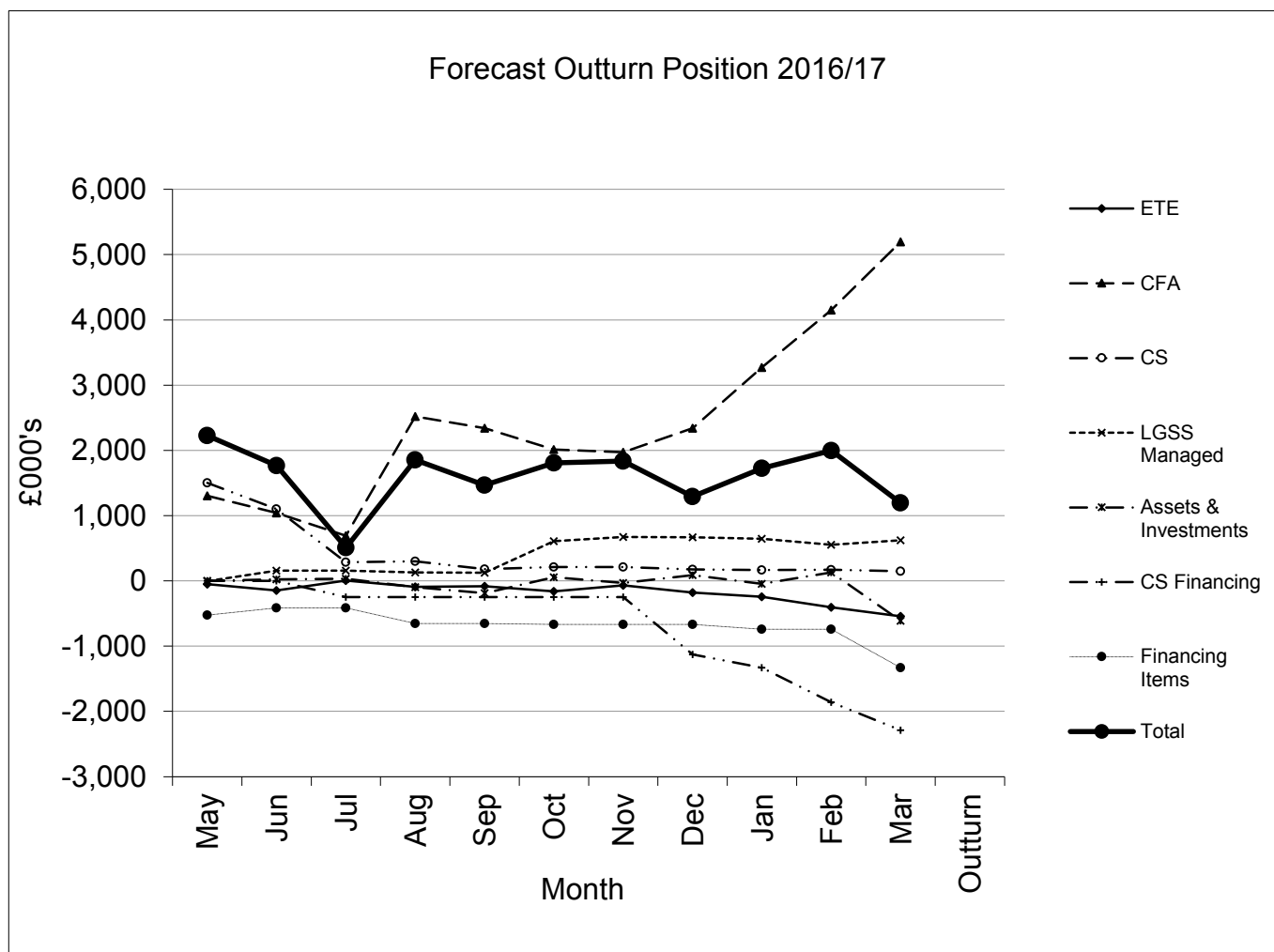
ETE	– Economy, Transport and Environment
CFA	– Children, Families and Adults
CS Financing	– Corporate Services Financing
DoT	– Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per Business Plan £000	Service	Current Budget for 2016/17 £000	Forecast Variance - Outturn (Feb) £000	Forecast Variance - Outturn (Mar) £000	Forecast Variance - Outturn (Mar) %	Overall Status	DoT
59,952	ETE	62,630	-407	-543	-0.9%	Green	↑
242,563	CFA	242,146	4,151	5,197	2.1%	Red	↓
182	Public Health	182	0	0	0.0%	Green	↔
4,674	Corporate Services	5,801	170	148	2.6%	Amber	↑
6,006	LGSS Managed	3,941	555	624	15.8%	Amber	↓
2,714	Assets & Investments	4,229	130	-611	-14.4%	Green	↑
34,206	CS Financing	34,206	-1,861	-2,290	-6.7%	Green	↑
<b>350,297</b>	<b>Service Net Spending</b>	<b>353,135</b>	<b>2,738</b>	<b>2,525</b>	<b>0.7%</b>	<b>Amber</b>	<b>↑</b>
4,677	Financing Items	2,469	-739	-1,328	-53.8%	Green	↑
<b>354,974</b>	<b>Total Net Spending</b>	<b>355,604</b>	<b>1,999</b>	<b>1,197</b>	<b>0.3%</b>	<b>Amber</b>	<b>↑</b>
	<b>Memorandum items:</b>						
9,589	LGSS Operational	8,198	-123	-134	-1.6%	Green	↑
222,808	Schools	222,808					
<b>587,371</b>	<b>Total Spending 2016/17</b>	<b>586,610</b>					

<sup>1</sup> 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.

