

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING  
30<sup>TH</sup> NOVEMBER 2017**

**To:** Audit & Accounts Committee

**Date:** 23<sup>rd</sup> January 2018

**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 on 23<sup>rd</sup> January 2018:

- a) Analyse resources and performance information and note any remedial action currently being taken and consider if any further remedial action is required.
- b) Note the changes to capital funding requirements as set out in Section 6.7.
- c) Approve an additional £197k of prudential borrowing in 2017/18 for County Farms Investment projects, as set out in section 6.8.
- d) Note the transfers in revenue budget responsibility and reporting as set out in section 7.2.

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	Tom Kelly	Names:	Councillors Count & Hickford
Post:	Head of Finance	Post:	Chair/Vice-Chair
Email:	<a href="mailto:Tom.Kelly@cambridgeshire.gov.uk">Tom.Kelly@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Steve.Count@cambridgeshire.gov.uk">Steve.Count@cambridgeshire.gov.uk</a> <a href="mailto:Roger.Hickford@cambridgeshire.gov.uk">Roger.Hickford@cambridgeshire.gov.uk</a>
Tel:	01223 703599	Tel:	01223 706398

## **1. PURPOSE**

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan. *Please note that the tracker appendix does not appear as it is only produced for General Purposes Committee on a quarterly basis. The report is headed up in draft form as it will be received by General Purposes Committee the same day.*

## **2. OVERVIEW**

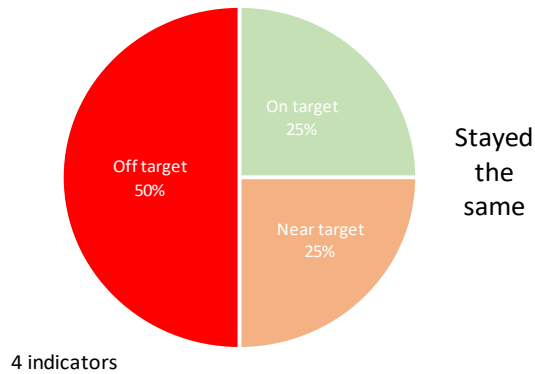
- 2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

DRAFT

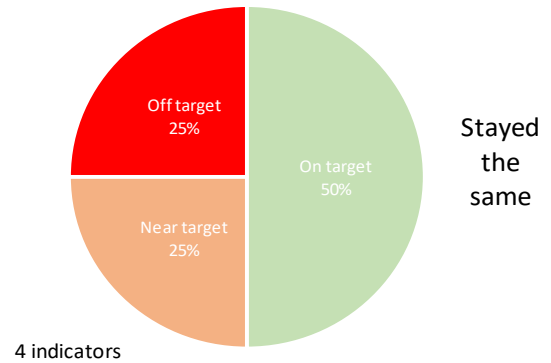
## Outcomes

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

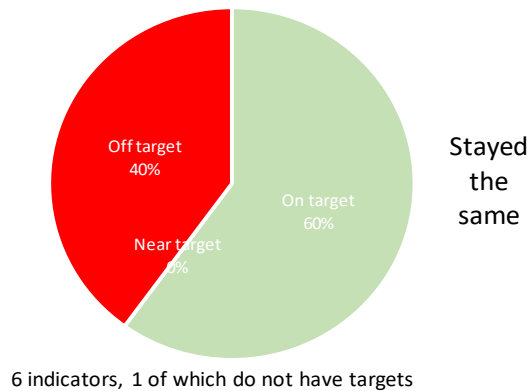
### Older people live well independently



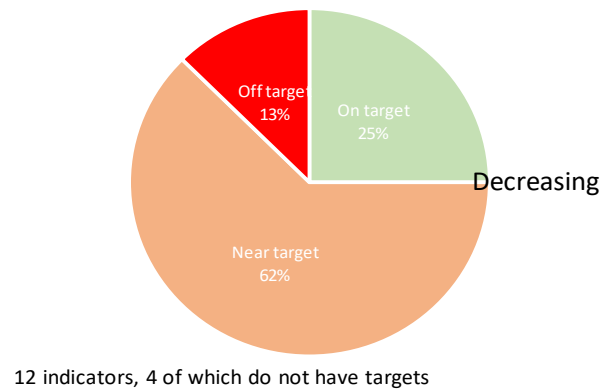
### People with disabilities live well independently



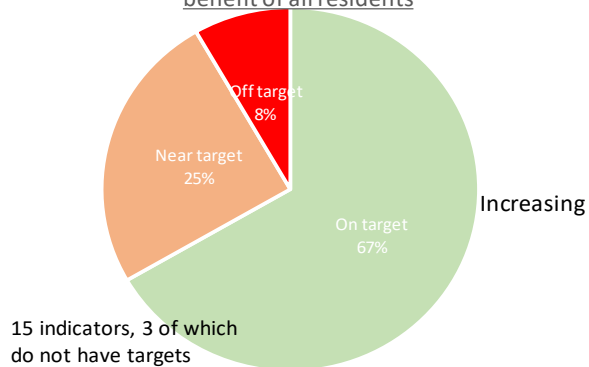
### Adults and children are kept safe



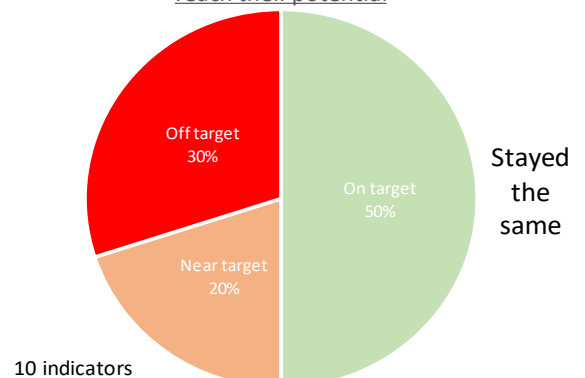
### People live in a safe environment



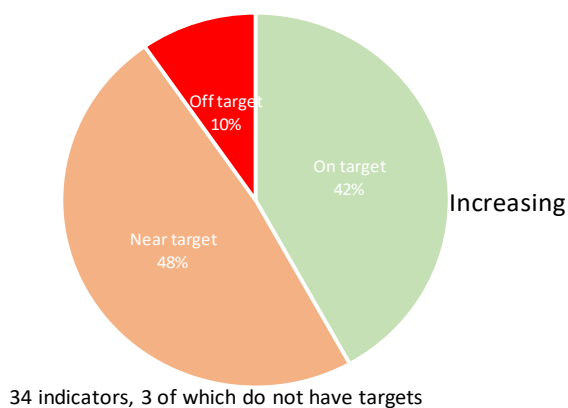
### The Cambridgeshire economy prospers to the benefit of all residents



### Places that work with children help them to reach their potential



### People lead a healthy lifestyle and stay healthy for longer



Our Transformation Programme is on track	Sustain a high performing, talented, engaged and resilient workforce
<p>24 Early ideas ↑</p> <p>113 Business cases in development ↑</p> <p>24 Projects being implemented ↓</p> <p>Transformation Fund:</p> <p>14 projects rated Green</p> <p>4 rated Amber (reflecting some need to re-phase savings)</p> <p>3 rated Red (risk of non-delivery of savings or benefits)</p>	<p>As of the end of November 2017 we had lost 6.62 days on average per staff member to sickness during the last 12 months.</p>

## Finance and Risk

### Revenue budget forecast

+£4.2m (1.2%)  
variance at end of  
year

RED

This is a £0.02m  
improvement  
since last  
month.

