Agenda Item No. 6

INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31ST MARCH 2018

To:	**General Purposes Committee**
Date:	**29th May 2018**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**2018/003** *Key decision:* **Yes**
Purpose:	**This report:**

- **Details the performance of the Council for the 2017/18 financial year.**

- **Is a management report that precedes the production of the Council's formal Statement of Accounts. Although the Outturn Report and Statement of Accounts reconcile to one another, it is the statutory Statement of Accounts on which the audit opinion is formed.**

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

a) Note the Council's year-end resources and performance position for 2017/18.

b) Approve a loan to Viva for £150k (repayable over 25 years) for capital expenditure on the Soham Mill project, see section 11.4.

c) Approve the use in cash flow terms of £11,793k Greater Cambridge Partnership funding for schemes across the capital programme to postpone prudential borrowing, additional prudential borrowing required to offset the use of £533k Growth Deal and £663k Growing Places funding, and the resulting reduction of £10,596k in the prudential borrowing requirement, see section 13.8.

d) Approve the use in cash flow terms of £4,983k Growing Places funding for schemes across the capital programme to postpone prudential borrowing, and the resultant reduction in the prudential borrowing requirement, see section 13.8.

e) Approve additional prudential borrowing of £13m in future years for the completion of the Ely Southern Bypass scheme, see section 13.10.

f) Approve the allocation of £1,453k (Adult Social Care Support Grant 2018-19) to the People & Communities directorate in 2018-19, see section 14.2.

g) Note the changes to capital funding requirements as previously recommended in the February report, set out in Appendix 3.

h) Approve additional prudential borrowing of £132,000 in 2017/18 to offset the increased use of capital receipts for additional capitalisation of redundancies, as previously recommended in the February report (but reduced by £6k from the previous £138k additional funding reported in February). See Appendix 3.

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1. PURPOSE

1.1 To present financial and performance information for the financial year 2017/18.

2. OVERVIEW

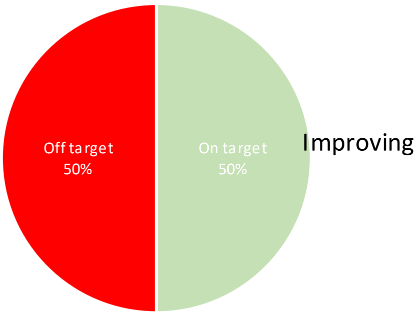
2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

Data available as at: 31 March 2018

Outcomes

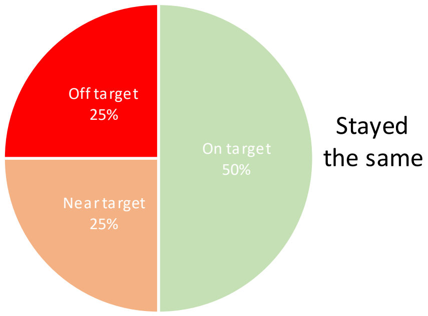
88 indicators about outcomes are monitored by service committees
They have been grouped by outcome area and their status is shown below

Older people live well independently



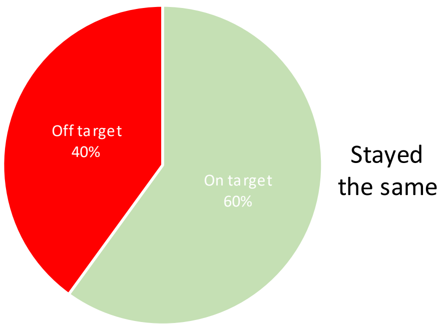
4 indicators

People with disabilities live well independently



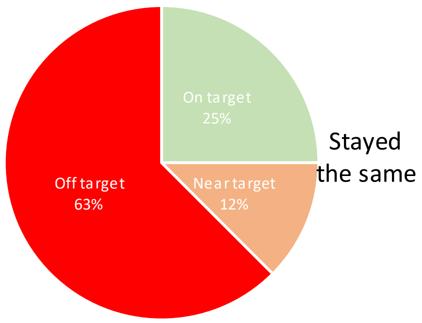
4 indicators

Adults and children are kept safe



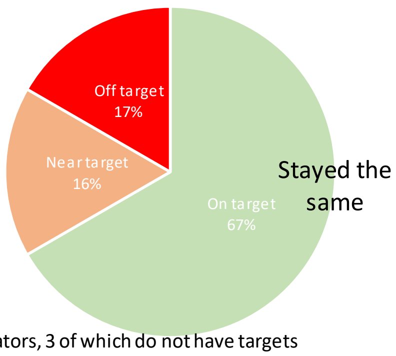
6 indicators, 1 of which do not have targets

People live in a safe environment



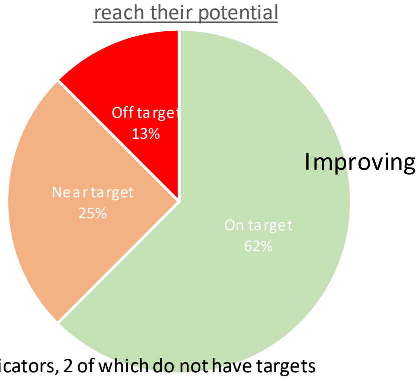
12 indicators, 4 of which do not have targets

The Cambridgeshire economy prospers to the benefit of all residents



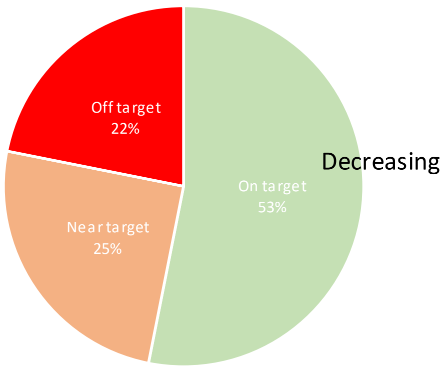
15 indicators, 3 of which do not have targets

Places that work with children help them to reach their potential



10 indicators, 2 of which do not have targets

People lead a healthy lifestyle and stay healthy for longer



35 indicators, 3 of which do not have targets

Our Transformation Programme is on track	Sustain a high performing, talented, engaged and resilient workforce
28 Early ideas ↑ 122 Business cases in development ↑ 24 Projects being implemented ↔ Transformation Fund: 12 projects rated Green ↓ 2 rated Amber (reflecting some need to re-phase savings) ↓ 4 rated Red (risk of non-delivery of savings or benefits) ↑	As of the end of March 2018 we had lost 6.27 days on average per staff member to sickness during the last 12 months. This is lower than the average number of days lost per staff member at the end of 2016/17 (6.91 days).

Finance and Risk

Revenue budget outturn

+£4.0m (1.1%) variance at end of year

RED

This is a £0.4m decrease in the revenue pressure since last month's forecast.

Capital programme outturn

-£85.2m underspend, mainly the result of:
-£83.3m relating to housing schemes (re-profiled and re-calculated in future years: planning contingent)

GREEN

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

*Latest Review: January 2018

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Mar-18	Trend since Apr-17
Nursing	436	Stayed the same
Residential	856	Increasing
Community	2,185	Stayed the same

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

	Mar-18	Trend since Apr-17
Nursing	26	Stayed the same
Residential	324	Increasing
Community	1,913	Increasing

Children open to social care

	Mar-18	Trend since Apr-17
Looked after children	697	Increasing
Child protection	477	Decreasing
Children in need*	2,254	Increasing

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

Public Engagement

	Mar-18	Trend since Aug-17
Contact Centre Engagement	13,649 Phone Calls	Decreasing
	5,440 Other	Increasing
Website Engagement (cambridgeshire.gov.uk)	205,462 Users	Increasing
	330,539 Sessions	Increasing

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

2.2 This report summarises the overall financial position for the 2017/18 financial year, whereas prior reports have focussed on the movements since the previous report. As is the case with every year-end report there are a number of changes that result as balance sheet activities are reviewed. Key movements in operational expenditure are set out below in paragraph 3.2.

2.3 The key issues included in the summary analysis are:

- The overall revenue budget position was a pressure of +£4.0m (+1.1%) at year end. This is a movement of -£0.4m on the forecast reported as at the end of February with the majority of services reporting small favourable movements on their February forecasts with the exception of People & Communities (P&C) and CS Financing.

- The Capital Programme is reporting an underspend of -£2.0m compared to the position originally anticipated when the capital programme variations budget was set. Incorporating the in-year underspend of -£83.3m on Housing schemes, this gives an overall underspend position of -£85.2m. This includes full utilisation of the £27.5m capital programme variations budget. See section 12 for details.