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

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** -£0.543m (-0.9%) underspend is forecast at year-end.

- |  | £m     | %      |
|--|--------|--------|
| <ul style="list-style-type: none"> <li><b>Concessionary Fares</b> – an underspend of -£621k is forecast for year-end, an increase of £321k on the underspend previously reported in June. The concessionary fares paid to bus operators have been lower than anticipated in the budget, which is due to a lower number of journeys. This follows a national trend, but the decrease in Cambridgeshire has been more pronounced than the 1.5% national average. It's possible that the decrease in spend is linked to the eligibility age for a bus pass rising.</li> </ul> | -0.621 | (-11%) |
| <ul style="list-style-type: none"> <li><b>Local Infrastructure &amp; Streets</b> – an overspend of +£273k is forecast for year-end due to forecast underspends within ETE being used to fund one-off reactive maintenance works.</li> </ul>  | +0.273 | (+8%)  |
| <ul style="list-style-type: none"> <li>For full and previously reported details see the <a href="#">ETE Finance &amp; Performance Report</a>.</li> </ul>   |        |        |

3.2.2 **Children, Families and Adults: +£5.197m (+2.1%) overspend is forecast at year-end.**

	£m	%
<ul style="list-style-type: none"> <li> <b>Learning Disability Services</b> – an overspend of £2.3m is forecast for year-end, which is an increase of £0.9m on the position previously reported (in November). This is mainly the result of increases in need for existing service users, the need to move placements to residential accommodation and fund inpatient provision. As commitments are finalised at the end of year, some back-dated cost pressures have been recognised within the forecast. </li> </ul>	+2.315	(+4%)
<ul style="list-style-type: none"> <li> <b>Strategic Management (Older People &amp; Mental Health)</b> – an underspend of -£934k is forecast for year-end, which is an increase of £567k on the underspend previously reported (in December). This is due to vacancy savings and reflects continuing difficulties throughout the year in recruiting to posts across the directorate. </li> </ul>	-0.934	(-35%)
<ul style="list-style-type: none"> <li> <b>Adult Social Care Strategy and Transformation</b> – an underspend of -£254k is forecast for year-end, which is mainly due to an underspend on contracts, particularly those for Housing Related Support. Efficiencies have been made by rationalising contracts in 2016/17, and it is now clear that the new arrangements are sustainable. </li> </ul>	-0.254	(-7%)
<ul style="list-style-type: none"> <li> <b>Strategic Management (Children's Social Care)</b> – an overspend of £1.1m is forecast for year end, which is an increase of £0.6m on the overspend previously reported (in May). This is largely the result of the service not fully meeting its in-year savings target for vacancy savings. Due to service need posts have been required to be filled as quickly as possible, with essential posts covered by agency staff where necessary. </li> </ul>	+1.062	(+10%)
<ul style="list-style-type: none"> <li> <b>Special Educational Needs (SEN) Placements</b> – an overspend of £916k is forecast for year-end, which is an increase of £416k on the overspend previously reported (in October). Overall this budget has seen an increase in pressure from a rise in the number of children and young people who are looked after children, have an Education, Health and Care Plan and have been placed in a 52 week placement. </li> </ul>		
<p>Additionally, an allowance of £216k for potential part payment of health invoices for SEN placements in 2016/17 has been added to the forecast outturn. Discussions with health are ongoing and full payment will be secured where possible.</p>	+0.916	(+8%)

This budget is funded from the High Needs Block element of the Dedicated Schools Grant (DSG), as such it will be met from DSG carry-forward to be applied at year end.

- Home to School Transport (Special)** – an underspend of -£260k is forecast for year-end. This is as a result of savings on the retendering of contracts under the Council’s Dynamic Purchasing System and also a result of fewer mid-year route additions than originally budgeted due to an overall reduction in the number of children and young people receiving transport from 1,121 last year to 1,010 at present.
 

