GENERAL PURPOSES COMMITTEE

Cambridgeshire County Council

Date:Tuesday, 27 March 2018

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

Shire Hall
Castle Hill
Cambridge
CB3 0AP

10:00hr

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

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

The General Purposes Committee comprises the following members:

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

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

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

Clerk Name: Michelle Rowe

Clerk Telephone: 01223 699180

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

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Agenda Item No.2

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 23rd January 2018

Time: 10.00a.m. – 12.20p.m.

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

Apologies: Councillor Schumann

64. DECLARATIONS OF INTEREST

There were no declarations of interest.

65. MINUTES – 19TH DECEMBER 2017 AND ACTION LOG

The minutes of the meeting held on 19th December 2017 were agreed as a correct record and signed by the Chairman. The action log was noted.

66. PETITIONS

No petitions were received.

67. FINANCE AND PERFORMANCE REPORT – NOVEMBER 2017

The Committee was presented with the November 2017 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an underspend of £1.4m. It was noted that there were no material exceptions in relation to capital but there had been a slight improvement in revenue resulting from the Commercial Review Programme.

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

68. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH NOVEMBER 2017

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end overspend of +£4.2m, which was a decrease of £21k from October. Attention was drawn to the outcomes and, in particular, the number of staff days lost to sickness which was falling. Members were reminded of the mitigations to manage the pressures which totalled £5.9m. There were also one-off mitigation measures in a number of areas. Attention was drawn to recommendation c) relating to the additional borrowing for County Farms Investment Projects, which would produce additional revenue of £55k. The annual costs of borrowing started in 2018/19 at £11k and decreased each year thereafter.

The Chairman thanked officers for the report which now included the cost of borrowing as requested by Members.

One Member reported that Commercial and Investment (C&I) Committee was the appropriate committee to approve the County Farms Investment Projects and not General Purposes Committee (GPC). It was noted that GPC had responsibility for changes to the overall capital programme. The Chairman, with the unanimous agreement of the Committee, proposed that recommendation c) should include "subject to approval" at the end in order to reflect the role of C&I Committee. There was some confusion regarding the role of GPC and C&I Committee in relation to the approval of capital projects. The Chairman therefore proposed that a briefing note should be prepared to clarify the situation. **Action Required.**

Another Member highlighted a tension in relation to traded services which were the responsibility of C&I Committee. She confirmed that she would be writing to the Chairman of Constitution and Ethics Committee to ask the committee to consider the role of C&I Committee and the parent committee in relation to these services. The Chairman acknowledged the issue but stressed the need to avoid a report being considered by a number of committees. He highlighted the need for a smooth and clear process in order to best represent the interests of Cambridgeshire residents.

One Member highlighted the fact that the number of Looked After Children (LAC) in Cambridgeshire had exceeded 700 for the first time. She was concerned about this relentless and upward trend, and was particularly worried about the impact both socially and financially. She queried what was driving this increase. The Chairman of Children and Young People (CYP) Committee reported that at 15th January 2018 there were currently 696 LAC, which included 61 asylum seekers. This figure was beginning to plateau but it was important to note that it could be influenced by the size of a family coming in to care. He reminded the Committee of a bid to the Transformation Fund to review processes dealing within children below the threshold. In response, the same Member commented that she was concerned that the social work team was not moving children out of care fast enough.

The Chairman reminded the Committee of the Council's performance since June when at that point there had also been a deficit of around £4.2m. Without the mitigations totalling £5.9m outlined in the report, the Council would have been in an even more difficult situation. He thanked Members and officers for their help in this area. It was therefore quite clear how much demand led services impacted on budgets. He acknowledged the underlying trends and the fact that numbers had been rebased in next year's budget to help manage the situation.

In response, one Member commented that the relentless pressure of demand led services had not been unpredicted. Some Members had challenged the fact that some of last year's savings would not be achievable. She was concerned that the Council had taken out demography for services, which had impacted on the budgets of these services. The Chairman reported that a lot of savings had been made and there were new pressures. He reminded the Committee that demography had been managed by GPC last year and that Children's Services had received funding. Another Member commented that a number of measures agreed by CYP Committee, such as increasing the number of foster carers and adoptions, had been successful. She explained that the Committee was trying to understand why there had been an increase in demand. However, it was important to continue with initiatives. The Chairman added that it had been easy to identify transformation efficiencies in the first and second year. However, the risk profile was now increasing as the effect was not so clearly understood.

It was resolved unanimously to:

a) Analyse resources and performance information and note the significant remedial action being taken.

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 subject to approval.

d) Note the transfers in revenue budget responsibility and reporting as set out in section 7.2.

69. BUSINESS PLAN 2018-19 TO 2022-23

The Chief Finance Officer (CFO) introduced a report providing an overview of the key issues contained within the Business Plan prior to formal recommendation by GPC for Council decision in February. He thanked the Committee and Council for the work that had been put in to preparing the Plan. The Council was living in unprecedented times in relation to funding levels and experiencing stresses greater than ever before. This had been the driver for achieving efficiencies, transforming services and seeking return on investments. He acknowledged that the transformation approach had caused some tension in the budget as some schemes which were aspirational had created a pressure.

He reminded the Committee that the Business Plan was predicated on the Plan approved by Council last year. GPC was required to recommend a balanced budget to Council. He drew attention to the £4.3m budget gap for 2018/19. The Committee would need to recommend a way forward to address this gap. He advised Members that transformation had been pushed as far as it could at this point and a number of investment returns were long term. The Council would continue to work to drive further efficiencies which could be delivered in 2018/19. The Committee therefore had three options open to it to deliver a balanced budget, as follows: reduce services; balance next year's budget using reserves; or increase the rate at which Council Tax was set.

The CFO drew attention to the need to amend the numbers in the Business Plan to reflect the drop down table in Section 3.9. Members were informed of the impact of some funding decisions which could have helped the Council's financial situation: the Government's intention to cease the Transition Grant; the unsuccessful Combined Authority bid for a new 100% business rates retention pilot; the failure to extend the existing Business Rates scheme; and the lifting of the public sector pay cap resulting in a pressure of £1m. All this needed to be balanced against the continued pressure in demand led services.

Members queried why the Council had not been successful in the business rates pilot scheme. The Chairman reported that the scheme had been oversubscribed. He was of the view that Government had considered that Cambridgeshire had already benefitted from one Business Rates scheme. However, the Combined Authority was working with the Department for Communities and Local Government to see if a scheme was possible. The CFO added that all applications had been appropriate and the Government had therefore needed to rationalise them. The Council would be able to bid for the scheme again in 2019/20.

The Chairman proposed the Conservative amendment, seconded by Councillor Hickford, and attached at **Appendix 1**. He reported that he was proposing a 2.99% Council Tax increase to protect vital services and put the Council's finances on a firm footing. He thanked GPC, members of his group, and officers for their tireless work to deliver services throughout the year.

The Council received £75m less in Government funding than an average London Borough and £13.7m less than an average County Council. It was the third lowest funded County Council in the Country. He was of the view that if the outdated and broken funding formula had been rectified or transitional funding appropriately maintained, the Council would not need to consider whether to increase Council Tax. He drew attention to the budget gap of £4.3m for 2018/19, which was despite having already included the 2% Adult Social Care (ASC) precept. There were also further substantial gaps forecast for the next four years. As a result, he was reluctantly recommending an additional 2.99% council tax increase in 2018/19. Future years were indicative only and depended on the outcome of transformation plans.

The Chairman reported that the Council needed to concentrate on delivering for the long term by being financially stable and not cutting services. There were therefore no plans to cut winter gritting, spending on repairing potholes had increased by £2m, and there were plans to increase library provision. The Council had already delivered many efficiencies and would continue to strive for more. However, this needed to be driven from a stable financial position. The General Reserve at 3% of the overall budget, around £16m was extremely low. A 5% increase in demand would result in an unexpected pressure of £10m. Further efficiencies would be harder to find and could not match the speed of future funding requirements for a proven low-cost council. He drew attention to a report commissioned from independent financial analysists Grant Thornton, which stated that the Council's costs were very low but its income generation per head was high.

The Chairman drew attention to the Council's plans for commercialisation and investment to return £310m over the medium to longer term. The Council was looking at alternative methods to taxation funding. It had already and would continue to invest in imaginative and innovative schemes by retaining the Transformation Fund to support long term and sustainable transformation. Members were reminded of the £8m invested which would return £40m. A £1m fund had been created accessible to parishes administered by the Communities and Partnership Committee (C&P). The C&I Committee planned to invest a further £319m in transformation investments to return £620m over the medium term.

Members were reminded that the council was nationally at the front of public sector reform. It was the forerunner nationally of shared back office services, it had a shared Chief Executive, and an increasing number of shared senior positions and posts with Peterborough. It would continue to maintain that drive by bringing forward further shared working opportunities, where they could drive down costs, increase capacity and resilience and improve outcomes for residents.

The Chairman drew attention to work with communities which assisted partners such as the NHS to address challenges and priorities. He reported that there had been a sharp rise in delayed transfer of care cases from 100 per week in January 2017 to 150 week in December. Reductions in length of stay in hospital for older people, from 8.1 days in April to 5.6 days in October, meant older people were leaving hospital in higher numbers, more quickly and in a more fragile state, which increased capacity in hospitals but created significant pressure on social care budgets. The Council was using its resources to the absolute maximum to support the NHS.

The Chairman reported that the Council would continue to fight for a funding system that was fair to the residents of Cambridgeshire and did not penalise it for being at the forefront of delivering economic growth. The increase in the number of people wanting to live in Cambridgeshire put an unprecedented demand on services. In 2018/19, changes to demography, pressures and inflation accounted for an additional burden of £31m on already stretched budgets. He drew attention to radical and ambitious plans to deliver significant savings which included relocating from Shire Hall. In conclusion, he reported that the proposed ASC precept increase of 2% and the Council Tax increase of 2.99% would add £23.76 annually (46p weekly) and £35.64 annually (68p weekly) respectively to a Band D property.

One Member highlighted the need to split the amendment into how much was being raised, and how it was to be spent. The Committee was in agreement with the proposal. Before a vote was taken on the amendment excluding the last bullet in 3a), the Chairman invited the opposition Group Leaders to address the Committee.

The Liberal Democrat Group Leader reported that she was both relieved and delighted that the Conservative Group had listened to arguments she had made to the Council about increasing Council Tax. However, she was disappointed that the Council was not using the additional funding to increase the level and improve the quality of public services. The level of services was decreasing year on year as demonstrated by the closure of children's centres and the level of service offered to families, parents and children. There had been in a reduction in bus services leaving residents isolated. Families of 16-18 year olds obliged to stay in education received no transport subsidy. These increasing costs were falling on the most vulnerable. The Council should therefore be doing all it could to support these vulnerable individuals.

She drew attention to the cuts in local highway improvements and the burden being placed on parish councils. She was of the view that if additional funding was available it should be spent on repairing roads, which were in a worse condition than ever before. She concluded that she was pleased that the Council was raising money but disappointed that it was not being spent where it was desperately needed.

The Labour Group Leader reported that there was just not enough money in public services. Whilst the Council could blame the Government, it could also take action itself by raising Council Tax. The Labour Group supported an increase in Council Tax and had been advocating such an increase since 2013.