3. REVENUE BUDGET

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

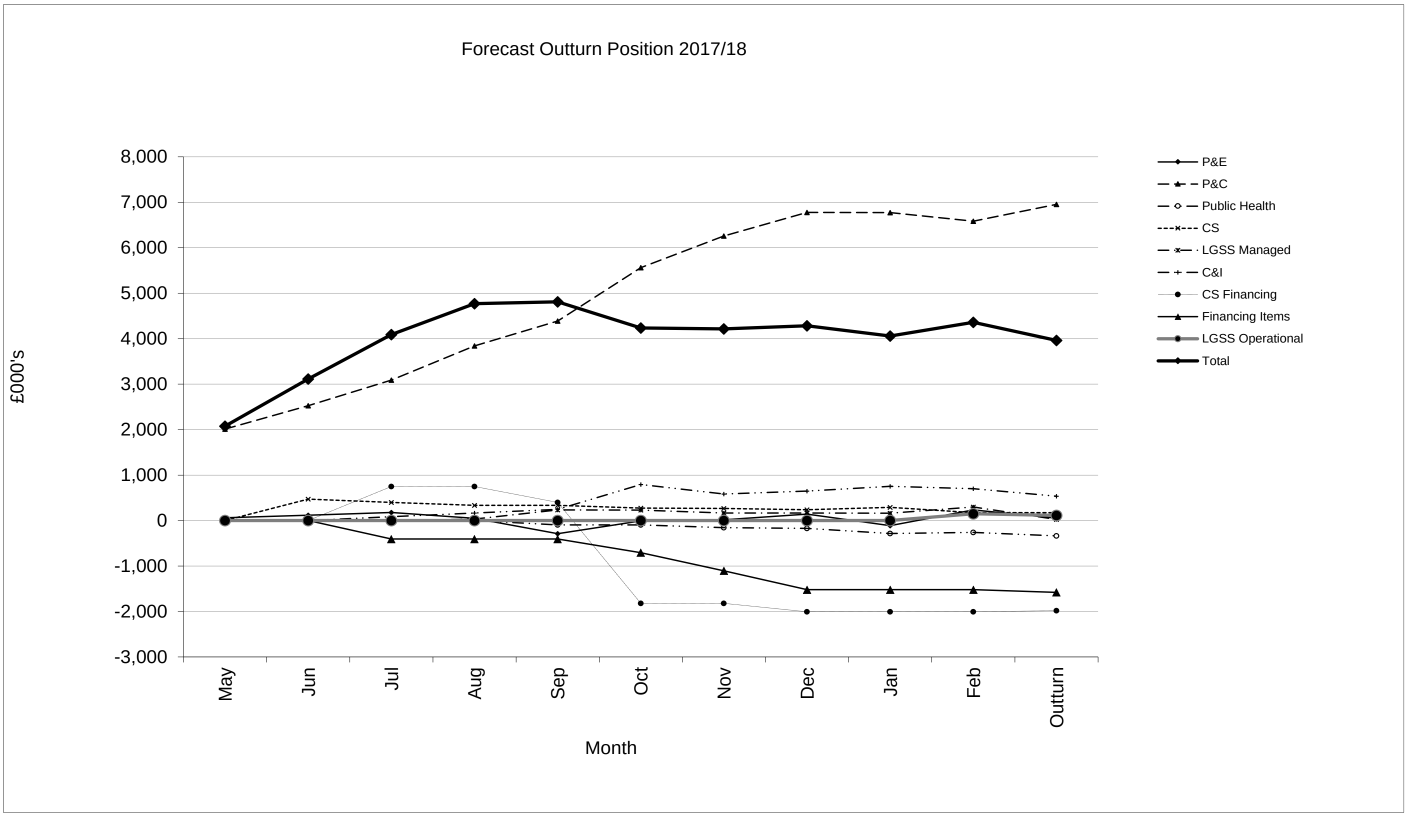
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Original Budget as per BP	**Service**	**Revised Budget**	**Application of Carry Forwards**	**Total Funds (3)+(4)**	**Actual Spending**	**Variation**		**Transfer to (+) / from (-) Reserves**
£'000		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**%**	**£'000**
38,682	Place & Economy (P&E)	41,477	585	42,062	42,114	53	0.1%	-53
237,311	People & Communities (P&C)	239,567	0	239,567	246,519	6,953	2.9%	-6,953
200	Public Health (PH)	386	0	386	50	-336	-%	336
8,416	Corporate Services (CS)	5,049	-256	4,793	4,968	175	3.6%	-175
13,626	LGSS Managed	11,582	0	11,582	11,607	25	0.2%	-25
2,702	Commercial & Investment (C&I)	25	0	25	560	535	-%	-535
22,803	CS Financing	24,227	0	24,227	22,246	-1,981	-8.2%	1,981
323,740	**Service Net Spending**	**322,312**	**329**	**322,642**	**328,065**	**5,424**	**1.7%**	**-5,424**
24,377	Funding Items	22,720	0	22,720	21,142	-1,579	-6.9%	1,579
348,117	**Net Spending**	**345,033**	**329**	**345,362**	**349,207**	**3,845**	**1.1%**	**-3,845**
	Memorandum Items:							
7,746	LGSS Operational	9,473	0	9,473	9,588	115	1.2%	-115
355,863	**Total Net Spending 2017/18**	**354,506**	**329**	**354,835**	**358,795**	**3,961**	**0**	**-3,961**

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

[2] The budget of £386k 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.

[3] Key to column 7: + signifies overspend or reduced income, - signifies underspend or increased income.

[4] For budget virements between Services throughout the year, please see Appendix 1.



3.2 Key exceptions this month are identified below:

3.2.1 **Place & Economy:** +£0.053m (+0.1%) pressure is being reported at year end

	£m	%
• **Coroners** – a +£290k pressure is being reported at year end, an increase of £111k since February. Caseloads for Coroners have been higher during 2017-18 and costs have also increased for handling of complex cases. There was also an increase in inquest costs due to the large case load, which has included a concerted effort to reduce the number of outstanding cases.	+0.290	(+37%)
• **Traffic Management** – a -£270k underspend is being reported at year end. The signals budget has underspent by £270k mainly due to savings from a new contract and savings on energy and staffing costs.	-0.270	(-20%)

For full and previously reported details see the P&E Finance & Performance Report. *(Please note that the information from the P&E report will be available at the links below following the publication of the Economy and Environment Committee (https://tinyurl.com/ybr6ee8j) and Highways and Community Infrastructure Committee (https://tinyurl.com/y724pzsf) agendas.)*

3.2.2 **People & Communities:** +£6.953m (+2.9%) pressure is being reported at year end.

	£m	%
• **High Needs Top Up Funding**- a +£2.2m pressure is being reported at year-end. Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and this has resulted in the year-end pressure. This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block and for this financial year, this pressure has been managed within the overall available DSG resources.	+2.174	(+16%)
• **Older People's Services** – a +£1.5m pressure is being reported at year end, which is an increase of £583k on the pressure previously reported in February. The increased pressure is mainly due to increases in care costs over the last six weeks of the year (reflecting trends seen throughout the year) and a higher level of debt adjustments resulting from concerted efforts to address outstanding debt ahead of the transfer to the new financial system.	+1.471	(+3%)
• **Legal Proceedings (Childcare Law)**- a +£797k pressure is being reported at year end, which is a movement of +£347k on the position previously reported in June, and a worsening of £111k since February. Numbers of care applications increased by 52% from 2014/15 (105) to 2016/17 (160), mirroring the national trend. There are currently 96 open sets of care proceedings. Whilst the numbers of ongoing care proceedings have reduced by around 14% since 1 April 2017 we have consistently had around 100 cases which exceeded the previous year's number of completed legal proceedings and caused significant pressure on the budget. Whilst we are now in a position of having 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.	+0.797	(+52%)
• **Mental Health**- a +£329k pressure is being reported at year-end across Adult Mental Health and Older People Mental Health. This is a decrease of £269k on the pressure previously reported in November, mainly as a result of lower than expected costs, and higher than expected savings delivery, over the last six weeks of the year.	+0.329	(+3%)
• **Early Years Specialist Support-** an underspend of -£259k is being reported at year end. This is mainly due to the transition from the Early Year Access Fund (EYAF) to the new SEN Inclusion Fund (SENIF) which resulted in an underspend of £317k in 17/18. For 18/19, the EYAF budget and SENIF budget have been combined to assist funding the support costs for 3 and 4 year olds.	-0.259	(-27%)

In addition, there was a small underspend on the Childcare Access Fund (-£20k), and small pressures on the Children Educated at Home budget (£44k) and the Therapy budget (£34k) following the outcome from Tribunal, where funding for one additional young person was agreed in each instance.		
• **Executive Director & Central Financing** - an underspend of -£262k is being reported at year for the net outturn position on the Executive Director budget area. Nationally, local authorities are currently permitted greater flexibility in use of capital receipts (proceeds from sales of assets) to fund any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs. The Council was already making use of this flexibility – and following a recent review a further £193k of eligible expenditure was identified within People & Communities. Use of the capital receipts flexibility is reported in turn to Full Council. The remaining underspend resulted from a number of smaller savings achieved across the directorate.	-0.262	(-245%)
• **Financing DSG** – a -£3.7m required contribution from DSG is being reported at year-end, which is an increase of -£1.6m on the position previously reported in February. This is due to increases in the High Needs pressure, specifically in respect of High Needs Top-Up Funding and SEN placements	-3.742	(-%)
• **Strategic Management – Adults**- a -£4.9m underspend is being reported at year end, which is an increase of -£532k on the underspend previously reported in February. This is as a result of further application of one-off grant funding to offset pressures elsewhere in the service (see Older People's Services above for the contra movement). As previously reported, the underspend is due primarily to the re-prioritisation of grant funded activity in response to Adults Services pressures, relating particularly to an increased performance in delayed transfers of care (DTOC), bringing with it an increased need for the delivery of complex packages of care for older people. In addition, throughout the year vacancy savings have been higher than budgeted for, and efficiencies have been made within Adults transport services.	-4.935	(-43%)

For full and previously reported details see the P&C Finance & Performance Report. *(Please note that the information from the P&C report will be available at the links below following the publication of the Children & Young People's Committee (https://tinyurl.com/yb7rv4or) and Adults Committee (https://tinyurl.com/ybb2g3ow) agendas.)*

3.2.3 **Public Health:** a -£0.336m (-1.5% against gross expenditure) underspend is being reported at year-end. The County Council core budget allocated to the Public Health Directorate to supplement the national ring-fenced grant in 2017/18 was £386k, therefore the first call on any underspend up to that level is into the County Council's general reserve. The full £336k underspend has therefore been transferred to the County Council's general reserve. There are no exceptions to report this month; for full and previously reported details see the PH Finance & Performance Report (https://tinyurl.com/ycxc94l9).

3.2.4 **Corporate Services:** +£0.175m (+3.7%) pressure is being reported at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

3.2.5 **LGSS Managed:** +£0.023m (+0.2%) pressure is being reported at year end. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

3.2.6 **CS Financing:** a -£1.981m (-8.2%) underspend is being reported at year end. There are no exceptions to report; for full and previously reported details go to the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

3.2.7 **Commercial & Investment:** a +£0.535m (-%) pressure is being reported at year end.