### Capital programme forecast

£0 (0%) variance at  
end of year

GREEN

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

\*Latest Review: October 2017

## Number of service users supported by key care budgets

### Older people aged 65+ receiving long term services

	Nov-17	Trend since Apr-17
Nursing	461	Stayed the same
Residential	870	Increasing
Community	2401	Increasing

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

	Nov-17	Trend since Apr-17
Nursing	25	Stayed the same
Residential	320	Increasing
Community	1929	Increasing

### Children open to social care

	Nov-17	Trend since Apr-17
Looked after children	701	Increasing
Child protection	538	Decreasing
Children in need*	2163	Increasing

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

## Public Engagement

	Nov-17	Trend since Aug-17
Contact Centre Engagement	13,123 Phone Calls 4,550 Other	Decreasing Stayed the same
Website Engagement (cambridgeshire.gov.uk)	138,792 Users 215,338 Sessions	Decreasing Decreasing

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

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

- The overall revenue budget position is showing a forecast year-end pressure of +£4.2m (+1.2%), a decrease of £21k on the forecast pressure reported in October; there have been increases in People and Communities (P&C), offset by improvements in the forecast for Funding items. See section 3 for details.
- The Capital Programme is forecasting a balanced budget at year end. This includes use of £13.4m (49%) of the capital programme variations budget. See section 6 for details.

DRAFT

### 3. REVENUE BUDGET

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

#### Key to abbreviations

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

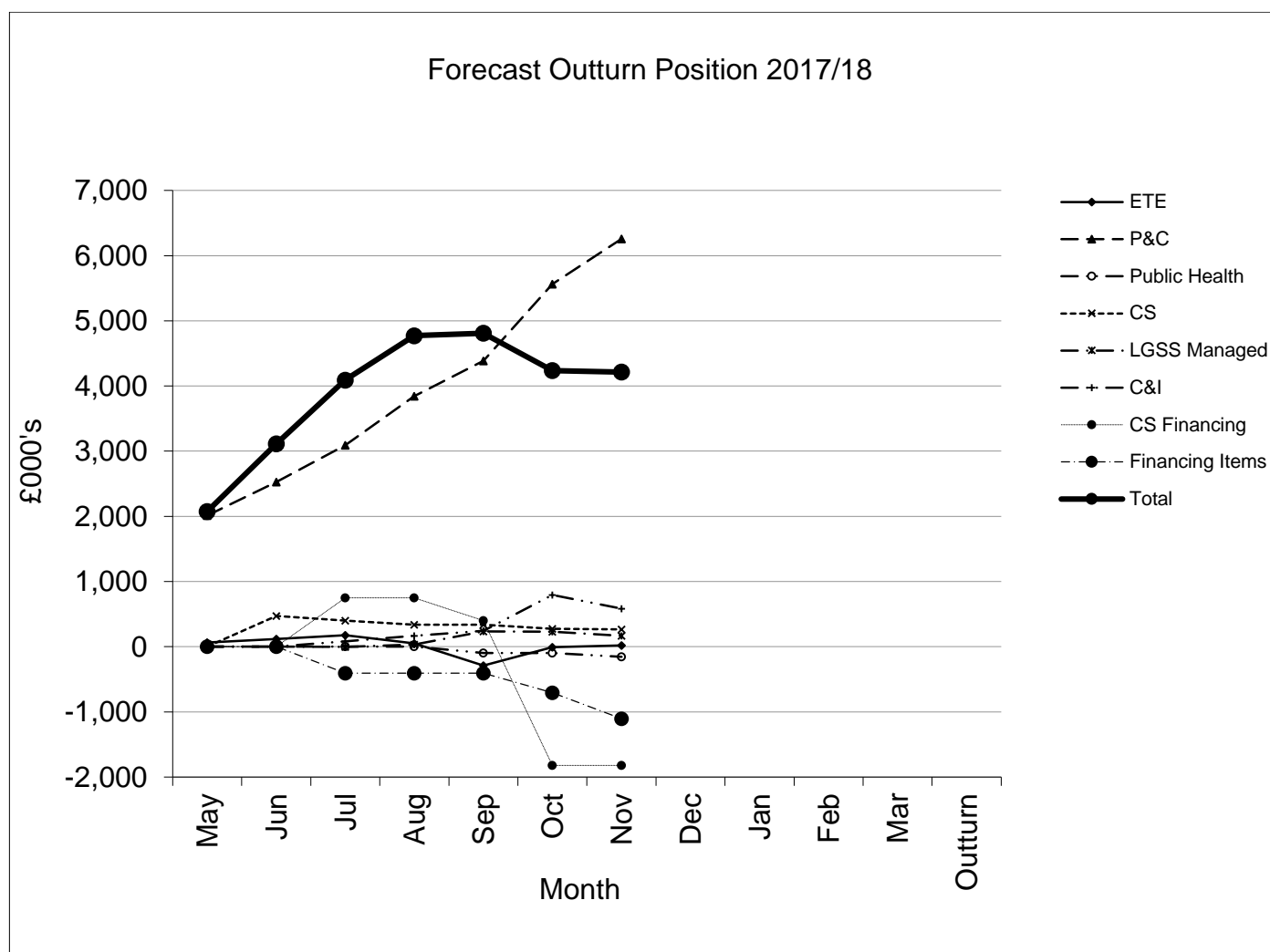
Original Budget as per Business Plan £000	Service	Current Budget for 2017/18 £000	Forecast Variance (October) £000	Forecast Variance (November) £000	Forecast Variance (November) %	Overall Status	DoT
38,682	ETE	40,423	-6	19	0.0%	Amber	↓
237,311	People & Communities	239,140	5,562	6,259	2.6%	Red	↓
200	Public Health	386	-96	-156	-40.4%	Green	↑
15,542	Corporate Services	4,762	276	266	5.6%	Amber	↑
6,500	LGSS Managed	13,724	232	168	1.2%	Amber	↑
2,702	Commercial & Investment	8	793	584	7300.0%	Amber	↑
22,803	CS Financing	24,227	-1,820	-1,820	-7.5%	Green	↔
<b>323,740</b>	<b>Service Net Spending</b>	<b>322,670</b>	<b>4,941</b>	<b>5,320</b>	<b>1.6%</b>	<b>Red</b>	<b>↓</b>
24,377	Funding Items	23,305	-705	-1,105	-4.7%	Green	↑
<b>348,117</b>	<b>Total Net Spending</b>	<b>345,975</b>	<b>4,236</b>	<b>4,215</b>	<b>1.2%</b>	<b>Red</b>	<b>↑</b>
	<b>Memorandum items:</b>						
7,746	LGSS Operational	9,488	189	71	0.7%	Amber	↑
212,873	Schools	212,873					
<b>568,736</b>	<b>Total Spending 2017/18</b>	<b>568,336</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> For budget virements between Services throughout the year, please see [Appendix 1](#).
- <sup>3</sup> The budget of £387k stated for Public Health is its cash limit. In addition to this, Public Health has a budget of £26.0m from ring-fenced public health grant, which makes up its gross budget.
- <sup>4</sup> The 'Funding Items' budget (previously been referred to as 'Financing Items') comprises the £23m Combined Authority Levy and the £384k Flood Authority Levy. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.

- 3.1.1 Although the position continues to be challenging, with looked after children numbers in particular reaching a high level (following the national trend), savings of £28.2m are on track against a target for 2017-18 of £33.4m, with additional 'funnel' savings that exceed business planning targets.
- 3.1.2 Across the Council, the strategic management team is directing a proactive response through financial management and transformation activity to address the predicted deficit.

The response to the pressures arising includes:

- increasing savings achievable from contractual efficiencies, as part of the rolling procurement review capability, now established and overseen by the Commercial Board.
- bringing forward savings, efficiencies and income maximisation identified for future years where this is possible on a department-by-department basis
- maximising grant income and retention with appropriate application to current pressures
- review of earmarked and held funds and releasing these where no longer required
- benefitting from opportunities for reduced cost or additional income through collaboration across partners.
- at the November General Purposes Committee meeting the Committee noted Peterborough City Council's request to the Chief Executive to explore delivery of further shared services with other local authorities to protect front line services and asked that these opportunities were also explored on behalf of Cambridgeshire County Council.