She informed the Committee that the Labour Group had looked across areas of the budget where residents had raised pressures in order to identify where the additional investment should be made. She drew attention to the need to invest a further £325k in libraries, £200k in local highway initiatives, £450k in street lighting, £60k for the Bikeability Programme, and £1.5m for LAC. She was particularly concerned about the level of lighting in residential streets especially the 'pools of darkness'. She was therefore proposing that some of the 10% of lights which had been removed should be put back. A fund would be created and residents would be asked to make a case for a lamp to be re-introduced.

The Labour Group also proposed to create a strategic reserve of £1.117m for 'in year' financial pressures or shortfall in funding. Members were informed that £750k from this reserve would be used to protect staffing in Children's Centres. Given the lack of respite care beds, the Labour Group was urging the Council to build its own care home. The Group Leader identified areas of future investment relating to Health Visiting and Adult Services. She drew attention to the Conservative amendment regarding no further cuts to bus subsidies and highlighted the fact that there were no buses in some rural areas to subsidise. She stressed the importance of buses in rural areas and the need for the work of the Total Transport Group to continue.

One Member queried what was meant by respite care. The Labour Group Leader reported that she was referring to the issue of elderly people in hospital who were not ready to return to their homes. Convalescence homes which would have provided a stage of provision had disappeared. The same Member also queried the reference in the report for the potential to increase the ASC precept to 3%. The Chairman explained that the precept could have gone up by 3% in 2018/19 resulting in a reduction to 1% in 2019/20. There would be an impact to the base budget earlier but the effects were marginal.

The amendment on being put to the vote, with the exclusion of the fourth bullet point at Section 3a), was agreed unanimously.

The Chairman advised the Committee to focus on what to do with the extra amount of funding. He drew attention to the significant risks in the medium and long term. Despite the increase in Council Tax raising more than was needed in 2018/19, it was now time to alter plans to address the serious funding concerns in years three, four and five of the Plan.

During discussion of the fourth bullet of Section 3a) of the amendment, the following comments were raised by individual members:

- concern that funding was being held back for a 'rainy day' when it had effectively been raining for years. The Council's roads were deteriorating, there was pressure on public transport, families of 16-18 year olds faced huge transport costs to meet the requirement of keeping their children in education, and the costs of people needing care were increasing. It was imperative a signal was sent that the Council was putting residents first. The Council should therefore reverse its decision to increase Members' Allowances and to establish two new committees.

- confirmation from the Chairman of Health Committee that health visits to new born children and mothers would continue in 2018-19 at the same level as the current financial year to be paid from Public Health reserves. The Council together with Peterborough City Council was taking a transformational approach which would see the establishment of a new service for new born children based on need and a clinic approach for 1 to 2 and a half year olds again based on need. He added that the Public Health Directorate had changed significantly. There was now a joint public health commissioning unit working together to achieve savings without affecting outcomes. The Council had the lowest funding for public health per head of population. The Directorate was focusing on innovation which included the piloting of a prioritisation framework. Public Health England had attended workshops reflecting the fact that the service was well run and efficient.

- confirmation from the Vice-Chairwoman of C&I Committee that the PPD Housing Project had a ten year plan which would create 2000 mixed residential units, and develop extra care facilities. Surplus sites would be used to address the need for specialist housing, affordable housing and key worker homes. However, it was acknowledged that it would take time.

- highlighted the need for the Council to help itself and have a more detailed debate on what to do with the additional £3m.

- confirmation from the Chairman of Highways and Community Infrastructure (H&CI) Committee that there had been a £55m contract replacement programme for street lighting, which had been difficult but had also been managed properly and efficiently. He drew attention to the fact that just re-introducing lights on an ad hoc basis was expensive and not useful. The programme had re-positioned street lights to provide a mix of coverage. This view was challenged by some members of the Committee. The Chairman therefore proposed that the Committee should receive a briefing regarding the changes made since the commencement of the PFI contract.
  Action Required.

- confirmation from the Chairman of H&CI Committee that the large number of potholes which had appeared over the winter period were being repaired. The Council was driving savings with the contractor Skanska. A 'Dragon Patcher' had been purchased which would improve the speed and efficiency of patching. He also drew attention on the significant amount of work taking place in Libraries to drive innovation, which would be considered by H&CI Committee at its meeting in February.

- the Chairwoman of Adults Committee highlighted the difficulties she had experienced in agreeing to increase Council Tax. She reminded the Committee that opposition members had refused to support the significant transformation programme. She thanked staff for driving through these proposals and drew attention to the fact that the Council would have been in an even worse situation if they had not happened. She stressed the need to plan carefully for the medium term as the Council would be capped on what it could raise in the future. There was a £22m inherent risk in the transformation programme so it was prudent to have some reserves to call on. She was of the view that everything that could have been done before increasing Council Tax had now been done. She was aware that people on low wages would find it difficult and highlighted the need for them to get support from District Councils and Citizens Advice. It was therefore important that the additional funding was prioritised and managed responsibly to respond to any areas of need.

- confirmation from the Chairwoman of Adults Committee that the Council was recruiting 100 extra re-ablement staff, had introduced 23 roving home care cars to provide support to people discharged from hospital, provided 14 care flats, agreed a new home care contract which would double care places, introduced 7-day working for dedicated workers based at hospitals dealing with the discharge of patients, and improved adult early help and falls prevention to avoid people being admitted to hospital. She highlighted the Neighbourhood Cares Pilot as a way of supporting people with social care needs. The Council was working over the medium term to support the most vulnerable communities in Cambridgeshire. She reported that the Council needed to consider radical transformation and it was working with external consultants to develop a 10-year vision.

- highlighted the Grant Thornton report which was available online. Attention was also drawn to the Business Cases which contained Community Impact Assessments (CIAs) considered by the relevant Policy and Service Committees. It was noted that these documents were also available on line.

- confirmation from the Chairman of Economy and Environment Committee that the budget proposals from this Committee had been agreed unanimously.

- concern expressed by one Member that if the additional funding went into a smoothing reserve, it could be swallowed up by pressures in Adults and Children's Social Care resulting in other priorities such as addressing street lighting concerns being overlooked. In response, another Member highlighted the need to be prudent going forward given the uncertain local government funding situation.

- confirmation from the Chairman of Children and Young People Committee of the need to consider how to do things differently in relation to LAC. He highlighted the positive experience of Hertfordshire County Council in relation to this area. He drew attention to the establishment of the Corporate Parenting Sub-Committee which was attended by young people. Other initiatives included the Step Programme to help young people with special educational needs. He stressed the need for more foster carers and supportive lodgings in Cambridgeshire. He reminded the Committee that he was involved in the Outdoor Education Programme and would be bringing a report to the next meeting of C&I Committee.

- support for local funding for local people and the need to therefore explain why Council Tax was being increased.

- concern regarding the cost of care beds and need to try and reduce this cost.

- acknowledged that raising Council Tax was a last resort and would put a burden on families in Cambridgeshire who were struggling. However, one Member was particularly concerned that the most vulnerable were shouldering the cost of cuts. She explained that year after year the cuts had hit the most vulnerable in relation to the reduction in bus subsidies, the fact some had been forced to pay for transport when they had previously used a free bus pass, and the reduction in children's centres. However, she was particularly concerned about the proposals to increase charges for carers for people with disabilities. She highlighted the importance of being fair and not asking the most vulnerable to pay more. She therefore stressed the need to put services back to support the most vulnerable.

- confirmation from the Chairman of C&P Committee that the diagram on pages 56 and 79 should be amended to "Communities and Partnerships". He explained that the Committee had made a significant impact meeting with officers and the Chairs of Adults, Children and Young People, and Health to help relieve the pressures. He asked for reference to be made in the Business Plan to the work of C&P Committee in relation to outcomes. **Action Required.**

In conclusion, the Chairman explained that, at this point in time, he had no choice but to propose to raise Council Tax. He reported that the Council had not needed to increase Council Tax over the last three years. He was now satisfied that the Council was more efficient and was transforming the way it operated. He reminded the Committee that outcomes remained steady or had improved. He had reviewed all the CIAs and was satisfied that there were no major concerns. He advised the Committee to consider the CIAs before full Council as it was vital that Members understood the impact before making a decision. He drew attention to the fact that the opposition groups had not proposed anything to address the medium term. The Council would need to save £42m next year, £26m in 2019/20 and £21.8m in 2020/21. He was concerned that so much rested on income generation and commercialisation. It was therefore important that the Council had a credible five year plan.

The fourth bullet point at Section 3a) of the amendment, on being put to the vote, was agreed by a majority. The following recommendation detailed below would therefore be recommended to Council for approval.

It was resolved to:

1. Consider the Business Plan, including supporting budget, business cases, consultation responses and other material, in light of all the planning activities undertaken to date.

2. Review the options set out in Section 4 of this paper to establish a balanced budget position and make recommendation to Full Council.

3. Agree the following recommendations to Council:

    a. That approval be given to the Service/Directorate budget allocations as set out in each Service/Directorate table in Section 3 of the Business Plan subject to the changes detailed below:

- Set the general council tax precept increase for 2018-19 to 2.99% as per b-d below.

- Balance the 2018-19 budget by use of additional council tax receipts.

- Refresh the Medium Term Financial Strategy to reflect the potential continuation of the adult social care precept beyond 2019-20.

- Allocate the additional funds raised from the increase in general council tax beyond those used to balance the 2018-19 budget to a smoothing reserve.

b. That approval be given to a total county budget requirement in respect of general expenses applicable to the whole County area of £808,406,000 as set out in Section 2 Table 6.3 of the Business Plan.

c. That approval be given to a recommended County Precept for Council Tax from District Councils of £279,489,859.22, as set out in Section 2, Table 6.3 of the Business Plan (to be received in ten equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995).

d. That approval be given to a Council Tax for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils (220,287), as set out in Section 2, Table 6.4 of the Business Plan reflecting a 2% ASC precept increase and a 2.99% increase in the Basic Council Tax precept:

Band	Ratio	Amount (£)
A	6/9	£833.22
B	7/9	£972.09
C	8/9	£1,110.96
D	**9/9**	£1,249.83
E	11/9	£1,527.57
F	13/9	£1,805.31
G	15/9	£2,083.05
H	18/9	£2,499.66

e. That approval be given to the report of the Chief Finance Officer on the levels of reserves and robustness of the estimates as set out within the Section 25 Statement (given in Appendix B).

f. That approval be given to the Capital Strategy as set out in Section 6 of the Business Plan including capital expenditure in 2018-19 up to £254.7m arising from:

- Commitments from schemes already approved;
- The consequences of new starts in 2018-19 shown in summary in Section 2, Table 6.9 of the Business Plan.

g. That approval be given to the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:

   i. The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008
   ii. The Affordable Borrowing Limit for 2018- 19 as required by the Local Government Act 2003)
   iii. The Investment Strategy for 2018-19 as required by the Communities and Local Government (CLG) revised Guidance on Local Government Investments issued in 2010, and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.

4. Endorse the priorities and opportunities as set out in the Strategic Framework.

5. Authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate, including updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds and any grant changes.