	£m	**%**
• **Housing Investment - This Land companies**- a pressure of +£1.0m is being reported at year end, which is an increase of £272k on the pressure previously reported in July (when this budget was within CS Financing). This reflects the slower than originally planned progress in transfer of land and loan finance to the company. The Business Plan has realigned future expectations to revised This Land forecasts and the Committee has brought forward a portfolio sale during March and April 2018.	+1.022	(-72%)
• **Strategic Assets**- a pressure of £90k is being reported at year end, which is an improvement of £259k on the pressure previously reported in July. This resulted from two factors: underspending on staffing budgets due staff costs being recharged against capital schemes; and a £113k underspend on the capital receipts expenses budget, due a £73k rent rebate from a surplus property, and rental income from other properties awaiting sale.	+0.09	(+11%)
• **Other Commercial Activity**- an underspend of -£284k is being reported at year end. This reflects an expected overachievement on the ESPO dividend compared to the budgeted expectation.	-0.284	(+142%)
• **Corporate Offices**: an underspend of -£798k is being reported at year end, which is an increase of -£348k on the underspend previously reported in July. The majority of this increase (£250k)	-0.798	(-14%)

was due to a reassessment of potential Business Rates liabilities on properties where there are delays in presentation of bills The majority of this increase (£250k) follows a reassessment of historic business rates liabilities. The main item relates to a building in the south of the county where it has been assessed that only a single year's NNDR liability needs to be provided for.

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

3.2.8 **LGSS Operational:** +£0.115m (+1.2%) pressure is being reported at year end. There are no exceptions to report; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

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

4. SAVINGS TRACKER

4.1 The "Savings Tracker" report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2017-18 Business Planning process. For 2017/18, the Council has delivered £27.1m of savings against its original plan.

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

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

GREEN			AMBER			RED				
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Total Original	Total Variance
	£000	£000		£000	£000		£000	£000	£000	£000
75	-17,865	-653	2	-745	110	36	-14,754	6,856	-33,364	6,313

The stretched targets for existing savings and additional savings identified within the funnel supported delivery of a further £600k in addition to the amounts shown above. For several proposals, due to delays or difficulties in recruiting, the delivery of savings in some cases may re-phased into 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 front page of this report groups performance indicators that are monitored by service committees by outcome area, and summarises each area by comparing indicators to target using a Red-Amber-Green (RAG) system.

6.2 This section contains the end of year (March 2018) position for each performance indicator where it is possible. This is the same as the information in the Finance and Performance reports being discussed at service committees in May. Where performance indicators are annual, or there is a long lag time between the period covered and the data becoming available, the most recent data has been used. The commentary in this report draws from the Finance and Performance reports, and if further detail is required, these reports are available on the Council's website.

6.3 Indicators are selected by service committees that reflect their key priorities for delivery over the year. Indicators covering the work of the People & Communities' directorate were reviewed in Q4 of 2017/18 and a slightly different set is included in the Adults and Children's service committee reports in May 2018. However this report uses the previous set in order to provide a clear explanation of the end of year position of the indicators that have been monitored throughout the year. The first report of 2018/19 will adopt the new indicators.

6.4 The commentary puts performance indicators into perspective within Council services or population-level information about the county. Full performance results for each indicator are available here (https://tinyurl.com/ybvpfgs5). The latest Corporate Risk Register can be found here (https://tinyurl.com/yb2eps52).

6.5 **<u>Older people live well independently</u>**

The Council's reablement service, which is specific support to help people to regain independence following a hospital stay or other crisis, continues to be effective. Reablement supported approximately 2,500 people during the year, at least 2/3 of which were over 80 and virtually all over 65. At the end of the year 58% of people who had received reablement needed no further care following the support. There has also been a low number of people admitted to residential or nursing care. Over the year, approximately 400 people were admitted to residential or nursing care arranged by the Council, a rate of 343 per 100,000 adults in the county, which is below our previous year's rate, and statistical and regional neighbour averages.

The health and social care system in Cambridgeshire continues to be challenged by a high number of patients unable to be discharged from hospital. The Council is continuing to invest considerable amounts of staff and management time into improving processes, identifying clear performance targets and clarifying roles & responsibilities. We continue to work in collaboration with health colleagues to ensure correct and timely discharges from hospital. Delays in arranging residential, nursing and domiciliary care for patients being discharged from Addenbrooke's remain the key drivers of ASC bed-day delays.

6.6 **People with disabilities live well independently**

Self-directed support is a key element of care assessment and planning, which promotes choice and control by the user. Nearly everyone (98% of approximately 7,500 people) who received long term services from the Council in the past year did so using self-directed support. In February, 13% of people in contact with secondary mental health services were in paid employment (approximately 40 of 320 people), which is good performance. However, the proportion of people with learning disabilities in paid employment was lower than target – 3.6% compared to a target of 6% (approximately 60 of 1,600 people). Internal performance monitoring suggests that nearly 50% of reviews of people's care and support plans took place on or before their due date, which was close to the target for the year.

6.7 **Adults and children are kept safe**

Performance in re-referrals to children's social care is below the ceiling target and is significantly below statistical neighbours and the England average. This suggests that outcomes of social care cases at closure are good, and work has been effective, as children are not referred back to the service soon after case closure.

The number of children who have a Child Protection Plan or are Looked After remains high. The introduction of an Escalation Policy for all children subject to a Child Protection Plan was introduced in June. Child Protection Conference Chairs raise alerts to ensure there is clear planning for children subject to a Child Protection Plan. This has seen a decrease in the numbers of children subject to a Child Protection Plan over the year (from nearly 600 in April 2017 to 477 at the end of March 2018).

In March the number of Looked After Children held at 697. There are workstreams in the LAC Strategy which aim to reduce the rate of growth in the LAC population, or reduce the cost of new placements. Actions being taken to support good care planning, safeguarding and appropriate and timely interventions include:

- A weekly Threshold to Resources Panel (TARP), chaired by the Assistant Director for Children's Services to review children on the edge of care, specifically looking to prevent escalation by providing timely and effective interventions.
- A monthly Permanency Monitoring Group (PMG) considers all children who are looked after, paying attention to their care plan, ensuring reunification is considered and if this is not possible a timely plan is made for permanence via Special Guardianship Order, Adoption or Long Term Fostering.
- TARP links with the monthly High Cost Placements meeting, which as of January 2018 started to be chaired by the Assistant Director for Children's Services. The panel ensures that required placements meet the child or young person's needs and are cost effective and joint funded with partners where appropriate.

Adult safeguarding performance was good – in 73% of adult safeguarding enquiries the person was asked what outcome they wanted to achieve (up from 43% in the previous year), and in 95% of cases the outcomes were at least partially achieved (up from 73%

the previous year). In total approximately 1,400 adult safeguarding enquiries (s42) were undertaken during the year.

6.8 **People live in a safe environment**

The number of people killed or seriously injured on Cambridgeshire's roads is currently higher than the target, data to the end of October 2017 suggests a rolling total of 374 people killed or seriously injured, and 1,606 slightly injured in the previous 12 months. Highways and Community Infrastructure Committee considered a report on road safety in March 2018, and resolved to adopt a new delivery model for road safety, approve a new methodology for assessing hotspots, negotiate in partnership with Peterborough City Council with the Police on future costs associated with the safety camera programme, and approve a capital programme for safety schemes. Committee also requested an action plan update to be brought back to Committee in October 2018.

At the end of March 2018 nearly all street lights were working (99.7% working), although using approximately 7% more energy than target.

Indicators relating to Local Highways Improvements are mostly Red. The Local Highways Improvement initiative invites community groups to submit an application for funding of up to £10,000, subject to them providing at least 10% of the total cost of the scheme. The schemes are community driven, giving local people a real influence over bringing forward highway improvements in their community that would not normally be prioritised by the Council. A total of 104 Local Highway Improvements have been successfully completed this year (over 70% of the total number). Of those schemes that were not completed in 2017/18, approximately £40k of the under spend relates to officers waiting for confirmation from District & Town Councils to feedback and agree the scheme details. A further £15k will not proceed following public consultations. Delays with the contractors scheduled to carry out the work have generated an under spend of £60k circa and therefore these schemes will be delivered in 2018/19. There has been a further £30k of under spend generated where schemes have been reassessed and the schemes delivered are smaller & cheaper than first budgeted.

6.9 **The Cambridgeshire economy prospers to the benefit of all residents**

More than 19 out of 20 premises in Cambridgeshire now have access to at least superfast broadband (96.1%), with half of the premises in intervention areas making use of the new utility. Economic activity rates in the county are higher than nationally, although employment is slightly lower than our target (79.2% compared to 80.9% target). Unemployment rates were around 4% in March 2016, and have fallen since then to around 2% in December 2017. The gap in unemployment benefit claimant rate between the more deprived and other areas in the county is 6ppts for the most recent period available, which is at target.

The latest provisional figures from the Business Register and Employment Survey (BRES) show that 12,600 additional jobs were created between September 2015 and September 2016 compared with an increase of 6,300 for the same period in the previous year. This means that the 2016/17 target of +3,500 additional jobs has been achieved.

This information was published in 2017 for the 2016 period by the Office for National Statistics (ONS); 2017 data is expected to be published in Autumn 2018.

Provisional results indicate that maintenance should be considered on 2.8%, rounded to a reportable 3%, of the County's principal road network. This indicates a slight deterioration from the previous year where the figure was 2.3%, rounded to a reportable 2%. Provisional results indicate that maintenance should be considered on 6% of the County's non-principal road network. This is considered a steady state condition and is the same as the figure for 2016/17 and for 2015/16 and better than the Council's target of 8%.

The surveys that are used to derive the performance indicators for ‘A’, ‘B’ and ‘C’ roads are SCANNER surveys. These are undertaken during the summer months. These are the best months in which to obtain accurate, meaningful results. Rain, snow, standing water, salt and other effects of winter weather would interfere with the SCANNER equipment. In recent years, we have requested that our SCANNER surveys be undertaken May/June/July, so that we have results in good time to inform the development of programmes of maintenance work. The surveys that inform this end of year result were therefore undertaken during summer 2017, prior to the recent poor weather in 2018.