-0.260	(-2%)
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  - For full and previously reported details see the [CFA Finance & Performance Report](#).
- 3.2.3 **Public Health:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [PH Finance & Performance Report](#).
- 3.2.4 **Corporate Services:** +£0.148m (+2.6%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.5 **LGSS Managed:** +£0.624m (+15.8%) overspend is forecast at year-end.
- |  |           |          |  |  |
|--|-----------|----------|--|--|
|  | <b>£m</b> | <b>%</b> |  |  |
| <ul style="list-style-type: none"> <li> <b>IT Managed</b> – an overspend of +£263k is forecast for year-end. Approximately £100k of the overspend relates to wireless area network upgrades in libraries and community hubs, with another £100k due to necessary expenditure on IT asset replacement. The remainder of the overspend is in relation to the revenue costs of new tablets.               <table> <tr> <td>+0.263</td> <td>(+14%)</td> </tr> </table> </li> <li>For full and previously reported details see the <a href="#">CS &amp; LGSS Finance &amp; Performance Report</a>.</li> </ul> | +0.263    | (+14%)   |  |  |
| +0.263   | (+14%)    |          |  |  |
- 3.2.6 **CS Financing:** -£2.290m (-6.7%) underspend is currently forecast for Debt Charges, which is a favourable movement of -£0.429m on the position reported last month. This reflects £103k unbudgeted income that is due in respect of repayment of interest on deferred S106 payments for the Northstowe development, and unbudgeted interest on Mobilising Local Energy Initiatives (MLEI) loans advanced during the year. For full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.7 **LGSS Operational:** -£0.134m (-1.6%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 3.2.8 **Assets & Investments:** -£0.611m (-14.4%) underspend is forecast at year-end.
- |  |           |          |  |  |
|--|-----------|----------|--|--|
|  | <b>£m</b> | <b>%</b> |  |  |
| <ul style="list-style-type: none"> <li> <b>County Offices</b> – an underspend of -£836k is forecast for year end, which is due to several factors, the main ones being the following:               <table> <tr> <td>-0.836</td> <td>(-17%)</td> </tr> </table> <ul style="list-style-type: none"> <li>A rates rebate of £382k has been achieved for the Shire Hall</li> </ul> </li> </ul> | -0.836    | (-17%)   |  |  |
| -0.836   | (-17%)    |          |  |  |

site following the leasing of Castle Court.

- £200k rates accruals for 2015/16, which were based on an assessment of the potential liability for backdated bills have not been required.
- £236k additional income has been received from the lease of Castle Court to Study Inn, as the lease started 4 months earlier than was anticipated when the budget was set.
- For full and previously reported details see the [A&I Finance & Performance Report](#).

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

#### **4. KEY ACTIVITY DATA**

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

## 5. PERFORMANCE TARGETS

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

Corporate priority	Indicator	Service	What is good? High (good) or low	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
Developing our economy	Percentage of Cambridgeshire residents aged 16 - 64 in employment: 12-month rolling average	ETE	High	At-30-Sept-2016	%	78.1%	80.9% to 81.5%	Amber	↓
	Additional jobs created	ETE	High	To 30-Sep-2015	Number	+6,300 (provisional)	+ 3,500 (2015/16 target)	Green	↓
	'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others <sup>1</sup>	ETE	Low	At-31-Aug-2016	%	Gap of 6.1 percentage points Most deprived areas (Top 10%) = 11.0% Others = 4.9%	Gap of <=6.5 percentage points Most deprived areas (Top 10%) <=11.5%	Green	↔
	The proportion of children in year 12 taking up a place in learning	CFA (Enhanced & Preventative – E&P)	High	February 2017	%	95.0%	96.5%	Amber	↔
	Percentage of 16-18 year olds not in education, employment or training (NEET) <sup>2</sup>	CFA	Low	February 2017	%	3.8%	3.8%	Green	↔
	The proportion of pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted	CFA (Learning)	High	February 2017	%	82.9%	82.0%	Green	↑



Corporate priority	Indicator	Service	What is good? High (good) or low	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
	The proportion of pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted	CFA (Learning)	High	February 2017	%	77.1%	75.0%	Green	↔
	The proportion of pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted	CFA (Learning)	High	February 2017	%	100%	100%	Green	↔
	The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase	CFA	High	February 2017	%	56.1%	57%	Amber	↓
	Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)	CFA	Low	January 2017	Number	600	429 per month (4874.5 per year)	Red	↓
	Number of ASC attributable bed-day delays per 100,000 population (aged 18+)	CFA	Low	January 2017	Number	154	114	Red	↓
	Healthy life expectancy at birth (males)	Public Health	High	2012 – 2014	Years	66.1	N/A – contextual indicator	Green (compared with England)	↓ (compared with previous year)
	Healthy life expectancy at birth (females)	Public Health	High	2012 – 2014	Years	67.6	N/A – contextual indicator	Green (compared with England)	↑ (compared with previous year)