CCC BUDGET AMENDMENT 2018-19

POLITICAL PARTY CONSERVATIVES

	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**
TOTAL ADULT SOCIAL CARE PRECEPT INCREASE	2%	2%	2%*	2%*	2%*
TOTAL GENERAL COUNCIL TAX INCREASE	2.99%	1.99%	0%	0%	0%
BUDGET GAP BEFORE AMENDMENTS	£4,318,000	£11,958,000	£21,835,000	£6,069,000	£13,003,000

ADDITITIONAL FUNDING FROM COUNCIL TAX	-£7,969,899	-£5,881,856	-£6,129,277	-£6,419,030	-£6,536,665
DRAW ON MRP FUNDING	-	-	-	-	-

PLANNED USE OF SURPLUS

CREATION OF A SMOOTHING RESERVE	-£3,651,899	-£5,881,856	-	-	-

FINALISED BUDGET POSITION RECOMMENDED TO COUNCIL	**-**	**£11,958,000**	**£15,726,343**	-£350,030	**£6,508,821**

* The availability of the indicative 2% Adult Social Care increase in 2020-21, and beyond, have not been confirmed by Government. These assumptions will be reviewed annually, updated as required and may directly affect the potential use of the smoothing reserve which is set out below.

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

The Committee considered its agenda plan, training plan and appointments to Outside Bodies.

It was resolved unanimously to:

a) review its Agenda Plan attached at Appendix 1; and

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

Chairman

GENERAL PURPOSES COMMITTEE: 23RD JANUARY 2018

Business Plan Amendment

Conservative Group

Fairer funding and our budget for 2018/19

Let us be clear, at present we receive in Government funding £75m less than an average London Borough and £13.7m less than an average County Council. We are the third lowest funded upper tier Council in the Country. If the outdated and broken funding formula had been rectified by now or if transitional funding was appropriately maintained, we would not need to consider whether to increase Council Tax in Cambridgeshire.

However, a new formula is not in place, so we therefore need to look at our alternatives to balance our budget for next year and produce a prudent but stable five-year financial plan. The first question is how efficient is the Council and whether we can drive further significant savings out that way. Additionally, can we accelerate our ongoing plans for further transformation and efficiencies? Are there more opportunities for commercialisation and investment, bringing in additional income to reduce the burden on Taxation? What are the implications of forthcoming pressures in our demand led services, demography and inflation for not only next year's budget but for the next five years. Our reserves levels are also important to consider as we work on that prudent but stable five-year financial plan. We have since this journey started already saved £176 Million but we now need a plan that deals with the £106 Million in savings we will need to make over the next five years. Almost £42 Million of those savings are in next year's budget alone. We also cannot ignore whether there are service reductions or removals that the public would wish us to consider further? Only when we have exhausted all of these opportunities and considerations will we, as a Conservative run council, consider increasing taxation.

For 2018/19 our Total gross budget excluding schools is £556m. As Conservatives we have worked hard to increase efficiencies and transformation. To evaluate our progress on this we commissioned a well-respected independent external organisation, Grant Thornton, to benchmark us against our statistical neighbours and the Country. We are pleased to reveal work by our administration so far, means the costs of running our services as Net expenditure per head of population is officially evaluated **"Very Low"** [link]. There is always room for improvement, but this is clear evidence that we have transformed (as we promised) into a much more efficient council over recent times. Though with the pressures we face we cannot rest on our laurels. We continue to strip out management costs, in the current financial year alone we reduced the costs of central management functions by £4.9m.

Since we introduced the transformation fund we have already invested £8m which will return £40m to reduce the annual cost of services. We also created a £1 Million fund which parishes and local communities can bid fin to in order to deliver and improve local services. Over the next five years we have plans to invest a further £319 Million in transformation and investments to return £620 Million over the medium to long term. This is on top of the fact that Grant Thornton have already evaluated our income generation per head as **"High".**

Cambridgeshire is a great place to call home, which is why so many people want to live here. We are the fastest growing County in the country and one of the most valuable to the nation economically. Yet the success of the economy is one of the reasons for driving this growth and why people want to live here. It is that growth that is also placing unprecedented demands on our services. In 2018/19 our changes to demography, pressures and inflation account for an additional £31 Million burden on our already stretched budgets. Next year just in Adult social care, the pressures will be £12.7 Million with only £5.3 Million matched by the 2% Adult Social Care Precept. This structural deficit across the whole organisation and acutely painful in adults and children's services means that £7.7 Million as well as the rest of the savings must be found elsewhere.

It is important to explain why a Council with "demand led" services is significantly different in budget handling to other service delivery organisations. It could be a vulnerable child needs taking into care, or an adult discharged from hospital needs assistance, before being able to move back home, it could be a person with complex disability needs moves into the area; all of these mean you automatically provide that service. But these services have been increasing exponentially compared to population growth. Some correlations are well understood, such as the welcome news life expectancy is increasing, however our ageing population has a greater care need. Others are more difficult to explain and unexpected such as the rise in hospital discharges that we need to deal with. In January 2017 this was 100 a week, currently this has escalated to 150 a week, a 50% increase. Additionally, to increase the capacity in hospitals stays for older people had reduced from 8.1 days in April to 5.6 days in October. This has resulted in older people leaving hospital in higher numbers, more quickly, and obviously in a more fragile state. This is a major service responsibility in our budgets and although this creates difficulties for us we are proud of the way we have been able to assist the NHS in the ever-escalating burden that has been placed on us. We understand the pressures the NHS are under and we continue to use our resources to the absolute maximum to try and help, whilst understanding the repercussions this has on our resources.

In recent times we have kept the General Reserve at 3% of the overall budget, around £16 Million. The level of the General Reserve was established following a risk assessment of the likely impact and probability of individual service overspends in any single financial year. It was set at the lowest prudent level possible however as demand led services account for more than 75% of our budget, just a 5% increase in demand would create a pressure of £10 Million. It is therefore essential that the Council retains the policy to reinstate the General Reserve to this level if it is drawn upon as part of the following years' budget setting process.

There are other considerations such, as the ability to predict accurately inflation which affects contract prices, and Government announcements such as no continuation of the RSG Transition Grant and adult social care support grant, nationally negotiated (but funded locally) Staff pay increases. These items alone amount to £6.3 Million. Whilst we are prepared to continue reserves at just 3% in the five-year term we have significant concerns regarding being able to achieve the £22 Million of revenue savings needed for 2020/2021. Whilst we believe our plans in this budget will see us through next year and 2019/20 we consider it prudent to consider a smoothing reserve be created to put us in the best position to avoid drastic measures in year's three to five of the plan. This will of course change yearly as more up to date information and predictions become available.

In terms of reductions or removal of services, we are proud of our record since taking back control. For example we have refused to re-visit winter gritting, we have increased expenditure by £2 Million on repairing pot – holes, we have plans to increase library provision, our children centre proposals increased expenditure on the front line and focussed on those areas which needed the services the most. There is always more we could do if finances were unlimited, but they are not. What we continue to do is deliver services that the public value and appreciate and are balanced against the effective use of resources; our current plans envisage no further reduction in the front line services that our citizens value most highly.

We have looked at our efficiency where we have proven our costs are **"Very Low"**. We have stretched our plans for commercialisation and investment to return an excess of £301 Million over the medium to longer term. Our reserves are undoubtedly tight, with foreseen difficulties in the medium term. Yet despite all of this and even with planned savings next year of £26 Million and additional income generation of £11.6 Million, we still predict a budget gap of £4.3 Million next year and foreseen difficulties in the medium term. We therefore propose to increase council tax to 2.99% for 2018/19 and set out provisional plans for the medium term that we will revisit yearly to see how and when they can be reduced if possible. This is 1% lower in total taxation than the flexibility afforded by Government. Whilst we cannot confirm final plans by other authorities, Fire, Police, Parishes, The Mayor, we recognise the Adult social care precept at 2% and Council Tax at 2.99% will add to a band D household respectively £23.76 annually (46p weekly) and £35.64 annually (68p weekly).

Our future plans continue to prioritise transformation, commercialisation and automation, to further drive down costs. We also aim to increase income generation to reduce the burden on council tax funding. This has accelerated with our recent creation of the Commercialisation and Investments Committee. We will continue to lobby the Government to accelerate the move to a new funding formula which the expected 75% Business Rates retention will use as their base line figures. Whilst we can already be proud of being the forerunner in the country with our shared back office services, a shared chief executive, an increasing number of shared senior positions and posts with Peterborough, we are continuing to look to bring forward further shared working opportunities; where they drive down costs, increase capacity and resilience and improve outcomes for our residents. The recently formed Communities & Partnerships Committee work is gaining recognition and moving from strength to strength as it signals our commitment to support and work more closely with our communities and residents. We are also working with the Conservative Mayor and the new Combined Authority to deliver those long overdue and vital improvements to our infrastructure. The delivery of 100,000 extra affordable homes and public-sector reform to further improve the lives of the people of Cambridgeshire.

We would like to thank officers for their tireless efforts in driving through the efficiencies and transformation so desperately needed. As a Group we also recognise the work that has been put in by both officers and politicians in bringing the Business Plan proposals to this Committee.

In summary therefore we must act now to protect future services. Reluctantly therefore we are recommending a general council tax increase of 2.99% in addition to the adult social care precept. This clearly demonstrates that:

- We are a council concentrating on delivering for the long term –by being financially stable, not by cutting services
- We are a council that has already delivered many efficiencies and will continue to strive for more but against a backcloth of financial stability
- We are a proven very low cost council but further efficiencies cannot match the speed of future funding requirements
- We are a council that has and will continue to invest in imaginative and innovative schemes by retaining the Transformation Fund to support long term and sustainable transformation
- We are a council that is nationally at the front of public sector reform and intend to maintain that drive
- We are a council that works with our communities and assists our partners such as the NHS when they need it
- We are council that will continue to fight for a funding system that is fair to the residents of Cambridgeshire and doesn't penalise them for being at the forefront of delivering economic growth

Cambridgeshire is a great place to live and this Conservative run council continues to strive to maintain and even improve on that.

Proposed changes to council tax over the Business Plan Period

Although the Council will consider the budget on an annual basis the Medium Term Financial Strategy, and therefore the resource allocations within the Business Plan, are predicated on a rolling five year approach. It is therefore proposed that the MTFS should reflect the following indicative tax proposals at this point for financial planning purposes.

Year	18/19	19/20	20/21	21/22	22/23
ASC precept	2%	2%	2%*	2%*	2%*
Council Tax	2.99%	1.99%	0%	0%	0%
Total	4.99%	3.99%	2%*	2%*	2%*

* The availability of the indicative 2% Adult Social Care increase in 2020-21, and beyond, have not been confirmed by Government. These assumptions will be reviewed annually, updated as required and may directly affect the potential use of the smoothing reserve which is set out below.

Proposed changes to resource allocations

Reflecting the above commentary, the amendments to the resources allocated in the finance tables are as follows:-

Service	Additional Resource Allocation £000 18/19
Creation of a Smoothing Reserve	3,652
Total	**3,652**

These amendments are permanent changes to the resources allocated within the Business Plan unless otherwise stated.