Provisional figures suggest the condition of the unclassified road network has seen significant improvement from 33% to 22%. However, unlike last year, when the worst roads were surveyed to assist in prioritising works, a random sample has been undertaken, and this will reflect more accurately the condition of the unclassified network.

At 4.52 minutes per mile (i.e. approx. 4m 30s), the latest figure for the average morning peak journey time per mile on key routes into urban areas in Cambridgeshire is better than the previous year’s figure of 4.87 minutes. The target for 2017/18 is to reduce this to 4 minutes per mile.

There were over 18.7 million bus passenger journeys originating in Cambridgeshire in 2016/17 (the latest period for which data is available). This represents an increase of almost 2% from 2015/16; this growth can probably be attributed to the continued increase in passenger journeys on the guided busway.

6.10 **<u>Places that work with children help them to achieve their full potential</u>**

Indicators measuring the proportion of pupils attending good or outstanding schools are nearly all at target. Performance has been approximately stable throughout the year except for secondary schools, as there has been an increase of approximately 5ppts in the proportion of pupils at secondary age attending a good or outstanding school. This represents approximately 1,440 more pupils attending a good or outstanding school than at the beginning of the year. Across the county and across ages, about 17 out of 20 (86%) children attend a good or outstanding school.

Cambridgeshire has a low rate of 16-18 year olds who are not in education, employment or training (NEET), at 3.2% at the end of March 2018. This is down to ensuring we are supporting the young people that need the support to move into EET or to stay engaged. Nearly all (95.3%) of children in year 12 are in learning. However, the NEET rate increases amongst children with special educational needs to 7.6%. Children in

Cambridgeshire in disadvantaged groups do not do as well as elsewhere, as shown in the gap in the numbers of children with free school meals attaining national standards at the end of primary school (KS2) compared to the national proportion, and the lower proportion of children attaining the standard passes in English and Maths at GCSE with free school meals than nationally (a gap of approximately 5ppts). The Accelerating Achievement Strategy is aimed at these groups of children and young people who are vulnerable to underachievement so that all children and young people achieve their potential. All services for children and families will work together with schools and parents to do all they can to eradicate the achievement gap between vulnerable groups of children and young people and their peers.

Early intervention is vital to improving educational outcomes, and the proportion of income deprived 2 year olds receiving free childcare has increased by 13 percentage points since the summer term, so that now more than 4 out of 5 children who are eligible receive this support.
Further details about educational performance in Cambridgeshire in 2016/17 academic year is available in reports to Children and Young people's Committee in September 2017 (all key stages) and March 2018 (KS4 and KS5).

6.11 **<u>People lead a healthy lifestyle and stay healthy for longer</u>**

A key element of delivering this outcome is getting people active. The Council's target is for Fenland and East Cambridgeshire to increase participation in sport or active recreation to the 2013/14 county average over 5 years. Applying this principle to Sport England's revised baseline data gives a 5-year target to increase the participation rate in Fenland and East Cambridgeshire (combined) to 26.2%. The 2013/14 figure was 21.3% and the 2014/15 figure improved to 21.9%. The 2015/16 figure has continued the improving trend at 22.7%.

Excluding Cambridge, latest data (October 2016) shows that 4 out of 5 people (81%) living in the rest of the county walk or cycle more than once a month. This figure is slightly lower for Fenland, where 74% of people walk or cycle at least once a month, although the gap between these has reduced over the last 3 years.

There has been a total of 1,625,917 visitors to libraries or community hubs during the year to date (April to December 2017). If the average trend continues, the end of year figure will see approx. 2.2m visitors, near the end of year target. Hard work by staff to promote the Summer Reading Challenge resulted in 25% more children starting the Challenge compared to 2016/17, the number of children's activities over the period rose by 17% and the number of children attending these activities increased by 46%.

National Child Measurement Programme performance, which measures the height and weight of children in reception and year 6, remains good with both indicators green. Measurements for the 2017/18 programme are taken during the academic year, so final figures are not yet available. Rates of unhealthy weight in both reception and year 6 children for academic year 2016/17, were significantly better than the national average.

The Health Visiting Service is contracted to provide a series of mandated checks, to promote the health and wellbeing of all new babies and their mothers. Health Visiting and

School Nursing data is reported on quarterly and the data provided reflects the Quarter 4 period for 2017/18 (Jan-March). The new data for Quarter 4 shows 1 green, 3 amber and 2 red indicators for health visiting. Performance for new birth visits is green, and for 6-8 weeks visits is amber, but Cambridgeshire does exceed the national average for this visit. The performance indicator for Health Visiting mandated check at 2- 2 ½ years is red but includes data from checks that are not wanted resulting in a high did not attend rate. The indicator for ante-natal visits is also red, and an action plan is being put in place to improve notifications from local maternity units to the Health Visiting Service. Breastfeeding rates fluctuate but are higher than the national average.

Open access sexual health services are vital to ensure good access to contraception and low rates of sexually transmitted infection in the county. In 2017/18 there were over 30,000 attendances to our commissioned integrated contraception and sexual health service, and performance remained good with all indicators green and a stable trajectory.

The percentage of adults smoking in Cambridgeshire is estimated to be similar to the English average (approx. 15-16% or around 1 in 7 adults), except in Fenland where it is 22% (just over 1 in 5 adults). One in two long term smokers will die earlier as a result of smoking, and smoking related illness is a significant cost to the NHS. February data show the CAMQUIT smoking cessation service had helped 1,563 smokers quit (as measured at 4 weeks) during 2017/18, with end of year data not yet available. This is slightly worse than performance at the same time last year and has moved to Red in this month’s report. Vacant posts in the service have now been filled so improvement is anticipated.

NHS Health Checks assess the risk factors for heart disease, diabetes and dementia for people aged 40-74, who are invited once every five years. The data presented for NHS Health Checks shows the number of checks at GP surgeries and of outreach health checks carried out remains the same as last month, with both indicators at red but with an upward trajectory. Overall, 17,409 health checks were carried out in 2017/18. The number of outreach health checks carried out in Fenland, where heart disease rates are higher than the rest of the county, has been an area of focus and has increased from 37 in 2016/17 to 410 in 2017/18. This improvement reflects new approaches that includes pop up clinics, community and workplace based events. A delivery plan has now been in implemented for the rest of the county, based on lessons learned in Fenland.

There are now 16 Integrated Lifestyle/Behaviour Change Service indicators reported on (Personal Health Trainer service, healthy eating, weight loss groups, falls prevention). The overall performance is good and shows 11 green, 2 amber and 3 red indicators. For the Red indicator on Personal Health Trainers, data suggested the number of plans produced has dropped. This reflects issues with the triage system which have now been rectified. The drop in performance of tier 2 weight loss services is being managed contractually with the provider, and through investigating why some clients have dropped out and not completed the course.

7. SCHOOLS

7.1 Funding for schools is received from the Department for Education (DfE) via the Dedicated Schools Grant (DSG). As well as funding individual school budgets, the DSG also funds a range of central support services for schools.

7.2 Total schools balances as at 31st March 2018 are as follows:

	31st March 2017 £m (original published balances)	**31st March 2017 £m (amended for in-year academy conversions)**	**31st March 2018 £m**	**Change £m**
Nursery Schools	0.6	0.6	0.8	+0.2
Primary Schools	11.7	10.2	10.5	+0.3
Special Schools	0.6	0.3	0.5	+0.2
Pupil Referral Units (PRUs)	0.0	0.0	0.0	0.0
Sub Total	**12.9**	**11.1**	**11.8**	**+0.7**
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	1.1	1.1	0.4	-0.7
TOTAL	**14.0**	**12.2**	**12.2**	**0.0**

It must be noted that further to the DSG, schools budgets include funding from the Education and Skills Funding Agency (ESFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grant such as the Pupil Premium. Schools that converted to Academy status prior to 31 March are no longer reported by the Local Authority and therefore are not included within the figures.

The change in individual school balances can be attributed to several reasons:

- Some schools will have delayed or cancelled spending decisions due to the uncertainty around future years' funding amounts.
- Some schools have chosen to apply balances in 2017/18 to maintain current staffing levels and class structures.
- Pressures on capital funding have led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

7.3 Analysis will be undertaken to look at the individual changes in balances and appropriate challenge given to those schools in a deficit position and those with excessive balances. Further analysis will be carried out throughout the year to ensure that schools are spending in accordance with their submitted budgets and recovery plans.

7.4 If a school is classed as not meeting the minimum floor targets for attainment, any balance in excess of 8% (primary/special/nursery) is considered excessive and will be subject to local authority learning directorate officers determining how some of the excess could be best used to raise attainment levels.

7.5 The balances can be further analysed in the tables below:

Sector	**Schools with Reported Deficit Balances as at 31st March 2018**
Nursery	0
Primary	2
Secondary	0
Special	0
Total Schools	**2**

Both Primary school revenue deficits are below £30k as at 31st March 2018.

Value of surplus revenue balances held by schools at 31st March 2018:

Surplus	**Nursery**	**Primary**	**Pupil Referral Units**	**Special**	**Total**
£0k - £10k	1	6	0	0	**7**
£10k - £20k	0	2	0	0	**2**
£20k - £60k	0	63	1	0	**64**
£60k - £100k	3	28	0	1	**32**
£100k - £150k	1	21	0	2	**24**
£150k - £200k	2	7	0	0	**9**
£200k - £300k	0	7	0	1	**8**
£300k - £400k	0	0	0	0	**0**
£400k+	0	1	0	0	**1**

Please note: the figures in 7.2 and 7.5 are based on the year end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education may differ slightly.