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

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

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** +£0.019m (-0.0%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the ETE Finance & Performance Report.

3.2.2 **People & Communities:** +£6.259m (+2.6%) pressure is forecast at year-end.

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

	£m	%
<ul style="list-style-type: none"><li><b>Looked After Children (LAC) Placements</b> – a +£2.7m pressure is forecast, which is an increase of £291k on the pressure previously reported in October. The increase is due to a combination of changes in placement fees (higher prices) and/or new placements (more placements) this month. One new high cost residential placement commissioned this month accounts for nearly half of this increase.</li></ul>		
External placement numbers (excluding unaccompanied asylum seeking children (UASC) but including 16+ and supported accommodation) at the end of November are 351, which is 3 more than reported at the end of October. However the composition of placement types and costs indicates that a small but significant number of children are in receipt of very intensive and costly packages of support which has increased since last month. The Access to Resources team are working with providers to ensure that support and cost matches need for all children. Actions being taken to address the forecast pressure are outlined in <a href="#">Appendix 3</a> .	+2.691	(+16%)
<ul style="list-style-type: none"><li><b>SEND Specialist Services (0 - 25 years), Out of School Tuition</b> – a +£600k pressure is forecast. In Children &amp; Safeguarding, the Out of School Tuition budget, which is forecasting a pressure of £600k, is now being reported within Children &amp; Safeguarding, SEND Specialist Services (0-25). This was previously reported within Commissioning in October. This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block. It is the intention that any pressures on DSG funded services will be managed from within the overall available DSG for 2017/18.</li></ul>	+0.600	(+54%)
<ul style="list-style-type: none"><li><b>Mental Health Services</b> – a +£598k pressure is forecast for year-end across Adult Mental Health and Older People Mental Health. This is an increase of £327k on the pressure previously reported in July. This is due to continuing demand pressures for care home placements resulting in increased commitment levels. The impact of demand on savings delivery has been recognised in the forecast.</li></ul>	+0.598	(+5%)

- **Adoption** – a +£560k pressure is forecast for year-end. This is an increase of £260k on the pressure previously reported in May. This is due to an increase in Special Guardianship Orders (SGOs) over and above our growth forecasts. We have seen an increase of 15% (28 SGOs) so far in 2017/18 against a planned full year rise of 9%. The increase in Adoption and SGOs is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets. +0.560 (+13%)

- **Children in Care** – a +£293k pressure is forecast. The 14- 25 Team 4 is forecasting a pressure of £150k. This is due to a forecast shortfall between the grant received from the Home Office for former looked after unaccompanied asylum seeking young people who are now over 18 and the costs incurred in supporting them. Cambridgeshire has seen an increase in the size of this cohort in this financial year as a number of looked after children (including those newly arrived in Cambridgeshire this year) have turned 18.

The Supervised Contact team is forecasting a pressure of £185k. This is due to the use of additional relief staff and external agencies to cover the current 204 Supervised Contact Cases which equate to approximately 140 supervised contact sessions a week. +0.293 (+2%)

This is offset by an underspend in fostering allowances and the rest of the fostering service of £43k.

Actions being taken to address the forecast pressure are outlined in [Appendix 3](#).

- **Commissioning Services** – a +£23k pressure is forecast. This is a reduction of £556k on the pressure previously reported in October. This is due to the Out of School Tuition budget and associated forecast pressure transferring to Children & Safeguarding, SEND Specialist Services (0-25). +0.023 (+1%)

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

3.2.3 **Public Health:** a -£0.156m (-40.4%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the PH Finance & Performance Report.

3.2.4 **Corporate Services:** +£0.266m (+5.6%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

3.2.5 **LGSS Managed:** +£0.168m (+1.2%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

- 3.2.6 **CS Financing:** -£1.820m (7.5%) 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.
- 3.2.7 **Commercial & Investment:** +£0.584m (+7300.0%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.
- 3.2.8 **LGSS Operational:** +£0.071m (+0.7%) pressure is forecast. Pressures in LGSS Operational are set against LGSS reserves at year-end, rather than using the General Fund. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.

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

#### 4. KEY ACTIVITY DATA

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

#### 5. PERFORMANCE AND RISK

- 5.1 The work to review all indicators and report exceptions against these is still ongoing; once all Service Committees have reviewed their indicators, exceptions will be reported to GPC.
- 5.2 **Change in P&C indicators:** The People & Communities' performance indicators included in this report are the set agreed by Committees for 2016/17. Following discussion with General Purposes Committee earlier in the current (2017/18) financial year, a revised set of measures are being developed with service leads. The 2016/17 indicators will continue to be reported until the new ones have been signed off by the service.
- 5.3 **Increasing Pressures Requiring Attention:** There was one outcome where the overall performance has decreased since last month. This was 'People live in a safe environment' and the decrease reflected change in one indicator 'Energy use by street lights – 12-month rolling total'. This indicator's RAG rating changed from green (on target) to amber (near target). The target for this indicator has now been updated to reflect other measures agreed elsewhere (such as the presence or absence of part night lighting, including those funded by Cambridge City and Parish Councils).

Further information on the specific indicator changes are detailed on the relevant service committee finance and performance reports.

- 5.4 The master file of performance indicators is available [here](#), while the latest Corporate Risk Register can be found [here](#).