Revised Overall Funding Position

	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Total Saving Requirement	**37,613**	**26,514**	**15,779**	**-1,217**	**3,989**	**82,678**
Identified Savings	-25,960	-11,427	-590	1,074*	2,539*	**-34,364**
Identified additional Income Generation	-11,653	-3,129	537*	-207	-19	**-14,471**
Residual Savings to be identified	**-**	**11,958**	**15,726**	**-350**	**6,509**	**33,843**

*Positive figures represent a reversal of short term savings/investments from previous years

In light of the above the following amendment is proposed to the Recommendations:

6. Business Plan 2018-19 to 2022-23

Amendment from Councillor Steve Count

Additions in bold and deletions shown in strikethrough

Recommendation: It is recommended that the Committee:

1. Considers the Business Plan, including supporting budget, business cases, consultation responses and other material, in light of all the planning activities undertaken to date.

2. Reviews the options set out in Section 4 of this paper to establish a balanced budget position and makes recommendation to Full Council.

3. **Agrees** ~~Reviews~~ the following recommendations to Council:

   a. That approval is given to the Service/Directorate budget allocations as set out in each Service/Directorate table in Section 3 of the Business Plan **subject to the changes detailed below:**

      - **Set the general council tax precept increase for 2018-19 to 2.99% as per b-d below.**

      - **Balance the 2018-19 budget by use of additional council tax receipts.**

      - **Refresh the Medium Term Financial Strategy to reflect the potential continuation of the adult social care precept beyond 2019-20**

      - **Allocate the additional funds raised from the increase in general council tax beyond those used to balance the 2018-19 budget to a smoothing reserve.**

   b. That approval **be** ~~is~~ given to a total county budget requirement **in respect of general expenses applicable to the whole County area of £808,406,000 as set out in Section 2 Table 6.3 of the Business Plan** ~~and precept level~~.

   c. That approval **be** ~~is~~ given to a **recommended County Precept for** Council Tax **from District Councils of £279,489,859.22, as set out in Section 2, Table 6.3 of the Business Plan (to be received in ten equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995)** ~~for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils (223,622.3) as set out in Section 2, Table 6.4 of the Business Plan~~.

d. That approval **be** ~~is~~ given to **a Council Tax for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the District Councils (220,287), as set out in Section 2, Table 6.4 of the Business Plan reflecting a 2% ASC precept increase and a 2.99% increase in the Basic Council Tax precept**:

Band	Ratio	Amount (£)
A	6/9	£833.22
B	7/9	£972.09
C	8/9	£1,110.96
D	**9/9**	£1,249.83
E	11/9	£1,527.57
F	13/9	£1,805.31
G	15/9	£2,083.05
H	18/9	£2,499.66

~~the Capital Strategy as set out in Section 6 of the Business Plan including capital expenditure in 2018-19 up to £254.7m arising from:~~

- ~~Commitments from schemes already approved;~~
- ~~The consequences of new starts in 2018-19 shown in summary in Section 2, Table 6.9 of the~~ Business Plan.

e. That approval be given to the report of the Chief Finance Officer on the levels of reserves and robustness of the estimates as set out within the Section 25 Statement (given in Appendix B).

~~d.~~**f.** That approval is given to the Capital Strategy as set out in Section 6 of the Business Plan including capital expenditure in 2018-19 up to £254.7m arising from:

- Commitments from schemes already approved;
- The consequences of new starts in 2018-19 shown in summary in Section 2, Table 6.9 of the Business Plan.

~~e.~~**g.** That approval is given to the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:

i. The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local

Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008

ii. The Affordable Borrowing Limit for 2018- 19 as required by the Local Government Act 2003)

iii. The Investment Strategy for 2018-19 as required by the Communities and Local Government (CLG) revised Guidance on Local Government Investments issued in 2010, and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.

4. Endorse the priorities and opportunities as set out in the Strategic Framework.

5. Authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate, including updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds and any grant changes.

CCC BUDGET AMENDMENT 2018-19

POLITICAL PARTY CONSERVATIVES

	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**
TOTAL ADULT SOCIAL CARE PRECEPT INCREASE	2%	2%	2%*	2%*	2%*
TOTAL GENERAL COUNCIL TAX INCREASE	2.99%	1.99%	0%	0%	0%
BUDGET GAP BEFORE AMENDMENTS	£4,318,000	£11,958,000	£21,835,000	£6,069,000	£13,003,000

ADDITITIONAL FUNDING FROM COUNCIL TAX	- £7,969,899	-£5,881,856	-£6,129,277	- £6,419,030	-£6,536,665
DRAW ON MRP FUNDING	-	-	-	-	-

PLANNED USE OF SURPLUS

CREATION OF A SMOOTHING RESERVE	- £3,651,899	-£5,881,856	-	-	-

FINALISED BUDGET POSITION RECOMMENDED TO COUNCIL	**-**	**£11,958,000**	**£15,726,343**	-£350,030	**£6,508,821**

* The availability of the indicative 2% Adult Social Care increase in 2020-21, and beyond, have not been confirmed by Government. These assumptions will be reviewed annually, updated as required and may directly affect the potential use of the smoothing reserve which is set out below.

EXTRAORDINARY MEETNG OF THE GENERAL PURPOSES COMMITTEE: MINUTES

Date: Friday, 2nd March 2018

Time: 10.00am – 10.15am

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

Apologies: Councillors Bywater, Count, Dupré, Jenkins and Schumann

The Chairman thanked Members for agreeing to attend this meeting at such short notice. He advised that following discussions with the Chief Executive and the Monitoring Officer, he was satisfied that there were special circumstances which warranted calling this Extraordinary meeting of the Committee.

71. DECLARATIONS OF INTEREST

There were no declarations of interest.

72. PROPOSAL TO PROVIDE CONSENT FOR CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY TO BORROW FOR ITS NEW FUNCTIONS

The Committee considered a report on a request from the Combined Authority to each of its constituent councils to provide consent to borrow for any of its functions in accordance with Section 23(5) of the Local Government Act 2003. It was noted that the Combined Authority could already borrow for transport projects, and although it had no imminent plans to borrow for other functions, the very tight parliamentary timescales meant that if it did not meet this deadline, there was considerable uncertainty on when the next opportunity would be.

Officers explained that this would enable the Combined Authority to undertake its own borrowing, thus avoiding the need for constituent councils to undertake borrowing on behalf of the Combined Authority. Whilst consent of constituent authorities was required, it was confirmed that the County Council would have no liability. The draft Statutory Instrument would be published on Monday 5th March 2018.

Arising from the report:

- it was confirmed that if any of the constituent Councils did not agree, the Combined Authority would not be able to borrow for any of its new functions. The Combined Authority could already borrow for transport projects, but this would enable it to borrow for economic regeneration, skills, housing and infrastructure;

- it was confirmed that the Statutory Instrument was for all Combined Authorities across the country;

- it was noted that while the Statutory Instrument would give the Combined Authority the ability to use these borrowing powers, it currently had no plans to use these powers until 2020-21. Any decisions to borrow would go through the normal Combined Authority processes;

- noting that no liability would fall on any of the constituent authorities, a Member asked who would be liable, as the Combined Authority did not have any assets. Officers confirmed that the Combined Authority was accumulating assets through building up its balance sheet through government funding. A Member observed that the Mayor had the ability to raise his own precept, so in theory, any financial failure could impact on the County's residents. It was confirmed that the Combined Authority's borrowing limit had already been set by the Section 151 Officer, and this was likely to be less than the total funding the Combined Authority would receive over 30 years. It was also noted that the precept powers could not be used for all functions, but ultimately this was a question for the Combined Authority, as any move to raise Council Tax would need to go through its governance processes;

- in the event of the Combined Authority borrowing for housebuilding, a Member asked whether those houses would then be considered as its assets. Officers responded that this depended how the arrangements were structured, e.g. they may become the property of another body, such as a Community Land Trust;

- a Member commented that she was not happy that constituent councils were being asked by government to make a decision on this matter at very short notice;

- whilst accepting that there was no liability on the County Council, a Member asked what scope the Council had to monitor the Combined Authority's borrowing. The Chairman pointed out that the Board of the Combined Authority was made up of its constituent authorities, and its governance arrangements included a Scrutiny Committee.

In response to a Member query, it was noted that the reasons for urgency were fully set out at the beginning of the report. The Chairman reiterated that he had taken advice and was satisfied that the circumstances were exceptional. The Monitoring Officer explained that the Chairman could call a meeting to consider business which he felt should be dealt with as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972. The agenda and report had been published on the same day as the meeting had been called, which was the requirement.

It was resolved unanimously:

> to agree the request to consent being given on behalf of Cambridgeshire County Council for Cambridgeshire and Peterborough Combined Authority to borrow for any of its new functions.

Chairman

Agenda Item No.2

GENERAL PURPOSES COMMITTEE

Minutes-Action Log

Cambridgeshire County Council

Introduction:

This log captures the actions arising from the General Purposes Committee on 23rdJanuary2018 and updates members on the progress on compliance in delivering the necessary actions.This is the updated action log as at19thMarch 2018.

Minutes of 23rdJanuary2018

Item No.	Item	Action to be taken by	Action	Comments	Completed
68.	**Integrated Resources and Performance Report for the period ending 30thNovember 2017**	Tom Kelly	There was some confusion regarding the role of GPC and C&I Committee in relation to the approval of capital projects. The Chairman therefore proposed that a briefing note should be prepared to clarify the situation.	E-mail to be circulated week beginning 19th March 2018.	**Yes**
69.	**Business Plan 2018-19 to 2022-23**	Graham Hughes	The Committee to receive a briefing regarding the changes made since the commencement of the Street Lighting PFI contract.	E-mail sent 23 January 2018.	**Yes**

		J Wilson	The diagram on pages 56 and 79 should be amended to "Communities and Partnerships". Reference should also be made in the Business Plan to the work of C&P Committee in relation to outcomes	Revised for the report to Council on 6 February 2018.	**Yes**

FINANCE AND PERFORMANCE REPORT – JANUARY 2018

To:	**General Purposes Committee**
Meeting Date:	**27 March 2018**
From:	**Director of Corporate and Customer Services** **Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To present to General Purposes Committee (GPC) the January 2018 Finance and Performance Report for Corporate Services and LGSS Cambridge Office.** **The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of January 2018.**
Recommendation:	**The Committee is asked to review, note and comment upon the report.**

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

1. BACKGROUND

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

2. MAIN ISSUES

2.1 Attached as **Appendix A**, is the January 2018 Finance and Performance report.

2.2 **Revenue:**

At the end of January, Corporate Services (including the LGSS Managed, Deputy Chief Executive and Financing Costs) is forecasting an underspend of £1.6m. There are no new significant forecast outturn variances (over £100k) to report.

The LGSS Cambridge Office budget is forecasting an underspend of £14k and there are no significant forecast outturn variances (over £100k) to report. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.

Financing Costs are forecasting an underspend of £2.0m underspend at year-end and there are no significant forecast outturn variances (over £100k) to report.

2.3 **Capital:**

At the end of January, Corporate Services, Transformation and LGSS Managed are forecasting an underspend of £375k on capital budgets.