8. GENERAL RESERVE BALANCES

8.1 Balances on the general reserve as at 31st March 2018 are £13.4m as set out below:

General Reserve Balance	2017/18 Final Outturn £m
Balance as at 31st March 2017	**15.808**
Changes Arising:-	
Planned Business Plan adjustments	0.093
Service reserve balances transferred To General Reserve following review	1.453
People & Communities	-6.953
Debt Charges	1.981
Surplus Corporate Grants	1.579
Commercial & Investment	-0.535
Public Health	0.335
Corporate Services	-0.175
LGSS Operational	-0.115
Place & Economy	-0.053
LGSS Managed	-0.025
Balance as at 31st March 2018	**13.393**

8.2 As a minimum it is proposed that the General Reserve should be no less than 3% of gross non-school expenditure of the Council. At year end, the General Reserve was 2.4% of budgeted 2018-19 gross non-school expenditure. This deficit has been addressed as part of Business Planning, whereby £3.3m are added to reserves on 1 April 2018, restoring them to above the 3% level.

9. REVIEW OF OTHER RESERVES

9.1 The Council reviews the level of its overall reserves at outturn each year, in addition to assessing the adequacy of reserves as part of the BP process. Reserves have long provided vital flexibility in the Council's financial management and no changes are proposed in the operation of these reserves going forward. Details of the Council's earmarked reserves are set out in Appendix 2.

10. TREASURY MANAGEMENT ACTIVITY

10.1 This section summarises the expenditure and income for debt financing, which is held as a central budget within Corporate Services, and complies with the reporting requirements in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

	Budget £'000	**Actual £'000**	**Variation £'000**
Interest payable	16,071	14,948	-1,123
Interest receivable	-1,597	-2,391	-794
Technical & other	-1,724	222	1,946
MRP – loan repayments	11,477	9,467	-2,010
	24,227	**22,246**	**-1,981**

10.2 Net payments were less than budgeted because fewer long term loans were raised during the year than had been budgeted. Temporary, short term loans at low rates of interest were raised instead to meet liquidity needs. In addition the Council exercised an option to repay a £4m loan from Siemens in March which was refinanced with short term borrowing at a significantly lower rate of interest. Minimum Revenue Provision (MRP) was less than budgeted as a consequence of profiling and alternate funding of capital expenditure.

10.3 The change in the authority's loan debt over the year was as follows:

	1st April 2017 £'000	**Loans Raised £'000**	**Loans Repaid £'000**	**31st March 2018 £'000**
Long-Term Debt	347,020	19,840	4,000	362,860
Temporary Debt	92,000	43,000	-	135,000
	439,020	62,840	4,000	497,860
Less Investments	40,454			26,424
Net Debt	**398,566**			**471,436**

10.4 Long-term debt consists of loans for periods exceeding one year (at either fixed or variable rates of interest) and the average rate of interest paid on this long-term debt was 4.10%. The average rate paid on short term debt was 0.75%.

10.5 Each year the authority must approve limits known as Prudential Capital Indicators for the level of its external financing costs and the maximum limits on total debt. The outcome for 2017/18 compares with approved limits as follows:

	Approved £'000	**Actual £'000**
Financing Costs		
% of Net Revenue Expenditure	10.5%	5.86%
Authorised Limit for Debt	929,300[3]	497,860
Operational Boundary for Debt	899,300[3]	497,860
Interest Rates Exposure (as % of total net debt)[1]		
Fixed Rate	150%	76.97%
Variable Rate	65%	23.03%
Debt Maturity (as % of total debt)[2]		
Under 1 year	0 – 80%	34%
1 – 2 years	0 – 50%	1%
2 – 5 years	0 – 50%	10%
5 – 10 years	0 – 50%	14%
Over 10 years	0 – 100%	42%

Notes:

1. The Interest Rate Exposure is calculated as a percentage of net debt.
2. The guidance for this indicator required that LOBO loans are shown as maturing at the next possible call date rather than at final maturity.
3. The Operational Boundary and Authorised Borrowing Limit were restated and approved by Council as part of the TMSS 2018 at the February 2018 Council meeting.

10.6 Financing costs are below the approved limit as a result of the underspend for debt charges, and all debt levels are within the approved limits.

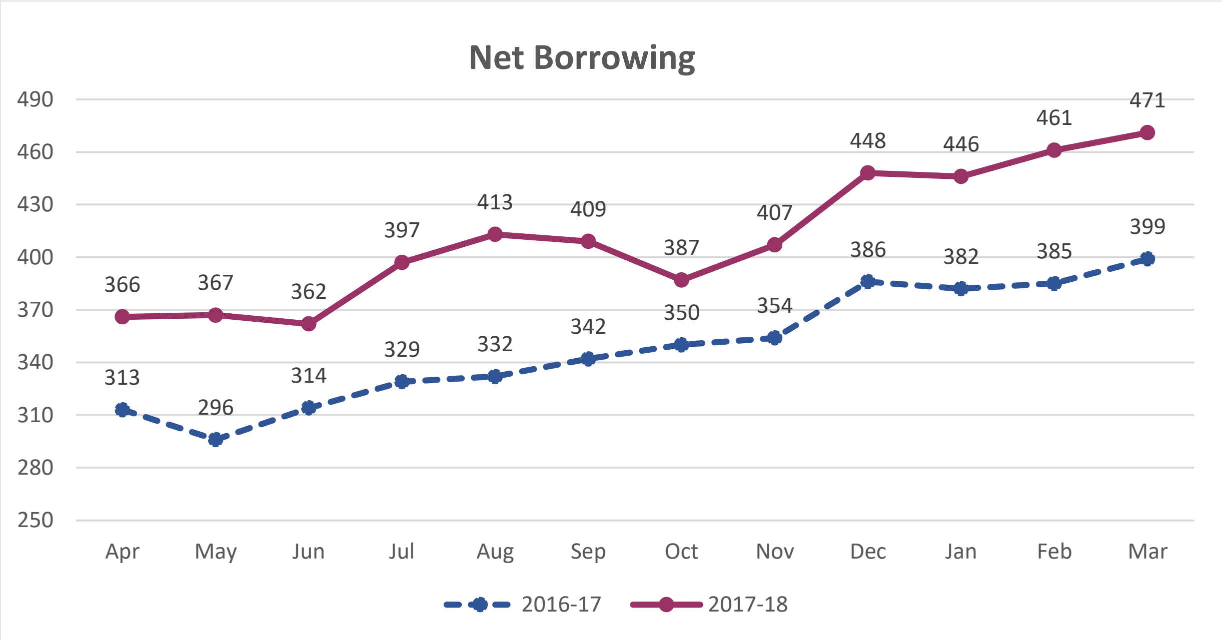
10.7 The cost of borrowing depends on the life of the asset and also the interest rates at a point in time. The longer the loan term, the higher the interest rate.

As an example, the grid below shows the different costs for different asset lives based on borrowing £1m at 4th April 2018 PWLB interest rates. Year 1 costs are highest and gradually decrease each year thereafter. This is because as the principal loan is repaid, the amount of interest charged each year decreases.

	Indicative cost		
Asset life in years	Year 1 cost £000	Final Year cost £000	Total cost £000
5	217	203	1,058
10	119	102	1,113
35	54	29	1,470
40	51	26	1,540

11. BALANCE SHEET

11.1 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of March 2018 were £26.42m (excluding 3rd party loans) and gross borrowing was £497.86m. Of this gross borrowing, it is estimated that £56.801m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



11.2 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report (https://tinyurl.com/y7yaz7pj).

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

11.4 Proposed Loan to VIVA Arts & Community Group (Soham Mill)

The County Council has been approached by a local charity (Viva) with a business case and request for loan financing to enable development of Spencer Mill, Soham.

The capital loan requested from the County Council is for £150k, repayable over 25 years with interest charged at 4% above base rate.

Legislation and the Council's Treasury Management Strategy permit the Authority to make loans to third parties for the purpose of capital expenditure. The CCC strategy sets out that this will usually be done to support local economic development and may be funded by external borrowing.

Viva propose redevelopment of the Mill as a social and cultural hub for Soham, as well as the charity's headquarters. The Chief Finance Officer has reviewed the information supplied by Viva, and advises that the charity reports a sound financial position and robust plans to repay the loan to schedule. The project is recommended as enabling economic development within Soham, as well as producing a financial return on the loan for the County Council.

General Purposes Committee are invited to approve a loan to Viva for £150k, and associated amendments to the capital programme and treasury monitoring.

12. DEBT MANAGEMENT

12.1 An overview of debt management and prompt payment outcomes is shown below:

Measure		**Year End Target**	**Actual as at the end of March**
Level of debt outstanding (owed to the council) 91-360 days, £m	Adult Social Care	£1.6m	£2.4m
	Sundry	£0.4m	£1.9m
Level of debt outstanding (owed to the council) 361 days +, £m	Adult Social Care	£1.9m	£2.6m
	Sundry	£0.1m	£0.2m

12.2 Summary Final Position:

Overall debt outstanding has decreased since February. Overdue debt (total less current) has decreased by £1m from £17m to £16m.

91-360 days debt balances have increased by £896k since February. The target of £1.9m was not achieved, with the final balance being £4.2m.

Over 361 days debt has decreased by £35k overall since February, with a final balance of £2.8m against a target of £2.0m.

12.3 Adults Social Care

Adult Social Care (ASC) and Older People– 91-360 days' debt has decreased by £87k since February. Final balances are £2.4m against a target of £1.6m. 91-360 days' debt has decreased by £38k since February. Final balances are £2.6m against a target of £1.9m.

12.4 Sundry

Overall sundry 91-360 days' debt has increased by £983k since February. This consists of increases of £1.1m in Corporate Services and £56k Children and Families debt, partially offset by a decrease of £156k in Place & Economy debt. The increase in Corporate Services debt was mainly due to a Finance and Procurement invoice moving into the over 90 days category. This has resulted in the final sundry 91-360 days' debt balance being £1.9m against a target of £0.4m.

Over 361 days' sundry debt has increased by £3k since February. Final sundry balances in the over 361 days' debt category are £0.2m against a target of £0.1m. These balances consist of £98k Corporate Services debt, £77k Place & Economy debt and £43k Children and Families debt.