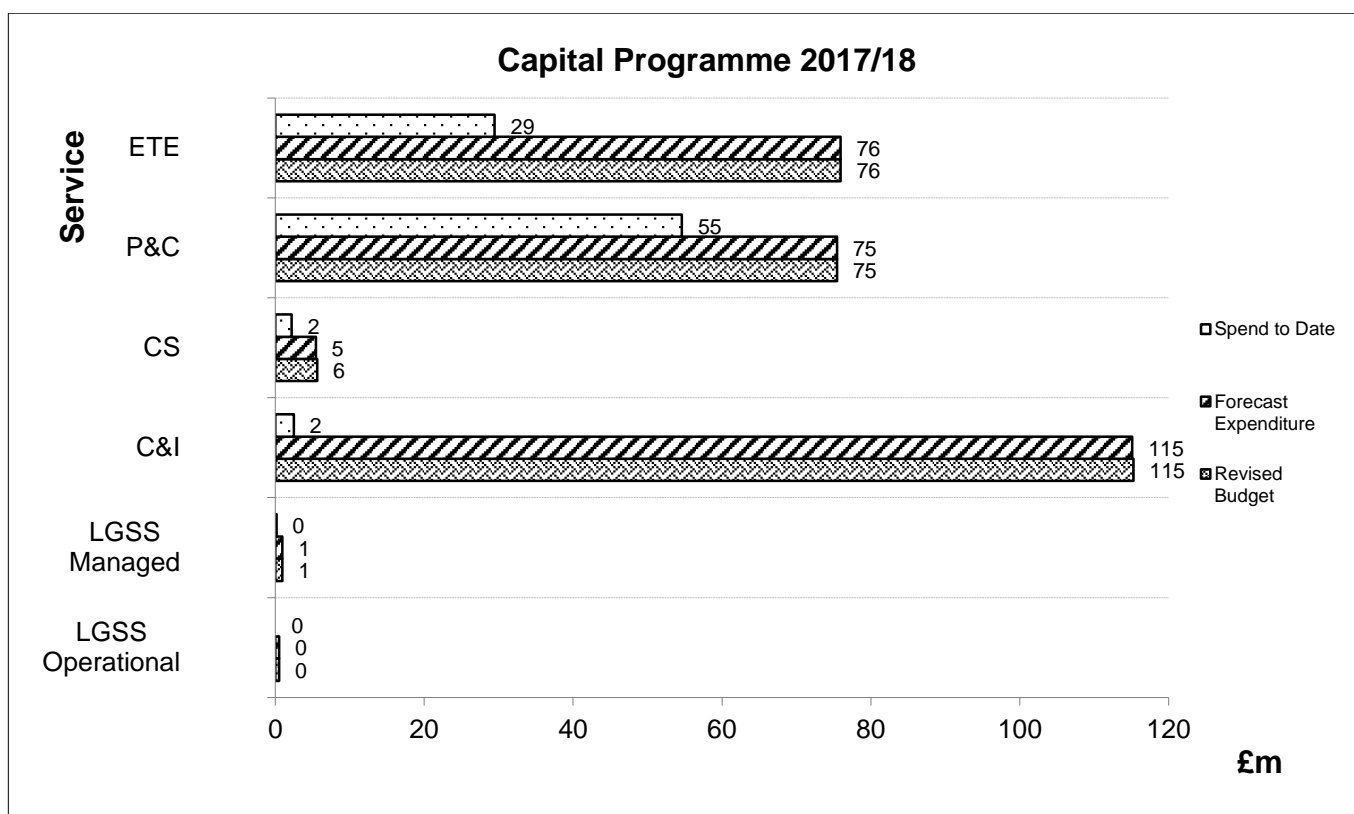
## 6. CAPITAL PROGRAMME

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

2017/18						TOTAL SCHEME	
Original 2017/18 Budget as per Business Plan  £000	Service	Revised Budget for 2017/18  £000	Forecast Variance - Outturn (Oct)  £000	Forecast Variance - Outturn (Nov)  £000	Forecast Variance - Outturn (Nov)  %	Total Scheme Revised Budget (Nov)  £000	Total Scheme Forecast Variance (Nov)  £000
67,331	ETE	75,642	-	-	0.0%	434,824	-
77,408	P&C	75,442	0	0	0.0%	575,941	14,261
5,489	CS & Transformation	5,612	-274	-188	-3.3%	11,743	-
160	LGSS Managed	949	-	-	0.0%	9,853	-495
115,408	C&I	115,284	-	-164	-0.1%	217,501	-287
100	LGSS Operational	488	-	-	0.0%	1,595	-
-	Outturn adjustment	-	274	352	-	-	-
<b>265,896</b>	<b>Total Spending</b>	<b>273,417</b>	<b>0</b>	<b>0</b>	<b>-3.5%</b>	<b>1,251,457</b>	<b>13,479</b>

### Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported ETE capital figures do not include City Deal, which has a budget for 2017/18 of £11.1m and is currently forecasting an in year pressure of £0.95m.



**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.

2017/18					
Service	Capital Programme Variations Budget	Forecast Variance - Outturn (Nov)	Capital Programme Variations Budget Used	Capital Programme Variations Budget Used	Revised Forecast Variance - Outturn (Nov)
	£000	£000	£000	%	£000
ETE	-15,514	-10,255	10,255	66.10%	0
P&C	-10,305	-1,244	1,244	12.07%	0
CS & Transformation	-279	-467	279	100.00%	-188
LGSS Managed	-643	-568	568	88.34%	0
C&I	-720	-884	720	100.00%	-164
LGSS Operational	-20	0	0	0.00%	0
Outturn adjustment	-	-	352	-	352
<b>Total Spending</b>	<b>-27,481</b>	<b>-13,418</b>	<b>13,418</b>	<b>48.83%</b>	<b>0</b>

6.3 Although slippage on Corporate Services and Transformation schemes and Commercial and Investment schemes have exceeded the capital programme variations budget allocated to them, it is not currently thought that slippage across the whole programme

will exceed the total capital programme variations budget. However, it is not known where any balancing variances will occur, so an adjustment has been made to the outturn.

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

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

	£m	%
<ul style="list-style-type: none"> <li> <b>Cambridgeshire Archives</b> – an in-year underspend of -£1.9m is forecast. This is an increase of -£1.2m on the underspend previously reported in August. When last assessed it was assumed that a third of the construction work would be delivered in 2017/18. The latest schedule received from the contractor indicates that all construction work will now start in May 2018; therefore £3.778m of the £3.817m capital budget will be required in 2018/19. However, the scheme is still on track to complete in 2018/19. </li> </ul>	-1.9	(-98%)
<ul style="list-style-type: none"> <li> <b>Huntingdon – West of Town Centre Link Road</b>– an in-year underspend of -£0.8m is forecast. This is due to land cost claims which have not been resolved as anticipated and it is now expected these claims will be resolved in 2018/19. </li> </ul>	-0.8	(-56%)
<ul style="list-style-type: none"> <li> <b>Delivering the Transport Strategy Aims</b> – an in-year underspend of -£0.7m is forecast across Delivering the Transport Strategy Aims schemes. This is due to underspends on the following schemes: <ul style="list-style-type: none"> <li> Cycling Improvements: An underspend of £0.7m is forecast. The Bar Hill to Longstanton cycling scheme is fully funded by S106 contributions. This scheme will not progress until that section of the A14 is completed and so an in-year underspend is forecast. </li> </ul> </li> </ul>	-0.7	(-15%)
<ul style="list-style-type: none"> <li> <b>Community &amp; Cultural Services</b> – an in-year underspend of -£0.5m is forecast across Community &amp; Cultural Services. This is due to an underspend on the following scheme: <ul style="list-style-type: none"> <li> Sawston Community Hub: The Sawston Community Hub scheme has transferred across to ETE from the C&amp;I service during November. An in-year underspend of -£0.5m is forecast. This is due to delays in the build start date which may push some works back into 2018/19 and retention costs which will now be due in 2018/19; the total scheme cost is not affected. This underspend was previously report in August under C&amp;I. </li> </ul> </li> </ul>	-0.5	(-25%)
<ul style="list-style-type: none"> <li> <b>ETE Capital Variation</b> – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £10.3m underspend is balanced by use of the capital variation budget, this is an increase of £3.1m on the use of variations budget reported last month and relates to the in-year underspends on Cambridgeshire </li> </ul>	+10.3	(+68%)

Archives, Huntingdon- West of Town Centre Link Road,  
Delivering the Transport Strategy Aims and Sawston Hub.

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

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

6.4.3 **Corporate Services:** a -£0.2m (-3%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report.

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

6.4.5 **Commercial & Investment:** a -£0.2m (-0%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

- |   | £m   | %       |
|---|------|---------|
| <ul style="list-style-type: none"> <li>• <b>MAC Joint Highways Project</b> – an in-year underspend of -£0.5m is forecast. Although some of the partners have withdrawn, the Highways Agency are engaged, but it is not envisaged that there will be any spend in this financial year. The project has received One Public Estate revenue grant funding of £50k which is being used for some initial feasibility work. The future of the scheme will be clearer when the next project meeting is held before this year end.</li> </ul> | -0.5 | (-100%) |
| <ul style="list-style-type: none"> <li>• <b>Sawston Community Hub</b> - The Sawston Community Hub scheme has transferred across to ETE from C&amp;I during November. No outturn is therefore forecast within C&amp;I and the in-year underspend of -£0.5m previously reported in August under C&amp;I has transferred to ETE.</li> </ul>  | 0.0  | (0%)    |
- For full and previously reported details see the C&I Finance & Performance Report.