Predicted in-year slippage of £185k does not exceed the capital programme variations budget for Corporate Services, resulting in a predicted nil variance at year-end. In-year variances of £945k for LGSS Managed schemes exceed the variations budget of £570k, therefore an underspend of £375k is forecast at year-end.

There is one new material exception to report for Corporate Services and LGSS Managed schemes.

LGSS Operational is forecasting in-year slippage of £30k, which exceeds the capital programme variations budget of £20k, therefore an underspend of £10k is forecast at year end.

2.4 **Performance:**

Corporate Services / LGSS Cambridge has 13 performance indicators for which data is available. 8 indicators are currently at green, 3 at amber and 2 at red status.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Consultation Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

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

Source Documents	Location
CS and LGSS Cambridge Office Finance & Performance Report (January 2018)	1st Floor, Octagon, Shire Hall, Cambridge

Appendix A

Corporate Services and LGSS Cambridge Office

Finance and Performance Report – January 2018

1. SUMMARY

1.1 Finance

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

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

Monthly Indicators	Red	Amber	Green	Total
January (Number of indicators)	2	3	8	13

2. INCOME AND EXPENDITURE

2.1 Overall Position

[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.

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

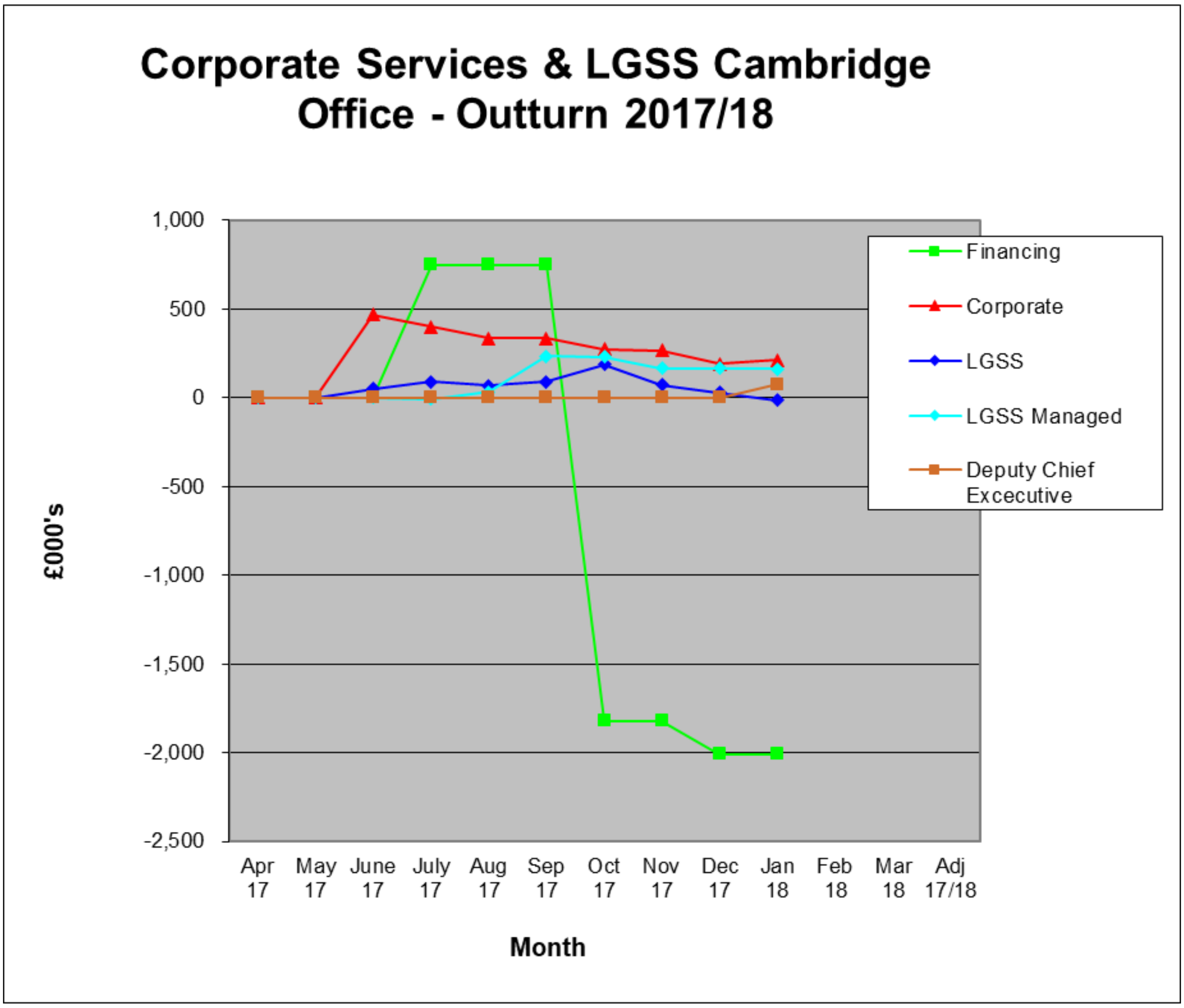
Original Budget as per BP (1)	Directorate	Current Budget	Forecast Variance - Outturn (Dec)	Forecast Variance - Outturn (Jan)	Forecast Variance - Outturn (Jan)	Current Status	DoT
£000		**£000**	**£000**	**£000**	**%**		
6,914	Corporate and Customer Services	4,485	191	214	5	Amber	↓
223	Deputy Chief Executive	275	0	75	27	Amber	↓
13,626	LGSS Managed	11,691	168	162	1	Amber	↑
22,803	Financing Costs	24,227	-2,006	-2,006	-8	Green	↔
43,566	**Sub Total**	**40,679**	**-1,647**	**-1,555**			
7,746	LGSS Cambridge Office	9,531	29	-14	0	Green	↑
51,312	**Total**	**50,210**	**-1,618**	**-1,568**			

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for January 2018 can be found in CS appendix 1.

The service level budgetary control report for LGSS Cambridge Office for January 2018 can be found in LGSS appendix 1

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

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



2.2.1 Significant Issues – Corporate and Customer Services

Corporate and Customer Services budgets are currently predicting an overspend of £214k at year-end. This represents an increase of £23k from the overspend position reported last month, and is primarily due to a decrease in the forecast underspend on the Business Intelligence budgets.

There are no exceptions to report this month.

2.2.2 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are currently predicting an overspend of £75k at year-end. This represents an increase from the balanced position which was forecast last month. This is due to an anticipated overspend in the Resources Directorate.

The Resources Directorate is expecting to overspend by £75k at year end due to additional costs from an externally commissioned investigation which is nearing conclusion.

2.2.3 Significant Issues – LGSS Managed

LGSS Managed budgets are currently predicting an overspend of £162k at year-end. This represents an improvement of £6k from the position reported last month. This is due to an expected underspend on members' allowances.

There are no exceptions to report this month.

2.2.4 Significant Issues – Financing Costs

Financing Costs are forecasting an overall underspend of £2.0m at year-end, which is unchanged from the position reported last month.

There are no exceptions to report this month.

2.2.5 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office is predicting an underspend of £14k at year-end. This represents an improvement of £43k from last month within the Business Services, Systems & Change and IT directorates:

- There are underspends in the Business Services, Systems & Change directorate due to vacancies.
- An overspend previously reported in the IT directorate for service improvement costs is now forecast to be on budget.

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

There is a forecast deficit of £194k on the consolidated trading activities, which is unchanged from the previous period. This will be largely offset through the LGSS Smoothing Reserve, which has been built up in previous financial years to address potential trading risk.

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

2.3 Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

There were no new items recorded during January 2018.

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

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

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

(De minimis reporting limit = £30,000)

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

Corporate and Customer Services:

	£	Notes
Transfer of budgets from P&C and P&E to CS	32,370	Reverse salary virements to P&C and P&E
Transfer of budgets from Adults to CS	31,494	Transfer of in-year saving from organisational structure review.
Non material virements (+/- £30k)	0	

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

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

3. BALANCE SHEET

3.1 Reserves

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

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

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services and Transformation schemes have a capital budget of £5.6m in 2017/18 and there is £2.4m spend to date. The forecast for net in-year slippage of £185k does not exceed the Capital Programme Variation budget of £279k, resulting in a balanced forecast outturn position. A total scheme overspend of £423k is predicted.

  There were no material exceptions to report for January.

- LGSS Managed has a capital budget of £0.9m in 2017/18 and there is expenditure of £259k to date. In-year slippage exceeds the Capital Programme Variation budget of £570k, therefore an underspend of £375k is forecast at year-end. A £495k total scheme variance is forecast.

  Cambridgeshire Public Sector Network budget is predicted to underspend by £450k due to a delay in awarding the contract which will now slip into 2018-19. This will require a reduction in prudential borrowing of £450k.

- LGSS Cambridge Office has a capital budget of £0.9m in 2017/18 and there is no spend to date.

  The LGSS Cambridge Office capital budget for 2017/18 has increased by £410k. The extended timeline for the Next Generation ERP programme means there will be additional costs of implementation. For both Cambridgeshire and Northamptonshire County Council additional capital costs will continue to be part mitigated by in-year LGSS revenue savings. In November 2017, General Purposes Committee approved a further £410k of capital spend to complete the implementation of the ERP scheme. Estimated outturn costs of £888k are forecast to the end of 2017/18, with an estimate of £30k required in April 2018. This expenditure is to be funded by prudential borrowing.

  The forecast for in-year slippage of £30k in 2017/18 exceeds the Capital Programme Variations budget of £20k, therefore an underspend of £10k is forecast at year end.

Funding

- Corporate Services and Transformation schemes have capital funding of £5.6m in 2017/18. The Corporate Services capital programme as a whole is forecasting a balanced outturn position for 2017/18, with the expectation that this funding continues to be required in line with the revised budget proposals. Net predicted in-year underspends of £185k are offset by the Capital Programme Variations budget, leading to a balanced overall position.

  There are no new material variances to report for January.

- LGSS Managed has capital funding of £0.9m in 2017/18. The in-year underspend of £945k now exceeds the Capital Programme Variations budget, therefore an underspend of £375k is forecast in 2017/18 and this will reduce the borrowing requirement by £375k.

- LGSS Cambridge Office has capital funding of £0.9m in 2017/18.

  As reported above, General Purposes Committee approved £410k additional budget in November 2017 to cover the increased costs of the Next Generation ERP scheme resulting from the extended time line for implementation. This is to be funded by prudential borrowing, leading to an increase in the borrowing requirement.

  The in-year underspend of £30k exceeds the Capital Programme Variations budget, therefore an underspend of £10k is forecast in 2017/18, reducing the borrowing requirement by this amount.

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

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

4. PERFORMANCE

4.1 The key performance indicators for Corporate and Customer Services, LGSS Managed Services and the LGSS Cambridge Office for January 2018 are set out in CS Appendix 7 and LGSS Appendix 7.