Corporate priority	Indicator	Service	What is good? High (good) or low	Date	Unit	Actual	Target	Status (Green, Amber or Red)	Direction of travel (up is good, down is bad)
	Absolute gap in life expectancy between the most deprived 20% of Cambridgeshire's population and the least deprived 80% (all persons)	Public Health	Low	2013-2015 (Q4 2015)	Years	2.6	N/A – contextual indicator	N/A – contextual indicator	↔
Supporting and protecting vulnerable people	The number of looked after children per 10,000 children	CFA (Children's Social Care)	Low	February 2017	Rate per 10,000	50.5	40	Red	↓
	No/ % of families who have not required statutory services within six months of have a Think Family involvement.	CFA (Enhanced & Preventative)	TBC	Following the recommendations from the Think Family evaluation report and the implementation of the Children's Change Programme, the Family CAF is being replaced with a new Early Help Assessment from December 2016. In addition, the Corporate Capacity Review has led to the development of the Business Intelligence and Transformation Teams, both of which are supporting the Council in reviewing how performance is monitored / measured. Considering these changes it is not currently possible or helpful to report on the current CAF / Think Family measure as this will be redefined.					
An efficient and effective organisation	The percentage of all transformed transaction types to be completed online	Customer Service & Transformation	High	1 January – 31 March 2017	%	75.2%.	75%	Green	↑
	The average number of days lost to sickness per full-time equivalent staff member	LGSS HR	Low	March 2017	Days (12 month rolling average)	7.89	7.80	Amber	↓

## Notes

1. 'Out of work' benefits claimants - narrowing the gap between the most deprived areas (top 10%) and others – the target of ≤12% is for the most deprived areas (top 10%). At 6.4 percentage points the gap is the same as last quarter, but is narrower than the baseline (in May 2014) of 7.2 percentage points.
2. From Sept 2016 - This indicator has changed from 16-19 to 16-18 and now includes unknowns, and therefore isn't comparable to previous years. Though performance remains within target, there is a high number of young people whose situation is currently unknown. Analysis of information about these young people gathered during the autumn term will give a clearer idea of our actual performance.

5.2 Key exceptions: there are no exceptions to report this month; for full and previously reported details go to the respective Service Finance & Performance Report:

- [ETE Finance & Performance Report](#)
- [CFA Finance & Performance Report](#)
- [PH Finance & Performance Report](#)
- [CS & LGSS Finance & Performance Report](#)
- [A&I Finance & Performance Report](#)