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

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

6.5.1 **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 **People & Communities:** a +£14.3m (+3%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the P&C 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 details see the CS & LGSS Finance & Performance Report.
- 6.5.4 **LGSS Managed:** a -£0.5m (-5%) total scheme underspend is forecast. There are no exceptions to report this month; for full details see the CS & LGSS Finance & Performance Report.
- 6.5.5 **Commercial & Investment:** a -£0.3m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.
- 6.5.6 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report.
- 6.6 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'nness 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	0.5	8.0	7.2	36.1	36.1	-
Basic Need Grant	32.7	-	-	-	32.7	32.7	-
Capital Maintenance Grant	4.0	-	0.4	-	4.5	4.5	-
Devolved Formula Capital	1.1	0.8	-0.1	-0.0	1.8	1.8	-
Specific Grants	23.1	0.5	-7.6	-	16.1	16.1	-
S106 Contributions & Community Infrastructure Levy	22.0	1.6	-4.4	0.8	20.0	20.0	-
Capital Receipts	83.9	-	-	2.2	86.1	86.1	-
Other Contributions	15.1	0.4	-4.6	1.7	12.6	12.6	-
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	63.5	9.6	-10.4	0.9	63.6	63.6	-0.0
<b>TOTAL</b>	<b>265.9</b>	<b>13.4</b>	<b>-18.7</b>	<b>12.8</b>	<b>273.4</b>	<b>273.4</b>	<b>-0.0</b>

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



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

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding – Prudential Borrowing	C&I	-£1.1	<p><u>Sawston Community Hub</u>: The 2017/18 capital budget for C&amp;I has reduced by £1.4m due to the transfer of the Sawston Community Hub scheme and there has been a reduction of £280k in the Capital Programme Variations budget. This has led to a net reduction of £1.1m in the Commercial and Investment borrowing requirement. The budget and borrowing requirement has transferred to ETE.</p> <p><b>General Purposes Committee is asked to note the transfer in budget responsibility and reporting between services for Sawston Community Hub from C&amp;I to ETE.</b></p>
Addition/Reduction in Funding – Prudential Borrowing	ETE	£1.1	

- 6.8 In addition to the above funding changes for 2017/18, additional funding of £197k is requested in 2017/18 for County Farms Investment projects, as previously agreed by the Capital Projects Board. The current budget is forecast to be overspent by £197,000, but will produce £55,000 additional revenue from County Farms. At present, it is not anticipated that there will be any further new projects to come forward during the current financial year, and it is requested that the additional budget of £197,000 be approved. The scheme is to be funded by an increase in prudential borrowing

**General Purposes Committee is asked to approve additional Prudential Borrowing of £197,000 in 2017/18 for County Farms Investment projects.**

## 7. FUNDING CHANGES

- 7.1 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 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 (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 will be received in 2017/18, is anticipated to be at least £1,100k, which is £400k more than was previously reported in October. This has not been budgeted for and is shown as a forecast outturn in the 'Funding Items' section of this report.

It is proposed that this additional income will be transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval. An update to the current reported position will be provided if this projection changes and approval will be sought at year-end once the final figure is known.

- 7.2 Although the following changes in budget responsibility are about management

responsibility only and do not constitute virements as there is no change in purpose or outcomes, these are recorded in this report for the Committee to note.

Virement of Cambridgeshire Housing Investment Company (CHIC) Net Interest Receivable budget

The budget for net interest receivable (-£1,424k) in relation to the Cambridgeshire Housing Investment Company (CHIC) has transferred from Debt Charges to the C&I Committee during November.

**General Purposes Committee is asked to note the transfer in budget responsibility and reporting for Cambridgeshire Housing Investment Company (CHIC) Net Interest Receivable from Debt Charges within CS Financing to C&I.**

Virement of ESPO dividend budget

The income budget of £200k for the CCC share of the ESPO dividend has been transferred from LGSS Managed to the C&I Committee during November.

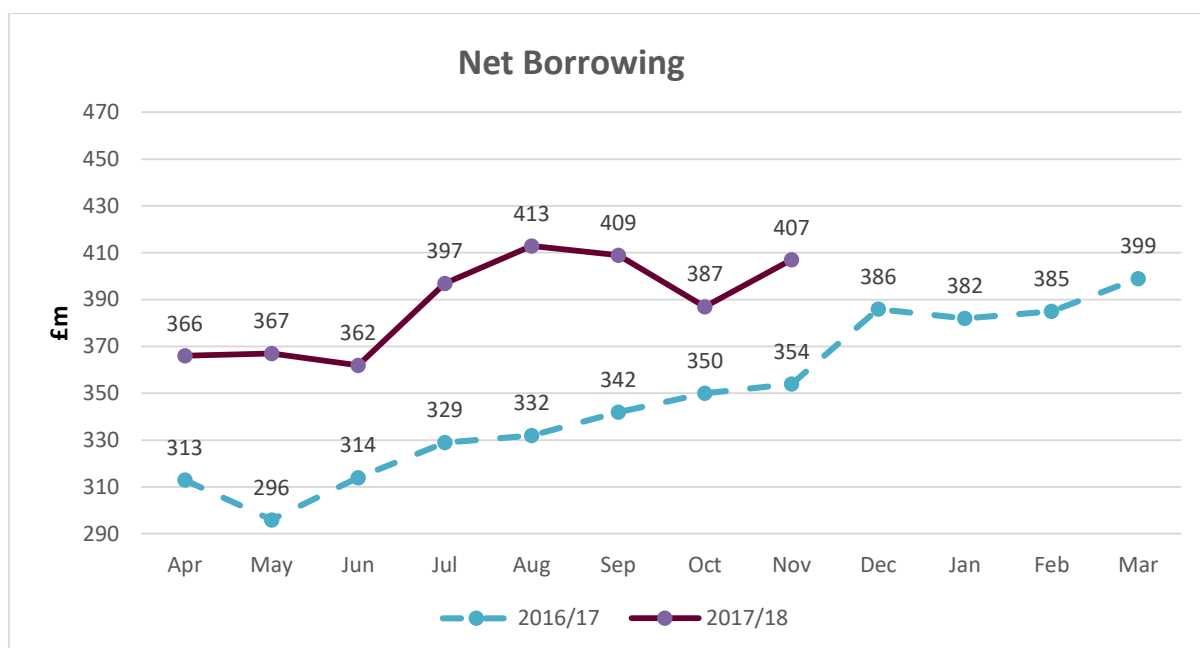
**General Purposes Committee is asked to note the transfer in budget responsibility and reporting for the ESPO dividend from LGSS Managed to C&I.**

## 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 November
Level of debt outstanding (owed to the council) 91-360 days, £m	Adult Social Care	£1.6m	£2.9m
	Sundry	£0.4m	£1.2m
Level of debt outstanding (owed to the council) 361 days +, £m	Adult Social Care	£1.9m	£2.5m
	Sundry	£0.1m	£0.3m
Invoices paid by due date (or sooner)		97.6%	99.6%

8.2 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of November 2017 were £25m (excluding 3<sup>rd</sup> party loans) and gross borrowing was £431.94m. Of this gross borrowing, £29.008m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



- 8.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2017-18 TMSS was set in February 2017, it was anticipated that net borrowing would reach £466m at the end of this financial year. Net borrowing at the beginning of this financial year as at 1<sup>st</sup> April 2017 was £399m, this reduced to £366m at the end of April 2017 thus starting at a lower base than originally set out in the TMSS (£466m). This is to be reviewed as the year progresses and more information is gathered to establish the full year final position.
- 8.4 From a strategic perspective, the Council is currently reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved.
- 8.5 Although there is a link between the capital programme, net borrowing and the revenue budget, the Debt Charges budget is impacted by the timing of long term borrowing decisions. These decisions are made in the context of other factors including, interest rate forecasts, forecast levels of cash reserves and the borrowing requirement for the Council over the life of the Business Plan and beyond.
- 8.6 The Council's cash flow profile varies considerably during the year as payrolls and payment to suppliers are made, and grants and income are received. Cash flow at the beginning of the year is typically stronger than at the end of the year as many grants are received in advance.
- 8.7 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 8.8 A schedule of the Council's reserves and provisions can be found in [appendix 2](#).
- 8.9 **Cashflow loan facility to LGSS Law Ltd:** LGSS Law Ltd is jointly owned by Cambridgeshire County Council, Northamptonshire County Council and Central Bedfordshire Council. It operates as an alternative business structure, licenced by the

Solicitors Regulation Authority, to provide legal services to the shareholding Councils as well as an increasingly wide range of other public service customers.