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

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

To:	**General Purposes Committee**		
Date:	**27th March 2018**		
From:	**Chief Finance Officer**		
Electoral division(s):	**All**		
Forward Plan ref:	**2018/002**	*Key decision:*	**Yes**
Purpose:	**To present financial and performance information to assess progress in delivering the Council's Business Plan.**		
Recommendations:	**General Purposes Committee (GPC) is recommended to:**		

a) Analyse resources and performance information and note the significant remedial action being taken.

b) Approve an additional £171k of prudential borrowing in 2017/18 for the Shire Hall relocation project, as set out in section 6.8.

c) Note the changes to capital funding and prudential borrowing requirements as set out in section 6.8.

d) Approve an additional £359k of prudential borrowing in 2017/18, to offset the increased use of capital receipts for additional capitalisation of redundancies as set out in section 6.9.

e) Approve an additional £196k of prudential borrowing in 2017/18 for capitalisation of feasibility work originally included in the St Ives Smart Energy Grid Business Case, as set out in section 6.10.

f) Approve an additional £75k of prudential borrowing in 2018/19 for adaptations work on the Scaldgate Youth and Community Centre, as set out in section 6.11.

g) Approve an additional £495k of prudential borrowing in 2018/19 for replacement of computers and equipment as part of the Libraries People's Network refresh, as set out in section 6.12.

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

1. PURPOSE

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

2. OVERVIEW

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

Data available as at: 31 January 2018

Outcomes

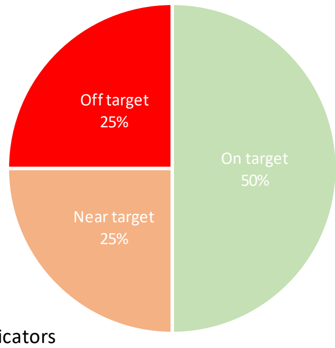
88 indicators about outcomes are monitored by service committees
They have been grouped by outcome area and their status is shown below

Older people live well independently

Increasing

4 indicators

People with disabilities live well independently



Stayed the same

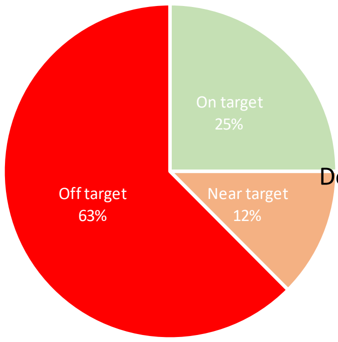
4 indicators

Adults and children are kept safe

Stayed the same

6 indicators, 1 of which do not have targets

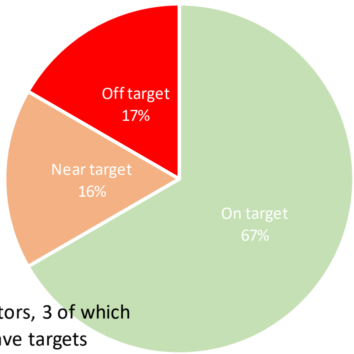
People live in a safe environment



Decreasing

12 indicators, 4 of which do not have targets

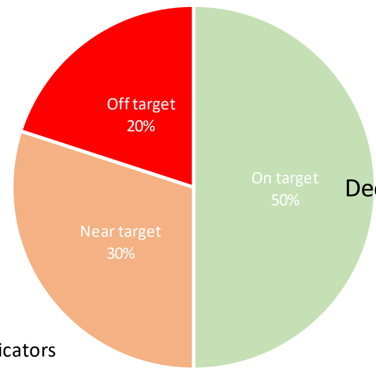
The Cambridgeshire economy prospers to the benefit of all residents



Stayed the Same

15 indicators, 3 of which do not have targets

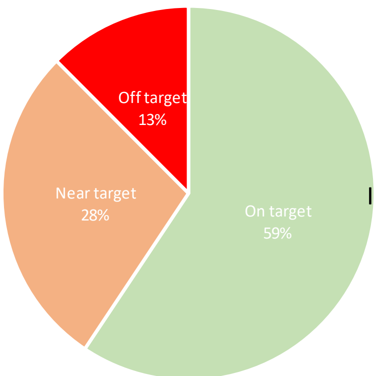
Places that work with children help them to reach their potential



Decreasing

10 indicators

People lead a healthy lifestyle and stay healthy for longer



Increasing

35 indicators, 3 of which do not have targets

Our Transformation Programme is on track	Sustain a high performing, talented, engaged and resilient workforce
26 Early ideas ↓ 119 Business cases in development ↑ 23 Projects being implemented↔ Transformation Fund: 35 projects rated Green ↑ 4 rated Amber (reflecting some need to re-phase savings) ↔ 2 rated Red (risk of non-delivery of savings or benefits) ↓	As of the end of January 2018 we had lost 5.95 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 forecast +£4.1m (1.2%) variance at end of year RED	This is a £0.225m improvement in the revenue forecast since last month. This is a £6.4m improvement in the anticipated capital programme delivery compared to last month.	Capital programme forecast -£40.8m underspend forecast, comprising +£6.4m more delivered on non-housing schemes than originally anticipated and -£47.2m relating to housing schemes 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

	Jan-18	Trend since Apr-17
Nursing	444	Stayed the same
Residential	858	Increasing
Community	2,327	Increasing

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

	Jan-18	Trend since Apr-17
Nursing	25	Stayed the same
Residential	322	Increasing
Community	1,923	Increasing

Children open to social care

	Jan-18	Trend since Apr-17
Looked after children	702	Increasing
Child protection	502	Decreasing
Children in need*	2,022	Increasing

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

Public Engagement

	Jan-18	Trend since Aug-17
Contact Centre Engagement	15,774 Phone Calls	Decreasing
	5,324 Other	Increasing
Website Engagement (cambridgeshire.gov.uk)	166,567 Users	Increasing
	254,656 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 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£4.1m (+1.2%), a decrease of £225k on the forecast pressure reported in December; there have been increases in Corporate Services and Commercial & Investment (C&I), more than offset by improvements in the forecast for Place & Economy (P&E) and Public Health. See section 3 for details.

- The Capital Programme is forecasting £6.4m more of the capital programme being delivered than originally anticipated, excluding Housing schemes which are forecasting an in-year underspend of -£47.2m. This gives an overall forecast underspend of -£40.8m. This includes forecast use of £21.0m (77%) of the capital programme variations budget. See section 6 for details.

3. REVENUE BUDGET

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

Key to abbreviations

CS Financing – Corporate Services Financing
DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per Business Plan £000	Service	Current Budget for 2017/18 £000	Forecast Variance (December) £000	Forecast Variance (January) £000	Forecast Variance (January) %	Overall Status	DoT
38,682	Place & Economy	42,030	143	-112	-0.3%	Green	↑
237,311	People & Communities	239,504	6,779	6,774	2.8%	Red	↑
200	Public Health	386	-170	-283	-	Green	↑
15,542	Corporate Services	4,760	239	289	6.1%	Amber	↓
6,500	LGSS Managed	11,691	168	162	1.4%	Amber	↑
2,702	Commercial & Investment	8	650	754	-	Amber	↓
22,803	CS Financing	24,227	-2,006	-2,006	-8.3%	Green	↔
323,740	**Service Net Spending**	**322,606**	**5,803**	**5,578**	**1.7%**	**Red**	↑
24,377	Funding Items	23,305	-1,520	-1,520	-6.5%	Green	↔
348,117	**Total Net Spending**	**345,911**	**4,283**	**4,058**	**1.2%**	**Red**	↑
	Memorandum items:						
7,746	LGSS Operational	9,531	29	-14	-0.1%	Green	↑
212,873	Schools	212,873					
568,736	**Total Spending 2017/18**	**568,315**					

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

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

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

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

3.1.1 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.

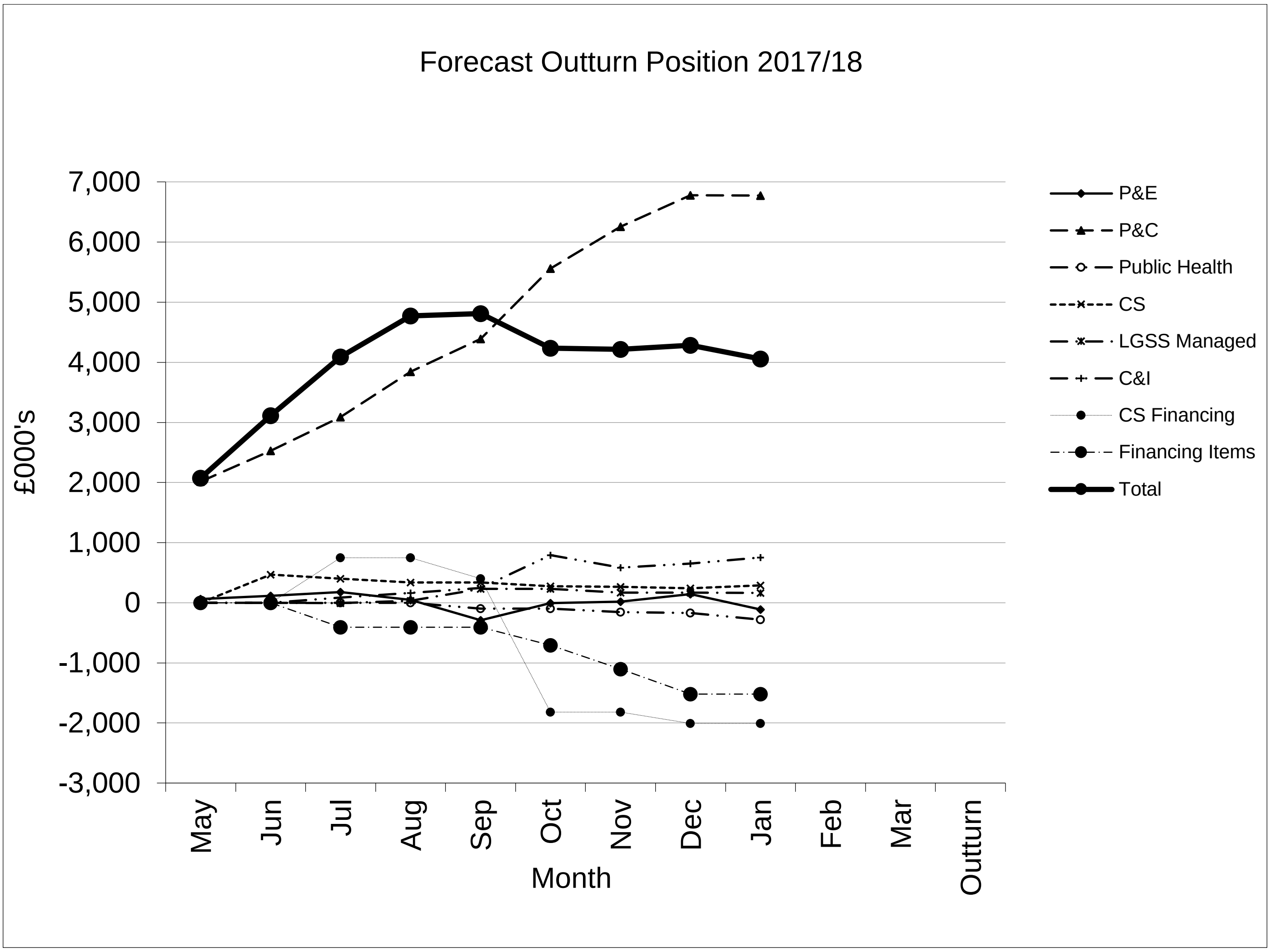
- maximising grant income and retention with appropriate application to current pressures.