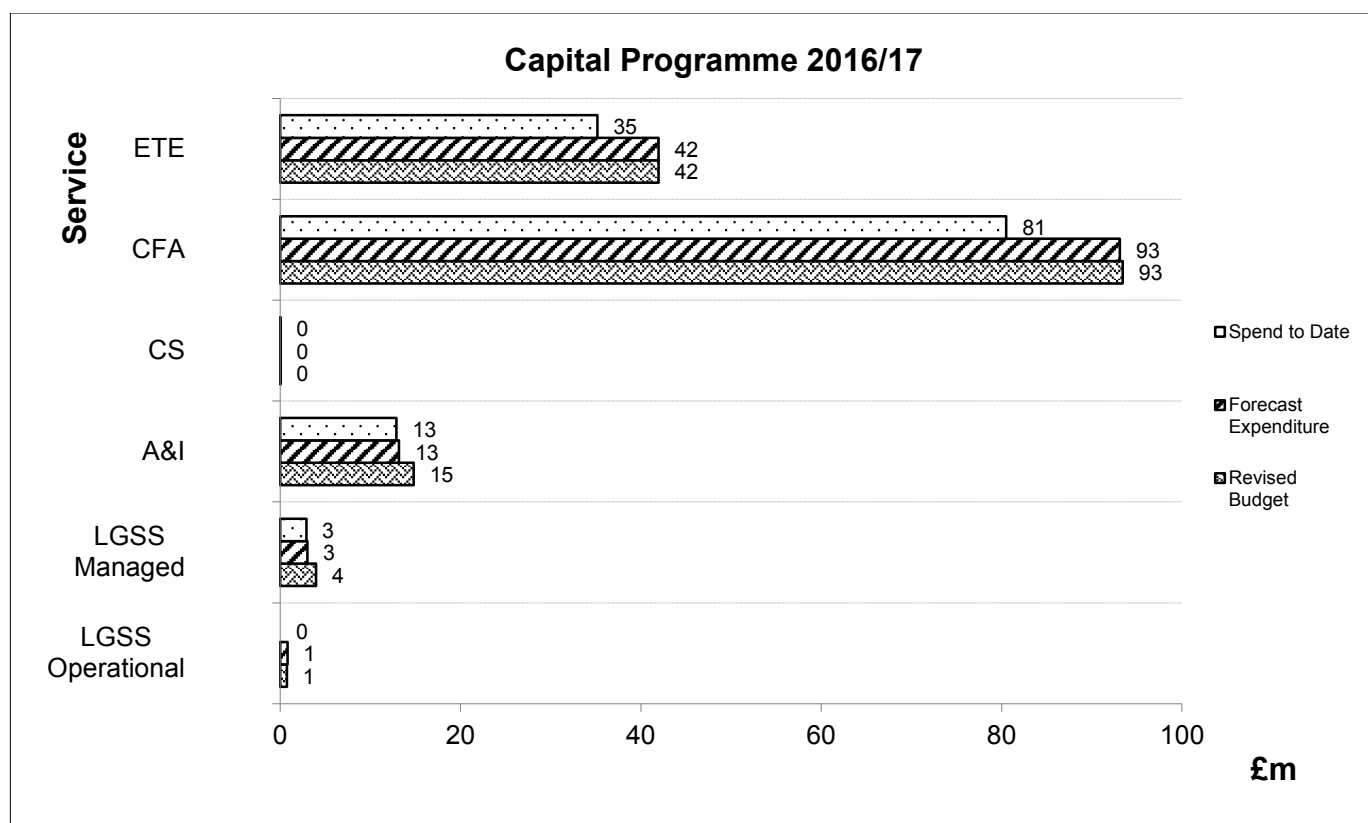
## 6. CAPITAL PROGRAMME

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

2016/17						TOTAL SCHEME	
Original 2016/17 Budget as per Business Plan  £000	Service	Revised Budget for 2016/17  £000	Forecast Variance - Outturn (Feb)  £000	Forecast Variance - Outturn (March)  £000	Forecast Variance - Outturn (March)  %	Total Scheme Revised Budget (March)  £000	Total Scheme Forecast Variance (March)  £000
71,699	ETE	41,969	-	-	0.0%	416,571	-
97,156	CFA	93,421	0	-299	-0.3%	543,722	31,825
33	Corporate Services	48	12	6	12.8%	300	-
4,405	LGSS Managed	3,996	-863	-987	-24.7%	15,140	37
11,397	A&I	14,807	0	-1,632	-11.0%	243,475	-3,832
1,104	LGSS Operational	758	55	55	7.3%	1,844	-
<b>185,794</b>	<b>Total Spending</b>	<b>154,999</b>	<b>-0</b>	<b>-2,856</b>	<b>-1.8%</b>	<b>1,221,052</b>	<b>28,031</b>

### Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted, including the capital programme variations budget allocated to each service. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported ETE capital figures do not include City Deal, which has a budget for 2016/17 of £7.4m and is currently forecasting an in-year underspend of £2.25m.



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

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

2016/17					
Service	Capital Programme Variations Budget	Forecast Variance - Outturn (March)	Capital Programme Variations Budget Used	Capital Programme Variations Budget Used	Revised Forecast Variance - Outturn (March)
	£000	£000	£000	%	£000
ETE	-10,500	-8,528	8,528	81.22%	0
CFA	-10,282	-10,581	10,282	100.00%	-299
Corporate Services	-12	-6	6	50.00%	6
LGSS Managed	-1,029	-2,016	1,029	100.00%	-987
A&I	-2,850	-4,482	2,850	100.00%	-1,632
LGSS Operational	-155	-100	100	64.52%	55
<b>Total Spending</b>	<b>-24,828</b>	<b>-25,712</b>	<b>22,795</b>	<b>91.81%</b>	<b>-2,856</b>

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

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

	£m	%
<ul style="list-style-type: none"> <li> <b>£90m Highways Maintenance Schemes</b> – an in-year overspend of +£2.2m is forecast, which is a movement of +£0.5m on the position last reported (in December). In previous years the service has programmed more work than there was in-year budget available to combat slippage caused by the contractor failing to deliver all programmed schemes. This year the contractor has delivered more of the programmed works, which has resulted in an in-year overspend. </li> </ul>	+2.2	(+37%)
<ul style="list-style-type: none"> <li> <b>Ely Crossing</b> – an in-year overspend of £1.0m is forecast, which is a movement of £1.8m on the position last reported (in January). As CCC has now taken possession of the land required for the scheme, the payment for this will be accrued for at our estimate of its market value. </li> </ul>	+1.0	(+18%)
<ul style="list-style-type: none"> <li> <b>Street Lighting</b> – this scheme to replace streetlights with LEDs had been planned as a 2016/17 scheme, but will now commence in 2017/18 as plans have now been finalised to achieve the required savings, with staff and contractor focusing on completing the replacement programme. The scheme is expected to be completed in 2017/18. </li> </ul>	-0.8	(-100%)
<ul style="list-style-type: none"> <li> <b>Huntingdon (West of Town Centre Link Road)</b> – discussions regarding land compensation are still ongoing, so limited expenditure is expected in 2016/17. Discussions may take several years to conclude and could result in expenditure of between £0 and £5m. </li> </ul>	-0.7	(-94%)
<ul style="list-style-type: none"> <li>           Although ETE has currently utilised 81% of its capital programme variations budget, it is currently expected that small amounts of slippage on multiple projects will use the majority of the remaining allowance in the adjustment period. </li> </ul>		
<ul style="list-style-type: none"> <li>           For full and previously reported details see the <a href="#">ETE Finance &amp; Performance Report</a>. </li> </ul>		

6.4.2 **Children, Families and Adults:** an underspend of -£0.299m is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> <li> <b>Basic Need – Secondary</b> – an in-year underspend of -£5.1m is forecast, which is a movement of -£0.7m on the position previously reported (in January). This movement is mainly on the St Bede's school scheme, which is now showing an in-year underspend of -£535k. The main part of this scheme have been delayed while the works to rectify fire damage are completed. </li> </ul>	-5.1	(-12%)

- **CFA Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. There has been a movement of +£0.7m in the outturn for CFA capital variation since last month. +10.3 (+100%)
- For full and previously reported details see the [CFA Finance & Performance Report](#).