The company is paid by the Council as an external supplier. LGSS Law have requested a formal cash flow facility of £499k from the Council to reflect the fact that they bill in arrears for work undertaken which creates an inevitable delay between costs being incurred and income received. The company's draft accounts for 2016/17 confirm a healthy profit.

The Council will charge interest on the monies loaned which will generate annual income for the council in the event of a draw down. A similar drawn down facility is already in place from Northamptonshire County Council and is being requested from the third shareholder.

It is proposed that Council provides the drawn down facility as requested by LGSS Law Ltd. It is anticipated this will improve the cashflow position of the company, which impacts across customers being billed for legal services throughout the Council whilst the company furthers strengthen its balance sheet as it becomes increasingly established.

At the last General Purposes Committee (19<sup>th</sup> December) the Committee authorised a loan facility to LGSS Law Ltd for up to £499k, delegating authority to the Chief Finance Officer to agree the detailed terms of the arrangement in consultation with the Chairman of the Committee and the Chairman of the Commercial and Investment Committee.

## **9. ALIGNMENT WITH CORPORATE PRIORITIES**

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

There are no significant implications for this priority.

### **9.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

### **9.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

## **10. SIGNIFICANT IMPLICATIONS**

### **10.1 Resource Implications**

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

### **10.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### **10.3 Statutory, Legal and Risk Implications**

There are no significant implications within this category.

### **10.4 Equality and Diversity Implications**

There are no significant implications within this category.

### **10.5 Engagement and Consultation Implications**

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

### **10.6 Localism and Local Member Involvement**

There are no significant implications within this category.

### **10.7 Public Health Implications**

There are no significant implications within this category.

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

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

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

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

Healthwatch transfer to P&C	382				-382				
Supporting Community Services budget transfers	358	411			-769				
Community Led Local Development Programme Funding transfer	21					-21			
Trading Services budget transfers	306						-306		
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	
<b>Current budget</b>	<b>239,138</b>	<b>386</b>	<b>40,423</b>	<b>24,227</b>	<b>11,339</b>	<b>7,184</b>	<b>-21</b>	<b>9,459</b>	<b>22,701</b>
Rounding	-2	0	0	0	0	2	0	0	0



## APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2017	2017-18		Forecast Balance 31 March 2018	Notes
		Movements in 2017-18	Balance at 30 November 17		
	£000s	£000s	£000s	£000s	
<b>General Reserves</b>					
- County Fund Balance	15,808	1,546	17,353	13,138	Service reserve balances transferred to General Fund after review
- Services					
1 P&C	540	-540	0	0	
2 ETE	2,229	-2,229	0	0	
3 CS	-64	64	0	0	
4 LGSS Operational	609	-29	580	62	
subtotal	19,122	-1,188	17,933	13,200	
<b>Earmarked</b>					
- Specific Reserves					
5 Insurance	3,269	0	3,269	3,269	
subtotal	3,269	0	3,269	3,269	
- Equipment Reserves					
6 P&C	133	0	133	83	
7 ETE	218	0	218	218	
8 CS	57	0	57	57	
9 C&I	726	0	726	0	
subtotal	1,134	0	1,134	358	
<b>Other Earmarked Funds</b>					
10 P&C	1,223	-707	516	371	Includes liquidated damages in respect of the Guided Busway - current balance £1.5m.
11 PH	2,960	0	2,960	2,302	
12 ETE	5,989	-78	5,911	4,883	
13 CS	2,656	-97	2,559	2,181	
14 LGSS Managed	146	0	146	146	
15 C&I	442	53	495	468	Savings realised through change in MRP policy
16 Transformation Fund	19,525	3,657	23,181	19,512	
17 Innovation Fund	1,000	-44	956	956	
subtotal	33,941	2,784	36,724	30,819	
<b>SUB TOTAL</b>	<b>57,465</b>	<b>1,595</b>	<b>59,061</b>	<b>47,646</b>	
<b>Capital Reserves</b>					
- Services					
18 P&C	1,827	38,087	39,914	44	Section 106 and Community Infrastructure Levy balances.
19 ETE	7,274	36,035	43,309	5,200	
20 LGSS Managed	72	-72	0	0	
21 C&I	0	3,099	3,099	0	
22 Corporate	29,782	4,688	34,470	22,150	
subtotal	38,955	81,837	120,792	27,394	
<b>GRAND TOTAL</b>	<b>96,420</b>	<b>83,433</b>	<b>179,853</b>	<b>75,040</b>	

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

Fund Description	Balance at 31 March 2017	2017-18		Forecast Balance 31 March 2018	Notes
		Movements in 2017-18	Balance at 30 November 17		
	£000s	£000s	£000s	£000s	
<b>- Short Term Provisions</b>					
1 ETE	669	0	669	0	
2 P&C	200	0	200	0	
3 CS	64	0	64	64	
4 LGSS Managed	3,056	-56	3,000	3,000	
5 C&I	24	0	24	24	
subtotal	4,013	-56	3,957	3,088	
<b>- Long Term Provisions</b>					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
<b>GRAND TOTAL</b>	<b>7,626</b>	<b>-56</b>	<b>7,570</b>	<b>6,701</b>	

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

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	£'000
<b>9) Home to School Transport – Special</b>	<b>8,006</b>	<b>4,081</b>	<b>340</b>	<b>4%</b>
<p>There is a £340k pressure forecast against the Home to School Transport – Special Budget. This pressure is due to a higher than expected number of transport applications from children attending special schools, with an increase of 6% in the number of Cambridgeshire pupils attending Special Schools in the first 7 weeks of Academic Year 17/18 compared to the same weeks in 16/17.</p> <p>While savings have been made through successful routes tenders, savings activities around Independent Travel Training and Personal Transport Budgets (PTB) have not been achieved.</p> <p>Mitigating actions being taken include:</p> <ul style="list-style-type: none"> <li>• A detailed review of children and young people currently travelling in high-cost single occupancy taxis to assess whether more cost-effective options are available</li> <li>• A strictly time limited review of the PTB scheme looking at the current criteria, decision-making, reporting and monitoring processes and how these can be improved to deliver the planned savings.</li> <li>• A working group has been established to relaunch the plan to roll out independent travel training with the first group of children and young people being able to travel independently from September 2018</li> <li>• Due to the length of existing contracts and the structure of the academic year it is unlikely that the current pressure will be reduced within 2017/18, however these actions will ensure that the pressure is reduced in financial year 2018/19.</li> </ul>				

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
<b>10) LAC Transport</b>	<b>1,126</b>	<b>921</b>	<b>450</b>	<b>40%</b>

There is a £450k pressure forecast against the LAC Transport budget. The overall increase in Looked after Children has meant that more children are requiring Home to School Transport. Many of these children are placed out of county and/or at a significant distance away from their schools leading to high transport costs.

An initial meeting has been held with the Head of Countywide and Looked After Children Services to discuss the LAC Transport pressure and it has been agreed that activities to mitigate the pressure will include:

- Case-by-case reviews of the most expensive cohorts of Looked After Children transport to identify savings reductions, particularly targeting reductions in high-cost single occupancy taxi journeys and encouraging more children to walk shorter journeys.
- Route reviews to identify opportunities for shared vehicles, routes and providers, including across different client groups e.g. mainstream, SEND, or Adult transport, reducing any duplication and opportunities for better use of volunteer drivers.
- Further activity to ensure the Council's policies around transport provision are implemented fully across the board, with joined-up decisions across social care and transport.