13. CAPITAL PROGRAMME

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

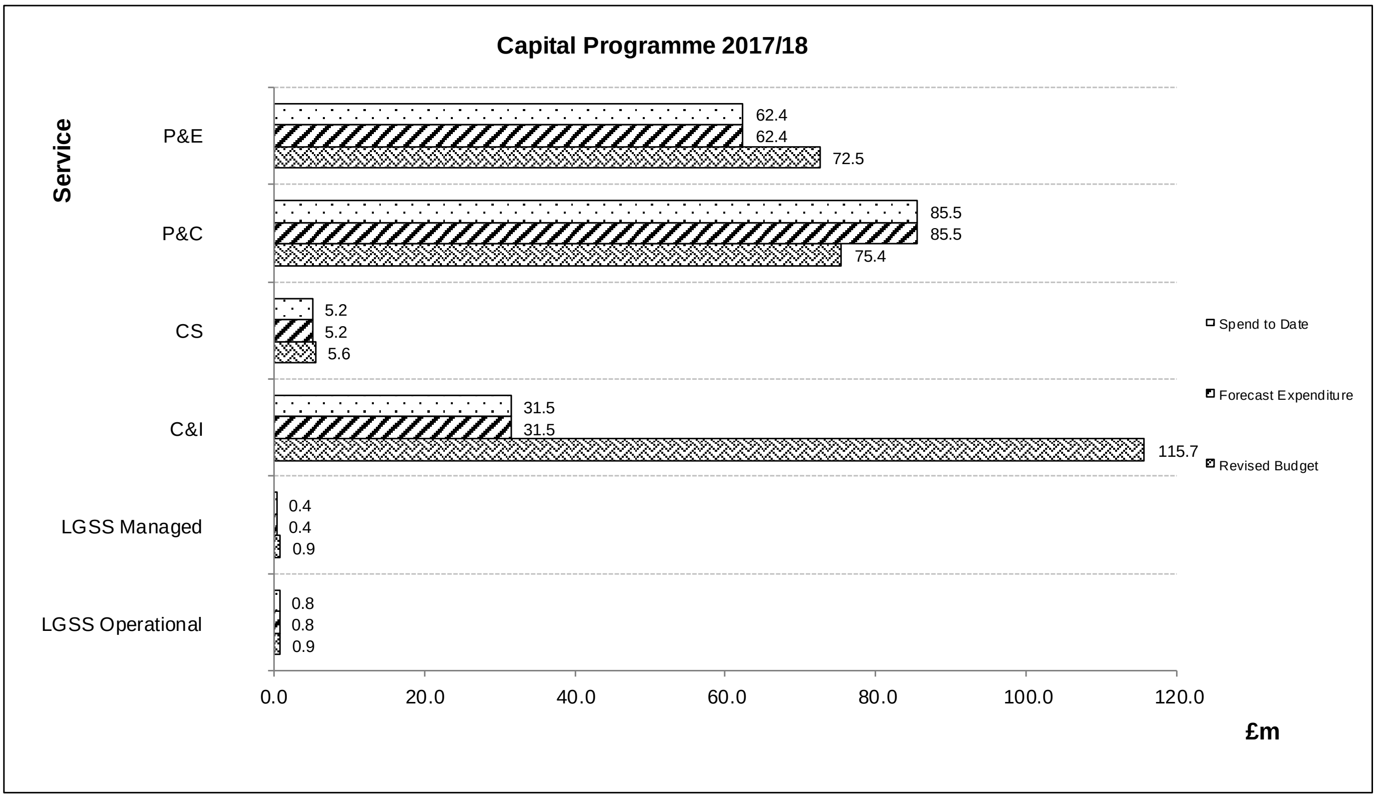
2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per Business Plan £000	Service	Revised Budget for 2017/18 £000	Forecast Variance - Outturn (Feb) £000	Actual Variance - Outturn 2017/18 £000	Actual Variance - Outturn 2017/18 %	Total Scheme Revised Budget (Outturn 1718) £000	Total Scheme Forecast Variance (Outturn 1718) £000
67,331	P&E	72,511	-10,743	-10,157	-14.0%	435,038	-
77,408	P&C	75,442	9,241	10,022	13.3%	576,016	14,326
5,489	CS	5,612	197	-407	-7.3%	11,743	626
160	LGSS Managed	949	-375	-511	-53.9%	9,853	-495
115,408	C&I	115,651	-47,883	-84,102	-72.7%	237,752	-656
100	LGSS Operational	898	-10	-92	-10.3%	2,005	-
-	Outturn adjustment	-	-	-	-	-	-
265,896	**Total Spending**	**271,063**	**-49,573**	**-85,248**	**-31.4%**	**1,272,407**	**13,801**

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 13.2.

2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2017/18 of £11.1m and is reporting an underspend of -£2.7m at year-end.

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



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

13.2 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, and the impact this has on the revenue financing of the related debt for the programme, the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service which effectively reduced the programme budget for 2017/18. This was allocated service-wide rather than against individual schemes as it is not possible to identify in advance which particular schemes will be affected by land-purchase issues, environmental factors etc. which create the slippage.

A summary of the use of capital programme variations budgets by services is shown below.

2017/18					
Service	**Capital Programme Variations Budget £000**	**Actual Variance - Outturn 2017/18 £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Actual Variance Against Revised Budget - Outturn 2017/18 £000**
P&E	-15,514	-25,671	15,514	100.00%	-10,157
P&C	-10,305	-283	283	2.75%	10,022
CS	-279	-686	279	100.00%	-407
LGSS Managed	-643	-1,154	643	100.00%	-511
C&I Non-Housing	-720	-1,532	720	100.00%	-812
LGSS Operational	-20	-112	20	100.00%	-92
Outturn adjustment	-	-	10,022	-	-
Subtotal	**-27,481**	**-29,439**	**27,481**	**100.00%**	**-1,958**
C&I Housing	0	0	0	0.00%	-83,290
Total Spending	**-27,481**	**-29,439**	**27,481**	**100.00%**	**-85,248**

13.3 As at year-end, People & Communities has utilised -£0.3m of the -£10.3m capital programme variations budget originally allocated to P&C. Taken together with the re-phasing on Place and Economy, Corporate Services, LGSS Managed, Commercial and Investment and LGSS Operational schemes which have exceeded the capital programme variations budget allocated to them, this fully utilises the total -£27.5m capital variations budget and exceeds the total by -£2.0m. Therefore, overall expenditure on the 2017/18 capital programme is underspent by -£2.0m compared to the position originally anticipated when the capital variations budget was set.

13.4 The C&I Housing scheme budget does not have a capital programme variations budget associated with it; it is therefore shown as a separate line in the above capital programme variations table. Incorporating the in-year underspend of -£83.3m on Housing schemes, this gives an overall forecast underspend position of -£85.2m.

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

13.5.1 **Place & Economy:** a -£10.2m (-14%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	**%**
• **Connecting Cambridgeshire**- a -£3.8m underspend is being reported for year-end, which is an increase of -£0.4m on the underspend previously in October. Expenditure in this year has been lower than estimated in relation to the BT contract. To confirm, delivery is on track but expenditure has been re-phased, and therefore the funding will be required next financial year.	-3.8	(-90%)

• **Cycling Schemes**- a -£2.8m underspend is being reported for year-end, which is a decrease of £0.3m on the underspend previously reported in February. This is mainly due to a pressure on the following scheme: o Cycling City Ambition Grant: a +£0.3m pressure is being reported at year-end. This grant has been awarded for 5 years and the expenditure is ahead of profile; there is no impact on the total scheme forecast.	-2.8	(-54%)
• **Delivering the Transport Strategy Aims**- a -£2.5m underspend is being reported across Delivering the Transport Strategy Aims schemes for year-end, which is an increase of -£0.5m on the underspend previously reported in February. There are a number of schemes which for various reasons such as staff resource for both CCC & Skanska, change of Highways Services Contract (including delays in receipt of target costs) and inclement weather have been delayed.	-2.5	(-55%)
• **Operating the Network**- a -£2.4m underspend is being reported for year-end, which is an increase of -£0.5m on the underspend previously reported in February. This increase is due to underspends on the following schemes: o Carriageway & Footway Maintenance incl Cycle Paths: An underspend of -£1.4m is being reported for year-end, which is an increase of -£0.5m on the underspend previously reported in February. This increase is mainly due to severe delays with the work on the B1090 - Abbots Ripton, Station Road due to a technical agreement, land transfer and finance contribution with Network Rail.	-2.4	(-15%)
• **Guided Busway**- a -£1.2m underspend is being reported for year-end, which is an increase of -£0.5m on the underspend previously reported in February. The overall underspend this financial year is due to part one compensation payments in relation to the busway being lower than anticipated.	-1.2	(-97%)
• **National Productivity Fund**- a -£0.7m underspend is being reported for year-end. This grant has been awarded for two years and the majority of the work will be carried out in 2018/19.	-0.7	(-24%)

• **Safer Roads Fund-** a -£0.4m underspend is being reported for year-end, as a result of no expenditure this financial year. The initial target price quotation received in early February was £800k over budget, partly due to the requirement to deliver a significant proportion of the scheme by the end of the year, but also due to the scope of the scheme and limited number of supply chain prices received by Skanska. To ensure a minimum acceptable level of value for money could be demonstrated, the decision was taken to re-scope the scheme, extend the programme and resubmit requests for quotations from Skanska's wider supply chain. This has clearly altered the spend profile for this scheme. The Department for Transport (DfT) have agreed that the delivery of this scheme can now be rescheduled for the early part of 2018/19 to allow sufficient time to ensure the scope of the scheme meets the required outcome.	-0.4	(-100%)
• **Waste Infrastructure**- a -£0.3m underspend is being reported at year-end. Due to the complexity of issues to identify suitable alternative sites and ongoing discussions with key stakeholders, this project has not progressed as quickly as anticipated.	-0.3	(-79%)
• **Ely Crossing**- a -£0.03m in- year underspend is being reported at year-end, which is a decrease of £3.8m on the underspend position previously reported in February. This increase in expenditure is primarily due to the addition of an accrual for land costs. During construction a number of significant challenges had arisen which resulted in increases to the scope and quantity of work that the contractor had to undertake, contributing to a cost increase resulting in significant cost escalation and an extension to the programme. See also section 12.10 regarding a request to GPC for additional funding for completion of the scheme.	-0.03	(-0.1%)

For full and previously reported details see the P&E Finance & Performance Report. *(Please note that the information from the P&E report will be available at the links below following the publication of the Economy and Environment Committee (https://tinyurl.com/ybr6ee8j) and Highways and Community Infrastructure Committee (https://tinyurl.com/y724pzsf) agendas.)*

13.5.2 **People & Communities:** +£10.0m (+13%) accelerated spend is being reported at year-end after utilising -£0.3m of the -£10.3m capital programme variations budget allocated to P&C.