6.4.3 **Corporate Services:** an overspend of +£0.006m (+0.0%) is forecast at year-end, due to only £6k slippage on the capital programme so the variations budget will not be fully utilised. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

6.4.4 **LGSS Managed:** an underspend of -£0.987m (-24.7%) is forecast at year-end, as forecast slippage on the capital programme has exceeded the allocated capital programme variations budget. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

6.4.5 **LGSS Operational:** an overspend of +£0.055m (+7.3%) is forecast at year-end, as slippage on the capital programme is not anticipated to utilise the full capital programme variations allocation. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

6.4.6 **Assets & Investments:** an underspend of -£1.632m (-11.0%) is forecast for year-end.

- |   | £m   | %      |
|---|------|--------|
| <ul style="list-style-type: none"> <li>• <b>Renewable Energy Soham</b> – an in-year underspend of -£1.3m is forecast. £348k of this is due to lower than expected pre-construction costs and savings on the cost of solar panels, which results in a total scheme underspend. The remainder is due to payments budgeted for in 2016/17 that are not now due until 2017/18, including a final retention payment of £460k.</li> </ul> | -1.3 | (-13%) |
| <ul style="list-style-type: none"> <li>• <b>Building Maintenance &amp; Shire Hall Campus</b> – in-year underspends of -£0.7m and -£0.6m respectively are forecast due to delays in obtaining condition surveys and a lack of clarity over the role of some of the buildings and the future of the Shire Hall site, meaning works have been postponed.</li> </ul>  | -1.3 | (-78%) |
- For full and previously reported details see the [A&I Finance & Performance Report](#).

- 6.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:
- 6.5.1 **Economy, Transport and Environment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [ETE Finance & Performance Report](#).
- 6.5.2 **Children, Families and Adults:** a +£31.8m (+6%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CFA Finance & Performance Report](#).
- 6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.4 **LGSS Managed:** a +£0.037m (+0.2%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.5 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.6 **Assets & Investments:** -£3.8m (-1.6%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [A&I Finance & Performance Report](#).

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding <sup>1</sup> £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	20.5	0.2	-1.7	1.0	20.0	20.0	-
Basic Need Grant	3.8	-	-	-	3.8	3.8	-0.0
Capital Maintenance Grant	4.6	-	-	0.1	4.7	4.7	-
Devolved Formula Capital	1.1	0.9	-	-0.0	1.9	1.9	-0.0
Specific Grants	21.1	3.6	-12.7	1.7	13.8	13.8	-
S106 Contributions & Community Infrastructure Levy	30.3	1.1	-3.7	-1.6	26.1	25.4	-0.7
Capital Receipts	10.3	-	-	-9.4	0.9	0.9	-0.0
Other Contributions	10.7	0.2	-8.8	1.8	3.9	3.9	-
Revenue Contributions	-	-	-	0.1	0.1	0.1	-
Prudential Borrowing	83.4	10.2	-29.3	15.5	79.8	77.6	-2.2
<b>TOTAL</b>	<b>185.8</b>	<b>16.3</b>	<b>-56.1</b>	<b>9.0</b>	<b>155.0</b>	<b>152.1</b>	<b>-2.9</b>

<sup>1</sup> Reflects the difference between the anticipated 2015/16 year end position, as incorporated within the 2016/17 Business Plan, and the actual 2015/16 year end position.

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

Funding	Service	Amount (£m)	Reason for Change
Additional/Reduction in Funding (Prudential Borrowing)	A&I	+£1.7	<p>£1,675k additional funding is required for the purchase of Vantage House, which will replace the Stanton House Highways Depot.</p> <p><b>General Purposes Committee is asked to note the decision by Assets &amp; Investment Committee to fund this purchase through an increase to prudential borrowing.</b></p>



## 7. GRANT ALLOCATIONS

- 7.1 Where there has been a material change in 2016/17's grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require SMT discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the General Purposes Committee for approval.

### Education Services Grant

The ESG is an unringfenced grant, which is allocated to local authorities and academies on a per-pupil basis that takes account of school type (mainstream/high needs) and status (academy/maintained). Funding will therefore reduce for local authorities if a school convert to academies.

Based on the expected number of academy conversions during 2016/17 a figure of £4,049,288 was budgeted for the ESG during the Business Planning (BP) process. However, due to slower academy conversions than originally expected during 2016/17, the total ESG received is £4,480,325, resulting in an additional £431,037. This position is an increase of £119,037 from the forecast reported in January 2017.

**It is proposed that the additional funding of £431,037 is treated as a general resource and taken to the General Fund, which General Purposes Committee is asked to approve.** The income is shown in the "Financing Items" section of this report.