Due to the length of existing contracts and the structure of the academic year it is highly unlikely that the current pressure will be reduced within 2017/18, however these actions will ensure that the pressure is reduced in financial year 2018/19.

<b>11) Strategic Management – Children &amp; Safeguarding</b>	<b>2,891</b>	<b>3,308</b>	<b>1,022</b>	<b>35%</b>
---	--------------	--------------	--------------	------------

The Children and Safeguarding Director budget is forecasting pressure of £1,022k.

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

A further pressure of £336k is due to the service not being awarded an expected grant from the DFE, anticipation of this grant had been built in as an income stream and this has now resulted in a shortfall in the required staffing budget.

The service is also expected to exceed its vacancy saving target by £200k.

Actions being taken:

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

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
<b>12) Children in Care</b>	<b>13,422</b>	<b>9,891</b>	<b>293</b>	<b>2%</b>
<p>The Children in Care policy line is forecasting an over spend of £293k. This is an increase of £53k since last month</p> <p>The 14- 25 Team 4 is forecasting an over spend of £150k. This is due to a forecast shortfall between the grant received from the Home Office for former looked after unaccompanied asylum seeking young people who are now over 18 and the costs incurred in supporting them. The local authority has a duty to support this cohort of young people as care leavers. Pending young people being granted an asylum seeking status as young adults, they are not able to claim benefits or obtain housing and require support from the local authority until the Home Office has made a decision.</p> <p>Currently it is forecast that the local authority has to support them for up to six months after their 18th birthday. Cambridgeshire has seen an increase in the size of this cohort in this financial year as a number of looked after children (including those newly arrived in Cambridgeshire this year) have turned 18.</p> <p>The Supervised Contact team is forecasting an over spend of £185k. This is due to the use of additional relief staff and external agencies to cover the current 204 Supervised Contact Cases which equate to approximately 140 supervised contact sessions a week.</p> <p>This is offset by an underspend in fostering allowances and the rest of the fostering service of £43k.</p> <p><u>Actions being taken:</u></p> <p>The local authority continues to liaise closely with the Home Office to advocate that decisions for individual young people are expedited in a timely way.</p> <p>In Supervised Contact we have implemented a systemic review of all supervised contact taking place across the service to ensure better use of staff time and costs. Despite this, resources remain stretched and the service are exploring other avenues to better manage the current caseloads.</p>				
<b>13) Looked After Children Placements</b>	<b>17,344</b>	<b>12,174</b>	<b>2,691</b>	<b>16%</b>
<p>A pressure of £2.7m is being forecast, which is an increase of £0.3m from what was reported in October. The increase is due to a combination of changes in placement fees (higher prices) and/or new placements (more placements) this month. 1 new high cost residential placement commissioned this month accounts for nearly half of this increase.</p> <p>It is positive that the overall numbers of looked after children have increased only slowly since April 2017. This demonstrates that demand management activity is having positive impact on numbers of looked after children and numbers of external placements.</p> <p>Overall LAC numbers at the end of November 2017, including placements with in-house foster carers, residential homes and kinship, are 701, 6 more than October 2017. This includes 70 unaccompanied asylum seeking children (UASC).</p> <p>External placement numbers (excluding UASC but including 16+ and supported accommodation) at the end of November are 351, which is 3 more than reported at the end of October. However the composition of placement types and costs indicates that a small but significant number of children are in receipt of very intensive and costly packages of support which has increased since last month. The Access to Resources team are working with providers to ensure that support and cost matches need for all children.</p>				

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

**Looked After Children Placements continued;**

External Placements Client Group	Budgeted Packages	31 Oct 2017 Packages	30 Nov 2017 Packages	Variance from Budget
Residential Disability – Children	1	1	1	0
Child Homes – Secure Accommodation	0	0	0	0
Child Homes – Educational	16	16	17	+1
Child Homes – General	22	35	37	+15
Independent Fostering	263	263	262	-1
Supported Accommodation	15	25	24	+9
Supported Living 16+	25	8	10	-15
<b>TOTAL</b>	<b>342</b>	<b>348</b>	<b>351</b>	<b>+9</b>

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

Actions being taken to address the forecast pressure include:

- Weekly panel that all requests for placements have to go to and review of high-cost placements on a regular basis. Access to Resources and operational managers to ensure that the plans for children remain focussed and that resources are offering the best value for money. This is chaired by the Assistant Director.
- Purchase placements reviews – scrutiny by placement officers and service/district managers to review emergency placements, changes of placements and return home from care planning to ensure that children are in the right placement for the right amount of time.
- All new admissions to care have to be agreed at Assistant Director or Service Director level.
- Development of a 'No Wrong Door' model to bring together the residential home, specialist fostering placements, supported lodgings and supported accommodation, with outreach services under one management arrangement. This will enable rapid de-escalation of crisis situations in families preventing admissions to care, and delivery of an all-inclusive team of support for young people with the most complex needs, improving outcomes for young people and preventing use of expensive externally-commissioned services.
- A new Head of Service, with expertise in children's services commissioning, has been re-deployed from elsewhere in the P&C directorate to lead the Access to Resources function.
- A new Access to Resources Manager has been engaged to add specific capacity to ensure the right placement at the right cost is secured in all cases.

Longer Term Actions:

A business case that seeks investment to ultimately deliver reductions in overall numbers of children in care and increase the proportion of those remaining in care who are placed with in-house fostering households is being presented to General Purposes Committee in December.

Numbers in care in Cambridgeshire are now significantly above the average of similar authorities; if we were in line with our statistical neighbours we would have 607 children and young people in care.

We need to understand why this is, with a central hypothesis being that the progress of children through the care system in Cambridgeshire is a key issue; children spending too long in care increase overall numbers. To establish cause we propose commissioning an independent evaluation that will report by March 2018 and enable us to begin to take action to fundamentally change processes from that point.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
<b>Looked After Children Placements continued;</b>  The second factor that we need to address is around placement mix; in Cambridgeshire, 60% of children placed with general foster carers are placed with IFA foster carers. This would more ordinarily be expected to be between 30 and 40%. We need to invest in different recruitment and retention approaches to our in-house foster carers and in assessment and support services in order to reduce our expenditure in these areas.				
<b>14) Adoption</b>	<b>4,406</b>	<b>3,348</b>	<b>560</b>	<b>13%</b>
<p>The Allowances budget is forecasting a pressure of £560k. This is a £110k increase since last month based on a review of planned adoptive placements and an increase in Special Guardianship Orders (SGOs).</p> <p>Our contract with Coram Cambridgeshire Adoption (CCA) provides for 39 adoptive placements pa. In 2017/18 we are forecasting an additional requirement of 20 adoptive placements. There is a need to purchase inter agency placements to manage this additional requirement and ensure our children receive the best possible outcomes.</p> <p>The Adoption/SGO allowances pressure of £200k is due to an increase in SGOs over and above our growth forecasts. We have seen an increase of 15% (28 SGOs) so far in 2017/18 against a planned full year rise of 9%. The increase in Adoption and Special Guardianship orders is a reflection of the good practice in making permanency plans for children outside of the looked after system and results in reduced costs in the placement budgets.</p> <p><u>Actions being taken:</u> Ongoing dialogue continues with CCA to look at more cost effective medium term options to recruit more adoptive families to meet the needs of our children. Rigorous oversight of individual children's cases is undertaken before Inter Agency placement is agreed.</p> <p>A programme of reviews of allowances will be implemented resulting in the reduction of some packages with the intention of off-setting any further growth by way of new allowances.</p>				
<b>15) Legal Proceedings</b>	<b>1,540</b>	<b>1,406</b>	<b>600</b>	<b>39%</b>
<p>The Legal Proceedings budget is forecasting a £550k pressure. This is an increase of £50k since last month.</p> <p>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 set of care proceedings have reduced by around 14% in the last 5 months we have consistently had around 100 cases which indicates that we are likely to exceed the previous year's number of completed legal proceedings, thus causing significant pressure on the legal budget.</p> <p>Whilst we now have less ongoing sets of care proceedings (and less new applications being issued in Court) legacy cases and associated costs are still working through the system. Aside from those areas which we are working on to reduce costs i.e. advice/use of appropriate level of Counsel, the volume of cases remaining within the system indicates an estimated £550k of costs in 2017/18. This assumes overrun costs through delay in cases can be managed down as well as requests for advice being better managed.</p> <p><u>Actions being taken:</u> Work is ongoing to better manage our controllable costs by use of a legal tracker but this was only implemented in June 2017 so the impact is yet to be felt. The tracker should enable us to better track the cases through the system and avoid additional costs due to delay. We have invested in two practice development posts to improve practice in the service and will also seek to work closer with LGSS Law with a view to maximising value for money.</p>				