	£m	%
• **Schools Managed Capital:** +£1.3m pressure is being reported at year end. Devolved Formula Capital (DFC) is a three year rolling balance and includes £780k carried forward from 2016/17. The 2017/18 position relates to schools funded capital of £1,981k which has matching funding to offset the impact. Devolved Formula Capital then has a carry forward into 2018/19 of £717k.	+1.3	(+72%)
• **Capitalisation of Interest Costs:** -£0.3m underspend is being reported at year-end. The capitalisation of interest calculation was carried out with analysis completed at an individual scheme level once the overall 2017/18 capital expenditure was complete, and monthly interest rates for the financial year were known. Following the final expenditure and interest figures the calculated value for P&C came in at £275k lower than the original estimated budget.	-0.3	(-18%)
• **Children Support Services:** -£0.4m underspend is being reported at year end. Previously the forecast included expenditure on the Education Capital Team, which as part of year end procedures has been allocated against applicable projects in year, whose outturns have been updated accordingly.	-0.4	(-99%)
• **Basic Need – Early Years:** -£0.6m underspend is being reported at year end, which is a movement of -£0.3m on the position last reported in June. This is due to £304k re-phasing on the early years project at Peckover, Wisbech.	-0.6	(-38%)
• **Basic Need – Primary** – an in-year underspend of -£1.3m is being reported at year end, which is a decrease of £0.5m on the underspend previously reported in February. This decrease is mainly due to additional accelerated spend of £338k on the Fulbourn Primary School scheme as works are progressing ahead of the original contractor programme, additional accelerated spend of £167k on the Wyton Primary scheme as the project is progressing better than initially forecast, and reduced re-phasing of £175k on the Histon Additional Places scheme. This is partially offset by changes in the following schemes:	-1.3	(-3%)

- Hatton Park Primary is reporting an additional £235k re-phasing due to fixtures, fittings and ICT budgets not being spent in full during the financial year.

• **P&C Capital Variation –** as agreed by the Capital Programme Board, any underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn. As at year end, £0.3m of the £10.3m Capital Variation budget has been utilised. This will be offset with additional borrowing of £10.0m. This is a decrease of £0.8m on the use of variations budget last reported in February.	+10.0	(+97%)

For full and previously reported details see the P&C Finance & Performance Report. *(Please note that the information from the P&C report will be available at the links below following the publication of the Children & Young People's Committee (https://tinyurl.com/yb7rv4or) and Adults Committee (https://tinyurl.com/ybb2g3ow) agendas.)*

13.5.3 **Corporate Services:** a -£0.4m (-7%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full.

	£m	**%**
• **Mosaic** – an in-year underspend of -£1.0m is being reported at year end, which is an increase of £0.6m on the underspend previously reported in September. The actual costs for the Mosaic scheme were lower than budgeted for 2017/18 due to the go live date being pushed back into 2018/19. This has moved a significant amount of the cost into 2018/19, but has not impacted on the overall scheme budget.	-1.0	(-41%)

For full and previously reported details see CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

13.5.4 **LGSS Managed:** a -£0.5m (-54%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

13.5.5 **Commercial & Investment:** an -£84.1m (-73%) in-year underspend is being reported at year end after capital programme variations budget has been utilised in full.

	£m	**%**
• **Housing Schemes** – an in-year underspend of -£83.3m is being reported at year end. As has previously been reported in separate papers to the C&I committee, the Housing Schemes did not progress as quickly as originally anticipated in the initial draft model that was created for the 2017-18 Business Planning process. The company's financial model was refined and updated	-83.3	(-74%)

over the last few months, alongside the progression of work on seeking planning permission, declaring assets surplus and moving towards a position of being able to dispose of the properties before the end of the financial year. The increased underspend is due to re-phasing of work into future years.

- **Shire Hall Campus** – an underspend of -£0.3m is being reported at year end. This is as a result of reduced levels of spending on maintenance at Shire Hall. This has also reduced the total scheme forecast accordingly. -0.3 (-48%)

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

13.5.6 **LGSS Operational:** a -£0.092m (-10%) in-year underspend is being reported at year end after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/ybxq2cjt).

13.6 This month there are no total scheme key exceptions to report. (Total scheme key exceptions are £0.25m or greater by programme for individual schemes.)

13.7 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	5.2	**34.2**	35.9	1.7
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**	1.0	-0.7
Specific Grants	23.1	0.5	-7.6	-0.1	**16.0**	21.6	5.6
S106 Contributions & Community Infrastructure Levy	22.0	1.6	-4.4	0.8	**20.0**	14.2	-5.8
Capital Receipts	83.9	-	-	-	**83.9**	4.2	-79.7
Other Contributions	15.1	0.4	-4.6	2.7	**13.5**	12.2	-1.3
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	63.5	9.7	-10.4	1.7	**64.6**	59.4	-5.2
TOTAL	**265.9**	**13.5**	**-18.7**	**10.3**	**271.1**	**185.8**	**-85.2**

[1] Reflects the difference between the anticipated 2016/17 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2017/18 Business Plan, and the actual 2016/17 year end position.

13.8 Key funding changes (of greater than £0.25m) are identified below:

Funding	Service	Amount (£m)	Reason for Change
Additional / Reduction in Funding (Specific Grants)	All	+10.6	Funds received for the Greater Cambridge Partnership (£11.8m) that have not been needed in 2017/18 in cash flow terms have been used to postpone borrowing to fund schemes across the capital programme in order to reduce the MRP payable for 2018/19. When these funds are needed again then the Council will borrow to repay them. Funds received for the Growth Deal (£0.5m) and Growing Places fund (£0.6m) that have already been used in place of borrowing are required to fund expenditure in 2017/18; additional prudential borrowing is therefore required to repay the use of these funds. This is offset by the use of the Greater Cambridge Partnership funding as described above. **GPC is asked to approve the use in cash flow terms of £11,793k Greater Cambridge Partnership funding for schemes across the capital programme to postpone prudential borrowing, additional prudential borrowing required to offset the use of £533k Growth Deal and £663k Growing Places funding, and the resulting reduction of £10,596k in the prudential borrowing requirement.**
Additional / Reduction in Funding (Other Contributions)	All	+5.0	Funds received for Horizons (£5.0m) that have not been needed in 2017/18 in cash flow terms have been used to postpone borrowing to fund schemes across the capital programme in order to reduce the MRP payable for 2018/19. When these funds are needed again then the Council will borrow to repay them. **GPC is asked to approve the use in cash flow terms of £4,983k Growing Places funding for schemes across the capital programme to postpone prudential borrowing, and the resultant reduction in the prudential borrowing requirement.**

13.9 For previously reported key funding changes see the respective Service Finance & Performance Report (appendix 6):

P&E Finance & Performance Report
P&C Finance & Performance Report
CS & LGSS Finance & Performance Report
C&I Finance & Performance Report

13.10 Economy and Environment Committee considered a report on 12th April 2018 detailing the changes to the cost of the programme for delivering the Ely Southern Bypass and to consider the requirement for additional funding. During construction a number of significant challenges had arisen which resulted in increases to the scope and quantity of work that the contractor had to undertake, contributing to the cost increase resulting in significant cost escalation and an extension to the programme. As construction had progressed, a number of issues arose principally related to the combination of the complexity of the design of the structures necessary to mitigate the environmental impact and secure planning consent, ground conditions, third party requirements, site constraints, and the requirement for the quickest possible delivery. At the Committee it was resolved unanimously to note the increase in scheme costs and request General Purposes Committee (GPC) to allocate the additional funding required of £13m to complete the scheme. The annual cost of the additional prudential borrowing required to fund the increased costs will start at £686k pa, decreasing each year thereafter over 40 years. The report to Economy & Environment Committee is available at here (https://tinyurl.com/y722qrzh).

General Purposes Committee is asked to approve additional prudential borrowing of £13m in future years for the completion of the Ely Southern Bypass scheme.

14. FUNDING CHANGES

14.1 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 (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the GPC for approval.

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 two of the pilot scheme Cambridgeshire County Council's share of the additional growth, which was accounted for in 2017/18, was £1,377k. This has not been budgeted for and is shown within the outturn position of the 'Funding Items' section of this report. This has been included in the Surplus Corporate Grants transferred to the General Reserve at year end, see section 8.1.

14.2 Funding changes 2018-19: Adult Social Care Support Grant

In mid-February 2018, following the Full Council budget meeting, the *Secretary of State for Housing, Communities and Local Government* announced a further grant entitled the "Adult Social Care Support Grant" for all authorities with Social Care responsibilities. For Cambridgeshire the allocation is **£1.453m.**

Despite its name the grant is not ring-fenced although the Secretary of State has indicated the expectation that Councils use the funds to build on progress in supporting sustainable local care markets.