### Business Rates Retention Pilot

From April 2015 Cambridgeshire has been in a pilot scheme that allows councils to retain 100% of any additional growth in business rates beyond expected forecasts. For year one of the pilot scheme Cambridgeshire County Council's share of the additional growth, which was received in 2016/17 and was not budgeted for, was £453,207.

**It is proposed that the additional funding of £453,207 be treated as a general resource and taken to the General Fund, which General Purposes Committee is asked to approve.** The income is shown in the "Financing Items" section of this report.

- 7.2 The below grant is deemed to be a non-material change and is for information purposes only:

Business Rates Reconciliation Grant 2016/17

Government has committed to reimburse authorities for any loss of income incurred under the business rates retention scheme, which is as a result of tax changes announced at fiscal events. The amount payable is based on actual costs as captured at year end via local authority business rates outturn returns.

In 2016/17 CCC has received an additional £79,672 of grant funding that was not budgeted for. This funding will be treated as a general resource and is therefore shown in the "Financing Items" section of this report

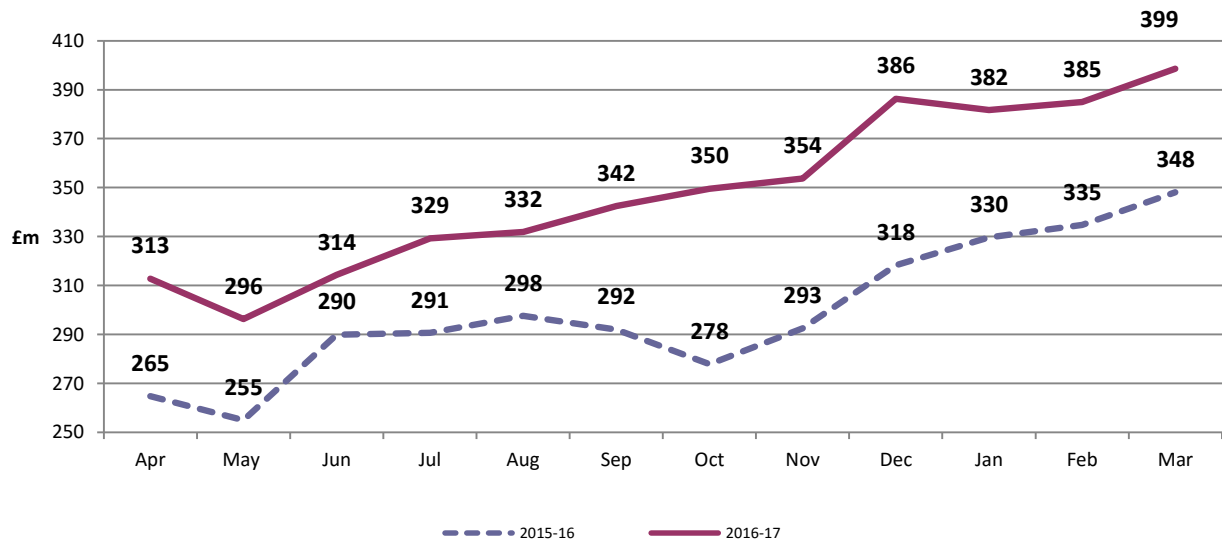
## 8. BALANCE SHEET

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

Measure	Year End Target	Actual as at the end of March
Level of debt outstanding (owed to the council) – 4-6 months, £m	£0.4m	£0.8m
Level of debt outstanding (owed to the council) – >6 months, £m	£1.0m	£2.2m
Invoices paid by due date (or sooner)	97.6%	99.6%

- 8.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of March were £43.040m (excluding 3rd party loans) and gross borrowing was £439.0m.

### Net Borrowing



- 8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2016-17 TMSS was set in February 2016, it was anticipated that net borrowing would reach £479m at the end of this financial year. Net borrowing at the beginning of this year (£348m) started at a lower base than originally set out in the TMSS (£417m). As a result the outturn projection was forecast to be substantially lower than originally expected, and at the end of March net borrowing was £399m.
- 8.4 The Council's cash flow profile varies considerably during the year as payrolls and payment to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 8.5 Key exceptions are identified below:

Key exceptions	Impacts and actions
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<p>Less borrowing activity than planned –original net borrowing forecast was £479m. Actual net borrowing at 31st March was £399m.</p>	<p>A £2.290m underspend is currently forecast for Debt Charges, an increase of £429k month on month. The increase is largely due to S106 monies reserved in 2016-17 that wasn't anticipated until recently and interest on MLEI loans advanced but not budget during the year. An option to repay a £15m loan and replace with cheaper short term borrowing was exercised recently which also contributed to the increase in underspend reported.</p> <p>This forecast reflects the fall in the forecast for net interest payable following falling interest rates across all parts of the yield curve. New loans have been raised on a short term basis (up to 3 months) to take advantage of cheaper rates of interest than originally budgeted.</p> <p>The impact of lower borrowing on the Debt Charges budget would normally result in a favourable forecast variance (due to lower interest payments). However the Debt Charges budget was reduced in anticipation of capital expenditure slippage during the budget setting process, so the magnitude of the variance reported is muted.</p> <p>The Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances (where possible) and undertaking short term borrowing which could potentially generate savings next year, subject to an assessment of the interest rate risks involved.</p>
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8.6 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).