- 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 (GPC) 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. This programme of work has commenced, with opportunities being taken for collaboration and expertise sharing already where these arise.

To date across these measures mitigations totalling £6.2m have been identified.



3.1.2 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 face 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 3.1.1, Strategic Management Team (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 **Place & Economy:** -£0.112m (-0.3%) underspend is forecast at year-end.

	£m	%
• **Highways Other** – a -£639k underspend is forecast, which is an increase of -£335k on the underspend previously reported in October. This is due to additional Highways income that has been achieved which would normally be re-invested in preventative maintenance work. However, until the spend on the Waste budget is clearer, this funding is being held to cover the pressure on the Waste budget rather than being re-invested. This budget is also expected to cover a pressure on the winter maintenance service.	-0.639	(-146%)

- For full and previously reported details see the P&E Finance & Performance Report (https://tinyurl.com/y9a74v2o).

3.2.2 **People & Communities:** +£6.774m (+2.8%) pressure is forecast at year-end.

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

	£m	%
• **Looked After Children (LAC) Placements –** a +£3.2m pressure is forecast, which is an increase of £300k on the pressure previously reported in December. The majority of this increase is the result of delayed savings that were forecast for planned placement moves and one new high cost secure accommodation placement that has recently been commissioned. External placement numbers (excluding unaccompanied asylum seeking children (UASC) but including 16+ and supported accommodation) at the end of January are 355, which is 3 less than reported at the end of December. 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 Appendix 3.	+3.249	(+19%)
Learning Disability Partnership – a +£2.9m pressure is forecast, which is an increase of £527k on the pressure previously reported in December. Overall this is due to higher than expected demand pressures throughout the year and lower levels of savings than required. A detailed review of expected saving delivery in the last quarter has resulted in a reduction in the projected savings for the year. This reduction is due to capacity being needed to negotiate with providers around fee uplifts (reducing potential costs), the speed of reassessment work not being as high as anticipated, and delays caused by providers	+2.917	(+4%)

and the NHS in other regions not engaging sufficiently with savings work.

• **Older People's Services** – a £1.4m pressure is forecast, which is a decrease of £427k on the pressure previously reported in October. This improvement reflects a reduced number of service-users receiving care over several months compared to the trend of the first half of the year. This will be kept under review in light of any pressures during the winter period.	+1.431	(+3%)
• **Children in Care** – a £557k pressure is forecast, which is an increase of £113k on the pressure previously reported in December. This increase is as a result of increases across both the under 18 & over 18 Unaccompanied Asylum Seeking Children and 14-25 LAC Team budgets mainly due to the number of clients being supported and latest income expectations from the Home Office, together with an increase in the in-house fostering forecast due to additional placements being made.	+0.557	(+4%)
Actions being taken to address the forecast pressure are outlined in Appendix 3.		
• **Strategic Management – Adults –** a £4.1m underspend is forecast. A technical adjustment has been made to the reporting of an underspend relating to the assumed re-prioritisation of grant funded activity in response to Adults Services pressures as they emerge. This was previously reported against the Executive Director line, and is now reported under Strategic Management – Adults, reflecting the reducing of pressures in that area. In addition, the net underspend across these areas has increased by £554k since previously reported in October (Executive Director) and December (Strategic Management- Adults).	-4.067	(-116%)

- For full and previously reported details see the P&C Finance & Performance Report (https://tinyurl.com/y87goo53).

3.2.3 **Public Health:** a -£0.283m (-%) 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 (https://tinyurl.com/y7xbq7u6**).**

3.2.4 **Corporate Services:** +£0.289m (+6.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

3.2.5 **LGSS Managed:** +£0.162m (+1.4%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

3.2.6 **CS Financing:** -£2.006m (-8.3%) 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 (https://tinyurl.com/yd96ekbe).

3.2.7 **Commercial & Investment**: +£0.754m (-%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the C&I Finance & Performance Report.

(Please note that the C&I report is not yet available. The link will be activated following the publication of the C&I Committee agenda on 16th March.)

3.2.8 **LGSS Operational:** -£0.014m (-0.1%) underspend 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 (https://tinyurl.com/yd96ekbe).

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 (https://tinyurl.com/y87goo53) (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 **Increasing Pressures Requiring Attention:** There were two outcomes where the overall performance decreased since last month. The first was ‘People live in a safe environment’ and reflected changes in four indicators. The fours indicators that changed were ‘East Cambridgeshire LHI (Local Highways Initiative) Programme (15 Projects)’, ‘South Cambridgeshire LHI Programme (28 Projects)’, ‘Cambridge City LHI Programme (38 Projects)’, and ‘Fenland LHI Programme (13 Projects)’, these indicators’ RAG ratings all changed from amber to red. With 118 LHI projects resources are under significant pressure. Supplementing design and management resources from our highways services contractor has minimised this impact, though a small number of schemes are not due to be completed until April/May 2018 so the required funding will need to be carried over to the next financial year.

The second outcome with decreased performance was ‘Places that work with children help them to reach their potential’. This reflected change in one indicator, ‘% year 12 in learning’, whose RAG rating changed from green to amber. Performance in this indicator did not change (96.1%) since last month but was incorrectly labelled as green last month. The target for this indicator (96.5%) is under review and it is noted that performance in this area is better than our statistical neighbour’s average and England average.

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

5.3 The master file of performance indicators is available here, (https://tinyurl.com/ydze8q44) while the latest Corporate Risk Register can be found here, (https://tinyurl.com/yb2eps52).

6. CAPITAL PROGRAMME

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

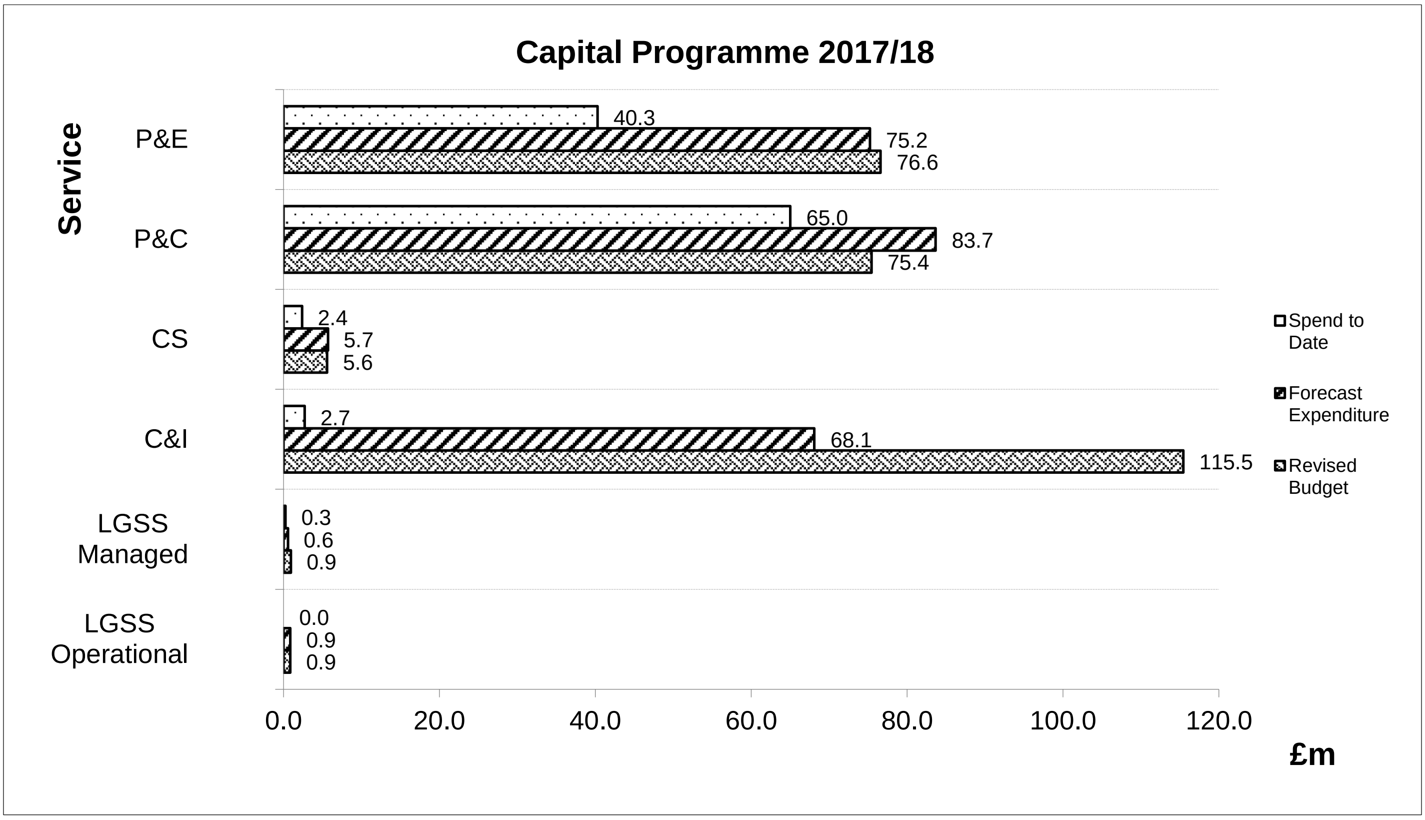
2017/18							TOTAL SCHEME	
Original 2017/18 Budget as per Business Plan £000	Service	Revised Budget for 2017/18 £000	Forecast Variance - Outturn (Dec) £000	Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) %		Forecast Variance - Outturn (Jan) £000	Forecast Variance - Outturn (Jan) £000
67,331	P&E	76,618	-	-1,378	-1.8%		434,824	-
77,408	P&C	75,442	0	8,239	10.9%		575,941	14,251
5,489	CS & Transformation	5,612	-0	94	1.7%		11,743	423
160	LGSS Managed	949	-	-375	-39.5%		9,853	-495
115,408	C&I	115,455	-47,338	-47,338	-41.0%		234,107	-252
100	LGSS Operational	898	-	-10	-1.1%		2,005	-
-	Outturn adjustment	-	129	-	-		-	-
265,896	**Total Spending**	**274,974**	**-47,209**	**-40,768**	**-14.8%**		**1,268,473**	**13,927**

Notes:

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

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

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



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

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

2017/18					
Service	**Capital Programme Variations Budget £000**	**Forecast Variance - Outturn (Jan) £000**	**Capital Programme Variations Budget Used £000**	**Capital Programme Variations Budget Used %**	**Forecast Variance - Outturn (Jan) £000**
P&E	-15,514	-16,892	15,514	100.00%	-1,378
P&C	-10,305	-2,066	2,066	20.05%	8,239
CS & Transformation	-279	-185	185	66.31%	94
LGSS Managed	-643	-1,018	643	100.00%	-375
C&I Non-Housing	-720	-849	720	100.00%	-129
LGSS Operational	-20	-30	20	100.00%	-10
Outturn adjustment	-	-	1,892	-	0
Subtotal	**-27,481**	**-21,040**	**21,040**	**76.56%**	**6,441**
C&I Housing	0	0	0	0.00%	-47,209
Total Spending	**-27,481**	**-21,040**	**21,040**	**76.56%**	**-40,768**

6.3 As at the end of January 2018, People & Communities is forecasting an overall utilisation of -£2.1m of the -£10.3m capital programme variations budget originally allocated to P&C, and Corporate Services is forecasting an overall utilisation of -£0.2m of the -£0.3m capital programme variations budget originally allocated to CS. At this stage of the financial year it is forecast that P&C and CS will not require any further capital programme variations budget as these services will have delivered more of their capital programme than originally anticipated. Taken together with the re-phasing on Place and Economy, LGSS Managed Commercial and Investment and LGSS Operational schemes which have exceeded the capital programme variations budget allocated to them, this gives a current forecast of -£6.4m of the capital variations budget which will not be utilised. Therefore, overall expenditure on the 2017/18 capital programme is forecast to be accelerated by £6.4m ahead of the position originally anticipated when the capital variations budget was set.