To comply with the Scheme of Financial Management regarding unringfenced grants, General Purposes Committee is therefore invited to **agree allocation of the additional £1.453m funding to the People & Communities directorate**, to be deployed as follows:

Item	Amount	Remarks
Additional funding to support national target for reducing delayed transfers of care	£570k	Investment into Reablement service to provide additional capacity, and in response to pressures facing the NHS
Meet unidentified savings target within Adults Services (A/R.6.177)	£252k	Full Council agreed a "further savings requirement from Adults Services" contingent on consultation with clients contributing to care costs. In 2018-19 this target will now be funded by grant instead.
Investments in social work and commissioning (workforce)	£295k	Additional capacity and initiatives which manage demand and sustain investment. This includes support to safeguarding and care homes, and meeting some salary related pressures for staff on NHS employment terms.
Emerging pressures and sustaining care markets	£336k	Enabling the Council to draw on additional funds during periods of peak demand on the social care system; appropriate social care contribution to GP-led interim bed (step-down) capacity.
Subtotal	**£1,453k**	Total allocation to People & Communities (Adults)

The grant has been announced for one year only, and the above items will be reviewed as part of business planning for 2019-2024 to consider the longer term funding position of these pressures where appropriate.

15. EXTERNAL AND CONTEXTUAL ISSUES

15.1 As predicted, the financial challenges facing the Council have increased during 2017/18 CCC has continued to face substantial increases in demand for its services, both as a result of population growth and changing demographics, particularly in relation to the ageing population and those with complex care needs. The number of Looked After Children in complex and costly placements has also been increasing, placing significant pressure on the Children's Social Care budget. These pressures, coupled with a 9.2% reduction in Government funding led to a savings requirement of £31.8m in 2017/18 and £103.1m over the next five years.

15.2 Indicative of the scale of the challenge the Council has faced this year, it has failed to achieve a "break-even" outturn for the second year in succession and ended the year needing to draw down £3.8m from its non-earmarked reserves. Details of the pressures that have led to this position can be found in previous Finance & Performance Reports.

15.3 The financial outlook for 2018/19 remains extremely constrained, as despite the government delaying its aim to return public finances to balance until 2020, the Council is still faced with a further 3.5% reduction in Government funding alongside continuing increases in the demand for its services, resulting in a savings requirement of £82m over the next five years. However, following the 2016/17 change in the way the Council bears the cost of borrowing through its Minimum Revenue Position policy, it has been able to establish a £20m Transformation Fund which has been utilised during 2017/18 and will be further utilised during 2018/19. The Transformation Programme is integrated into the Business Planning process with a programme of investments and savings reflecting the transformational changes planned for 2018/19 and beyond. This continues to make resources available for Services to invest in strategies and to overhaul their services in a way that will deliver long-term savings. During the first part of 2018, a revised strategy for Council tax was agreed for the medium term, as part of an approach which builds the organisation's financial resilience in response to the considerable risks and pressures outlined.

15.4 The Council will focus on transforming rather than cutting services in this approach and will continue to seek to shape proposals so that the most vulnerable are the least affected. For further information see the Council's Medium Term Financial Strategy.

16. ALIGNMENT WITH CORPORATE PRIORITIES

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

There are no significant implications for this priority.

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

There are no significant implications for this priority.

16.3 **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

17. SIGNIFICANT IMPLICATIONS

17.1 **Resource Implications**

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

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

There are no significant implications within this category.

17.3 **Statutory, Legal and Risk Implications**

There are no significant implications within this category.

17.4 **Equality and Diversity Implications**

There are no significant implications within this category.

17.5 **Engagement and Communication Implications**

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

17.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

17.7 **Public Health Implications**

There are no significant implications within this category.

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

Source Documents	Location
P&E Finance & Performance Report (Outturn 17/18) P&C Finance & Performance Report (Outturn 17/18) PH Finance & Performance Report (Outturn 17/18) CS and LGSS Cambridge Office Finance & Performance Report (Outturn 17/18) C&I Finance & Performance Report (Outturn 17/18) Performance Management Report & Corporate Scorecard (Outturn 17/18) Capital Monitoring Report (Outturn 17/18) Report on Debt Outstanding (March 18) Savings Tracker 2017-18	1st Floor, Octagon, Shire Hall, Cambridge

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

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	237,311	200	38,682	22,803	8,416	13,626	2,702	7,746	24,377
Post BP adjustments	-292		-18		408		44	-142	
Apprenticeship Levy	311	8	61		-426		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				-58		
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	-1,335							1,335	
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	
P&E 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						
Healthwatch transfer to P&C	382				-382				
Supporting Community Services budget transfers	358		411		-769				

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

Community Led Local Development Programme Funding transfer	21					-21			
Trading Services budget transfers	276						-276		
Supporting Community Services budget transfers	102				-102				
Cambs Housing Investment Company net interest receivable transfer to C&I				1,424			-1,424		
ESPO dividend budget transfer to C&I						200	-200		
Equalisation adjustment transfer from LGSS Managed to LGSS Cambridge Office						-15		15	
Budget transfer per CCR					-43			43	
Transfer Strengthening Communities budget	35		17		-53				
Transfer insurance budgets	419		1,615			-2,033			
Physical Disabilities redundancy savings to CS	-31				31				
Transfer Strengthening Communities budget	-27		-5		32				
Reduce flood budget ETE, approved by GPC			-20						20
Transfer insurance budgets	63		61			-146	22		
Transfer Strengthening Communities budget			-33		33				
Transfer Building maintenance match funding			3				-3		
Current budget	**239,567**	**386**	**42,062**	**24,227**	**4,721**	**11,611**	**25**	**9,516**	**22,721**
Rounding	0	0	0	0	0	0	0	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2017	2017-18 Movements in 2017-18	2017-18 Balance at 31 March 2018	Notes
	£000s	£000s	£000s	
General Reserves				
- County Fund Balance	15,808	-2,415	13,392	
- Services				Service reserve balances transferred to General Fund after review
1 P&C	540	-540	0	
2 P&E	2,229	-2,229	0	
3 CS	-64	64	0	
4 LGSS Operational	609	-609	0	
subtotal	19,122	-5,729	13,392	
Earmarked				
- Specific Reserves				
5 Insurance	3,269	-94	3,175	
subtotal	3,269	-94	3,175	
- Equipment Reserves				
6 P&C	133	-69	64	
7 P&E	218	-188	30	
8 CS	57	-27	30	
9 C&I	726	-46	680	
subtotal	1,134	-330	804	
Other Earmarked Funds				
10 P&C	1,223	-709	514	
11 PH	2,960	-393	2,567	
12 P&E	5,989	-607	5,382	Includes liquidated damages in respect of the Guided Busway - current balance £1.5m.
13 CS	2,656	-28	2,628	
14 LGSS Managed	146	-83	63	
15 C&I	442	110	552	
16 Transformation Fund	19,525	2,352	21,877	Savings realised through change in MRP policy
17 Innovation Fund	1,000	-156	844	
subtotal	33,941	487	34,427	
SUB TOTAL 57,465	**-5,666**	**51,799**		
Capital Reserves				
- Services				
18 P&C	1,827	-1,049	778	
19 P&E	7,274	2,926	10,200	
20 LGSS Managed	72	-72	0	
21 C&I	0	0	0	
22 Corporate	29,782	13,779	43,561	Section 106 and Community Infrastructure Levy balances.
subtotal	38,955	15,584	54,539	
GRAND TOTAL	**96,420**	**9,918**	**106,338**	

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		Notes
			Movements in 2017-18	Balance at 31 March 2018	
		£000s	£000s	£000s	
- Short Term Provisions					
1	P&E	669	-614	55	
2	P&C	200	0	200	
3	CS	64	-64	0	
4	LGSS Managed	3,056	404	3,460	
5	C&I	24	-24	0	
	subtotal	4,013	-298	3,715	
- Long Term Provisions					
6	LGSS Managed	3,613	0	3,613	
	subtotal	3,613	0	3,613	
GRAND TOTAL		**7,626**	**-298**	**7,328**	

APPENDIX 3 – RECOMMENDATIONS FROM PREVIOUS REPORTS

The February Integrated Resources and Performance Report included a number of recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Resources and Performance Report to be presented at a meeting of GPC was the January report, on 27th March 2018.

GPC is asked to approve the recommendations in the February report, which were circulated to the Committee by email.

<u>February Integrated Resources and Performance Report</u>

One recommendation concerning capital funding found in section 6.8:

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

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding – Department for Transport (DfT) Grant	P&E	-£1.1	The Challenge Fund programme of schemes has been re-phased with the majority of works being scheduled for completion in 2018/19. As such -£1.1m of the Challenge Fund DfT Grant will not be required until 2018/19. This change in spend profile has been notified to the DfT and no concerns have been raised. **General Purposes Committee is asked to note this in-year reduction in funding.**
Addition/Reduction in Funding – Department for Transport (DfT) Grant	P&E	-£0.8	The Safer Roads Fund scheme for safety improvements on the A1303 is being re-phased and it is anticipated that this will be completed in 2018/19. As such -£0.8m of the Safer Roads Fund DfT Grant will not be required until 2018/19. The altered spend profile for this scheme will shortly be notified to the DfT. **General Purposes Committee is asked to note this in-year reduction in funding.**
Addition/Reduction in Funding – Prudential Borrowing	P&E	-£2.25	Due to the re-phasing of Challenge Fund work into 2018/19 as described above, the additional prudential borrowing of £2.25m approved by GPC in July 2017 to supplement the DfT Grant will no longer be required during this financial year. **General Purposes Committee is asked to note this in-year reduction in the prudential borrowing requirement.**

One recommendation concerning the approval of additional prudential borrowing, found in section 6.9:

In addition to the above funding budget changes for 2017/18, additional funding of £132k is requested in 2017/18 to fund the in-year pressure on the Capitalisation of Corporate Redundancies budget. (This is in addition to the £359k requested in the January report). Transformation 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 necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme, offset by an increase of £132k in the C&I borrowing requirement. The main service which is facing additional redundancies costs, following a restructure, had previously accumulated a departmental revenue reserve. This revenue reserve was previously incorporated into the general fund reserve, following Council policy, and it is therefore considered most appropriate to make use of the capital receipts flexibility for this transformation activity instead.

General Purposes Committee is asked to approve additional prudential borrowing of £132,000 in 2017/18 to offset the increased use of capital receipts for additional capitalisation of redundancies. (Please note that this recommendation is carried forward from the February report which was circulated via email; this has reduced from the previous £138k additional funding reported in February.)