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

## 9. ALIGNMENT WITH CORPORATE PRIORITIES

### 9.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

### 9.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

### 9.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

## 10. SIGNIFICANT IMPLICATIONS

### 10.1 Resource Implications

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

### 10.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

### 10.3 Equality and Diversity Implications

There are no significant implications within this category.

### 10.4 Engagement and Consultation Implications

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

### 10.5 Localism and Local Member Involvement

There are no significant implications within this category.

### 10.6 Public Health Implications

There are no significant implications within this category.

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

Source Documents	Location
<p>ETE Finance &amp; Performance Report (March 17)</p> <p>CFA Finance &amp; Performance Report (March 17)</p> <p>PH Finance &amp; Performance Report (March 17)</p> <p>CS and LGSS Cambridge Office Finance &amp; Performance Report (March 17)</p> <p>A&amp;I Finance &amp; Performance Report (March 17)</p> <p>Performance Management Report &amp; Corporate Scorecard (March 17)</p> <p>Capital Monitoring Report (March 17)</p> <p>Report on Debt Outstanding (March 17)</p> <p>Payment Performance Report (March 17)</p>	<p>1<sup>st</sup> Floor, Octagon, Shire Hall, Cambridge</p>

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

[illegible]

## APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2016	2016-17		Forecast Balance 31 March 2017	Notes
		Movements in 2016-17	Balance at 31 March 17		
	£000s	£000s	£000s	£000s	
<b><u>General Reserves</u></b>					
- County Fund Balance	18,921	-2,604 <sup>1</sup>	16,317	19,922	
- Services					
1 CFA	1,623	-1,062	561	-4,635	
2 PH	1,138	-113	1,025	638	
3 ETE	3,386	-1,232	2,154	1,622	
4 CS	1,218	-248	970	0	
5 LGSS Operational	1,013	-244	769	356	
subtotal	27,299	-5,503	21,796	17,903	
<b><u>Earmarked</u></b>					
- Specific Reserves					
6 Insurance	2,864	0	2,864	2,864	
subtotal	2,864	0	2,864	2,864	
- Equipment Reserves					
7 CFA	782	42	824	824	
8 ETE	218	0	218	218	
9 CS	57	0	57	57	
subtotal	1,057	42	1,099	1,099	
<b><u>Other Earmarked Funds</u></b>					
10 CFA	4,097	-2,744	1,353	1,156	Includes liquidated damages in respect of the Guided Busway - current balance £1.6m.
11 PH	2,020	0	2,020	1,540	
12 ETE	6,631	-1,111	5,520	6,084	
13 CS	1,274	14	1,288	1,341	
14 LGSS Managed	149	-3	146	146	
15 Assets & Investments	233	103	336	336	
16 LGSS Operational	130	0	130	130	
17 Transformation Fund	11,853	-539	11,314	20,525	Savings realised through change in MRP policy
subtotal	26,387	-4,280	22,107	31,258	
<b>SUB TOTAL</b>	<b>57,607</b>	<b>-9,742</b>	<b>47,866</b>	<b>53,124</b>	
<b><u>Capital Reserves</u></b>					
- Services					
18 CFA	2,428	23,565	25,993	10,155	Section 106 and Community Infrastructure Levy balances.
19 ETE <sup>2</sup>	11,703	30,216	41,919	10,200	
20 LGSS Managed	422	-350	72	72	
21 Assets & Investments	230	558	788	0	
22 Corporate	39,388	11,485	50,873	25,471	
subtotal	54,171	65,474	119,645	45,898	
<b>GRAND TOTAL</b>	<b>111,778</b>	<b>55,733</b>	<b>167,511</b>	<b>99,022</b>	



**Notes:**

1. £95k has been taken from the General Fund this month to cover the deficit on conversion to academy status for Guilden Morden and Thomas Eaton Schools (£48k and £47k respectively).
2. The figures do not include City Deal reserves, which have a current balance of £37.8m and are anticipated to have a year-end balance of £30.4m.

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

Fund Description	Balance at 31 March 2016	2016-17		Forecast Balance 31 March 2017	Notes
		Movements in 2016-17	Balance at 31 March 17		
	£000s	£000s	£000s	£000s	
<b>- Short Term Provisions</b>					
1 ETE	712	-43	669	0	
2 CS	350	-59	291	100	
3 LGSS Managed	4,545	0	4,545	4,545	
4 Assets & Investments	50	0	50	50	
subtotal	5,657	-102	5,555	4,695	
<b>- Long Term Provisions</b>					
5 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
<b>GRAND TOTAL</b>	<b>9,270</b>	<b>-102</b>	<b>9,168</b>	<b>8,308</b>	