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
<b>16) Children's Disability Service</b>	<b>6,527</b>	<b>5,281</b>	<b>168</b>	<b>3%</b>
<p>The Children's Disability Service is forecasting a pressure of £168k.</p> <p>The Community Support Services budget has seen an increase both in the number of support hours, a high cost individual case (£35k) and in the number of joint funded health packages (also including some with high allocations of hours). Contributions to Adult Services (£45k) have increased and the service is also carrying a £50k pressure from 2016/17.</p> <p><u>Actions being taken:</u> We will be reviewing the costs of current packages and in particular support levels for our young people.</p>				
<b>17) High Needs Top Up Funding</b>	<b>13,573</b>	<b>9,627</b>	<b>200</b>	<b>1%</b>
<p>Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and as a result a year-end pressure of £200k is currently forecast. Placements for the 2018/19 academic year are still being finalised and as such the overall cost for the remainder of the financial year could increase further as more young people remain in education.</p> <p>This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block.</p>				
<b>18) SEN Placements</b>	<b>8,973</b>	<b>6,473</b>	<b>700</b>	<b>8%</b>
<p>The SEN Placements budget continues to report a £700k pressure this month. Overall there are rising numbers of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. These are cases where the child cannot remain living at home. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive.</p> <p>The SEN Placement budget is funded from the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG).</p> <p><u>Actions being taken:</u></p> <ul style="list-style-type: none"> <li>• SEND Sufficiency work is underway to inform future commissioning strategy. This will set out what the SEND need is across Cambridgeshire, where it is and what provision we need in future, taking account of demographic growth and projected needs. The SEND Sufficiency work will be completed in January 2018. A series of workshops are being planned for Spring 2018;</li> <li>• Three new special schools to accommodate the rising demand over the next 10 years. One school opened in September 2017 with two more planned for 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan;</li> <li>• SEND Commissioning Strategy and action plan are being developed with a focus on children and young children with SEND in Cambridgeshire accessing mainstream education;</li> <li>• Work on coordination of reviews for ISEPs to look at returning in to county; and</li> <li>• A full review of all High Needs spend is required due to the ongoing pressures and proposed changes to national funding arrangements.</li> </ul>				



Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
<b>19) Out of School Tuition</b>	<b>1,119</b>	<b>589</b>	<b>600</b>	<b>54%</b>
<p>The Out of School Tuition budget is continuing to forecast a pressure of £600k this month.</p> <p>There are several key themes emerging which are having impact on the need for children to receive a package of education, sometimes for prolonged periods of time:</p> <ul style="list-style-type: none"> <li>• Casework officers are not always made aware that a child's placement is at risk of breakdown until emergency annual review is called.</li> <li>• Casework officers do not have sufficient access to SEND District Team staff to prevent the breakdown of an education placement in the same way as in place for children without an EHCP.</li> <li>• There are insufficient specialist placements for children whose needs cannot be met in mainstream school.</li> <li>• There is often a prolonged period of time where a new school is being sought, but where schools put forward a case to refuse admission.</li> <li>• In some cases of extended periods of tuition, parental preference is for tuition rather than in-school admission.</li> </ul> <p>There has been an increase in the number of children with an Education Health and Care Plan (EHCP) who are awaiting a permanent school placement. The delay is due to the nature and complexity of the needs of these children. Many of these children are in Key Stage 1 and do not have a permanent placement due to a lack of provision for this cohort of children. In addition, there are a number of children and young people who have a Statement of SEN/EHCP and have been out of school for some time. A smaller cohort of Primary aged children who are permanently excluded, or those with long term medical absence from school, sometimes require external tuition packages when SEND Specialist Teaching capacity is full.</p> <p>A new process has been established to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school. The transfer of the Out of School Tuition budget to the SEND Services (from November 17) enables more opportunities to use resources differently and to have more cost effective in-house tuition. There have been discussions with the Transformation Team and following the outcomes and recommendations of several large scale provision and funding reviews, we aim to look at the extension of the existing team in order to prevent placement breakdown more effectively and provide high quality teaching to a smaller number of children who need tuition.</p> <p>Immediate interim controls have been placed on access to this budget. Casework officers and Statutory Assessment Team Leaders must request new packages or increases to existing packages with the budget holder. This is vital in order to understand the nature of requests and bring in swift additional support from SEND District Teams. This is not a long term solution and the budget holder is working with the Transformation Team to investigate whether the pump-priming of the SEND District Teams with additional staff could either prevent the breakdown of placement (and therefore reduce the need for packages of education) or provide in-house tuition at a cheaper rate.</p> <p>The current Tuition Provider Framework is up for recommissioning in March 2018. It has been agreed to extend the framework by 12 months in order to give time to look at more sustainable and in-house provision. These decisions and a business case will be formulated using the data and recommendations given through the SEMH Review, High Needs Block Review and SEND Sufficiency Review, which will close in January 2018. The Tuition Provider Contract is zero-based and requires no minimum fulfilment.</p>				
<b>20) Executive Director</b>	<b>211</b>	<b>248</b>	<b>-2,901</b>	<b>-1372%</b>
<p>The improved overall forecast underspend of -£2,901k is due to assumptions around the ability to re-prioritise grant funded activity (Improved Better Care Fund (iBCF), in response to Adults Services pressures as these emerge, this relates particularly to an increased performance in delayed transfers of care (DTCOC), bringing with it an increased need for the delivery of complex packages of care for older people</p> <p>This has been offset in part by the £219k Business Support saving, which will not be achieved in 17/18 through efficiencies identified within the business support functions, and £100k saving identified against uncommitted expenditure.</p>				

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	Service
<b>21) Central Financing</b>	<b>-523</b>	<b>-914</b>	<b>-215</b>	<b>-41%</b>
<p>The Central Financing budget is forecasting underspend of -£215k.</p> <p>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.</p> <p>The Council was already making use of this flexibility – following a recent review a further £215k of eligible expenditure has been identified within People &amp; Communities.</p>				
<b>22) Financing DSG</b>	<b>-39,991</b>	<b>-26,661</b>	<b>-1,592</b>	<b>-4%</b>
<p>Within P&amp;C, spend of £40.0m is funded by the ring fenced Dedicated Schools Grant. The DSG pressure of £1,592k is primarily made up from SEN Placements (£700k); Out of School Tuition (£600k); High Needs Top Up Funding (£200k); SEND Specialist Services (£54k); Early Years Specialist Support (£44k) and Commissioning Services (£44k). For this financial year the intention is to manage within overall available DSG resources.</p>				