6.4 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 forecast underspend of -£47.2m on Housing schemes, this gives an overall forecast underspend position of -£40.8m.

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

6.5.1 **Place & Economy:** a -£1.4m (-2%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	£m	**%**
• **£90m Highways Maintenance schemes** – an in-year pressure of £0.3m is forecast on the £90m Highways Maintenance schemes. The allocated budget incorporated an element of underspend expected on the Transport Delivery Plan (TDP); however expenditure is progressing in line with the TDP.	+0.3	(+4%)
• **Soham Station** - an in-year underspend of -£0.3m is forecast. Network Rail's spend profile has not been as originally anticipated, therefore more of the expenditure will be carried out during 2018-19 than was originally predicted. Due to the increase in cost for the next stage of work, further discussion has been required before we could progress with the next stage of work, GRIP3. Network Rail have now provided a revised forecast of spend.	-0.3	(-60%)
• **Scheme Development for Highways Initiatives** – an in-year underspend of -£1.0m is forecast on Scheme Development for Highways Initiatives. To shortlist schemes for development, discussions have been required with the Chair and Vice Chair of the Economy and Environment Committee. As such, the Committee will not approve schemes for development until February 2018, meaning that new schemes cannot be developed until this point.	-1.0	(-99%)
• **Delivering the Transport Strategy Aims** – an in-year underspend of -£1.0m is forecast across Delivering the Transport Strategy Aims schemes, which is an increase of -£0.3m on the underspend previously reported in November. This is due to underspends on the following highways schemes: o B1049 The Green, Histon / Impington: An underspend of -£0.1m is forecast due to the scheme being re-phased to 2018-19.	-1.0	(-23%)

- C291/C292 Cambridge Victoria Ave/Maids Causeway: An underspend of -£0.1m is forecast due to the scheme being re-phased to 2018-19.
- Unclassified Cambridge Oxford Rd / Windsor Rd Traffic calming: An underspend of -£0.1m is forecast due to the scheme being re-phased to 2018-19.

• **Ely Crossing** - an in-year underspend of - £3.8m is forecast. This is due to the extended construction programme; as a reduced quantity of construction work is anticipated during the 2017/18 financial year there is in turn a reduced anticipated spend. The construction target cost for the contract was £27.4m at the time of award of Stage 2. Whilst work is progressing on site, some significant risks have emerged requiring additional work, including Network Rail requirements, the diversion of statutory undertakers' plant, buildability issues arising from the complex V piers (V-shaped piers forming part of the substructure) and additional temporary works resulting from poor and variable ground conditions. These will increase the outturn cost of the scheme significantly and are currently being considered with the contractor to minimise the impact on the project and to reduce the cost impact. The completion date is likely to be late Summer/Autumn 2018, depending on weather. The Council is working with the contractor to identify options to mitigate against delay and minimise costs. A number of value engineering opportunities are also being explored. Once the implications have been developed more fully, they will be reported back to this committee.	-3.8	(-15%)
• **P&E Capital Variation** – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget until has been utilised in full. Therefore £15.5m of the £16.9m P&E underspend is balanced by use of the capital variation budget; this is an increase of £3.9m on the use of variations budget reported last month, for the reasons given above.	+15.5	(+100%)

- For full and previously reported details see the P&E Finance & Performance Report (https://tinyurl.com/y9a74v2o).

6.5.2 **People & Communities:** +£8.2m (+11%) accelerated spend is forecast after utilising -£2.1m of the -£10.3m capital programme variations budget allocated to P&C.

	£m	%
• **Basic Need – Secondary** – an in-year pressure of +£0.6m is forecast, which is a decrease of £0.9m on the pressure previously reported in August. This decrease is mainly due to re-phasing of the following schemes: ○ St Bede's: The project at St Bede's to deliver additional places in Cambridge has been re-phased by £985k due to delays in the kitchen refurbishment works and a revised completion date of 26 June rather than 29 May 2018. The Chesterton element of the scheme is not starting on site until next financial year with a revised completion date of 26 June rather than 29 May 2018.	+0.6	(+2%)
• **Condition & Maintenance** – an in-year pressure of +£0.3m is forecast. This is due to higher than anticipated tender prices for kitchen ventilation works (£200k) required to meet health and safety standards and projects requiring urgent attention to ensure that the schools in question remain operational (£101k).	+0.3	(+10%)
• **P&C Capital Variation –** as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £2.1m underspend is balanced by use of the capital variations budget. This is an increase of £0.4m on the use of variations budget last reported in December.	+2.1	(+20%)

- For full and previously reported details see the P&C Finance & Performance Report (https://tinyurl.com/y87goo53).

6.5.3 **Corporate Services:** +£0.094m (+2%) accelerated spend is forecast after utilising -£0.2m of the -£0.3m capital programme variations budget allocated to Corporate Services. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

6.5.4 **LGSS Managed:** a -£0.4m (-40%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	£m	%
• **Cambridgeshire Public Sector Network** – an in-year underspend of -£0.5m is forecast. This is due to a delay in awarding the contract, which will now be re-phased into 2018-19.	-0.5	(-90%)

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

6.5.5 **Commercial & Investment**: a -£47.3m (-41%) 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 C&I Finance & Performance Report.

(Please note that the C&I report is not yet available. The link will be activated following the publication of the C&I Committee agenda on 16th March.)

6.5.6 **LGSS Operational:** a -£0.01m (-1%) 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 and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

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

6.6.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the P&E Finance & Performance Report (https://tinyurl.com/y9a74v2o).

6.6.2 **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 (https://tinyurl.com/y87goo53).

6.6.3 **Corporate Services:** a +£0.4m (+4%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

6.6.4 **LGSS Managed:** a -£0.5m (-5%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/yd96ekbe).

6.6.5 **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.

(Please note that the C&I report is not yet available. The link will be activated following the publication of the C&I Committee agenda on 16th March.)

6.6.6 **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 (https://tinyurl.com/yd96ekbe).

6.7 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	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	-0.1	**16.0**	16.0	-
S106 Contributions & Community Infrastructure Levy	22.0	1.6	-4.4	0.8	**20.0**	20.0	-
Capital Receipts	83.9	-	-	-	**83.9**	4.5	-79.3
Other Contributions	15.1	0.4	-4.6	2.7	**13.6**	13.6	-
Revenue Contributions	-	-	-	-	**-**	-	-
Prudential Borrowing	63.5	9.6	-10.4	3.8	**66.5**	105.1	38.6
TOTAL	**265.9**	**13.4**	**-18.7**	**14.3**	**275.0**	**234.2**	**-40.8**

[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.

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

Funding	Service	Amount (£m)	Reason for Change
Addition/Reduction in Funding – Prudential Borrowing	C&I	+£0.2	Shire Hall Relocation- additional funding of £171k is requested in 2017/18 for the Shire Hall Relocation project. This is to cover the capitalisation of the cost of the business case and feasibility studies for the project, (as commissioned by the steering group), as detailed in the business case that was agreed as part of the Business Plan by C&I in December. The initial total cost over the lifetime of the scheme is expected to be £16.6m and this will be funded from borrowing. The annual cost of borrowing of this feasibility study's element of the scheme starts in 2018/19 at £10k and decreases each year thereafter. **General Purposes Committee is asked to approve additional prudential borrowing of £171,000 in 2017/18 for the Shire Hall relocation project. (Please note that this recommendation is carried forward from the December report which was circulated via email.)**
Addition/Reduction in Funding – Prudential Borrowing	LGSS	+£0.4	An additional £0.4m of prudential borrowing was approved by General Purposes Committee at the 28th November 2017 meeting to complete the implementation of the Agresso (ERP Gold) system to replace the existing Oracle system. **General Purposes Committee is asked to note this additional prudential borrowing.**
Addition/Reduction in Funding – Contributions	P&E	+£0.6	An additional £0.6m of contributions has been received for Combined Authority Schemes. **General Purposes Committee is asked to note this additional funding.**

6.9 In addition to the above funding budget changes for 2017/18, additional funding of £359k is requested in 2017/18 to fund the in-year pressure on the Capitalisation of Corporate Redundancies budget. 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 £359k 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 £359,000 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 December report which was circulated via email; this has changed from the previous £328k additional funding reported in December with a further £31k of funding expected to be required.)

6.10 The St Ives Smart Energy Grid business case was approved by C&I in December 2017 and as such was subsequently included in the 2018/19 Business Plan, agreed by Full Council on 6th February 2018. However, the Business Case included £196k budget for 2017/18 in order to complete initial feasibility work. This work has currently been funded by revenue; therefore GPC are asked to agree the additional budget in 2017/18 required to undertake the capitalisation of this expenditure in line with the original Business Case. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (total borrowing £1.8m) will start in 2020/21 at £137k and decreases each year thereafter. The scheme is expected to deliver an ongoing revenue stream, starting at £117k in 2019-20, increasing eventually to £163k per annum thereafter.

Capital Programme Board have reviewed the Business Case for the St Ives Smart Energy Grid work and recommend that GPC approve the additional prudential borrowing of £196k in 2017/18 to undertake this scheme.

6.11 Request for additional 2018/19 funding:

The intention to move the Whittlesey Children's Centre, located on the New Road Primary School site, to Scaldgate Youth and Community Centre was agreed as part of the 2017 public consultation on Children's Centres, approved by Full Council on 17th October 2017. If the Children's Centre vacates the site by 31st July, the vacant space can be adapted over the summer holidays ready to be utilised during the school expansion programme, which will eliminate the need for costly temporary mobiles. As such, the work required to adapt the nearby Scaldgate Youth and Community Centre to make it suitable for the Children's Centre needs to commence in early 2018/19 in order to be completed by 31st July 2018. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2019/20 at £6k and decreases each year thereafter.

Capital Programme Board have reviewed the Business Case for the adaptions work and recommend that GPC approve the additional prudential borrowing of £75,000 in 2018/19 to undertake this scheme.

6.12 Request for additional 2018/19 funding:

The computers in libraries used by the public, also referred to as 'The People's Network', all need to be replaced. The current computers all use Windows 7 but that is no longer supported by Microsoft, however they cannot be upgraded to the current operating system used by Microsoft, Windows 10, because the computers are out of life and no longer under warranty. This upgrade will also support planned service developments now and over the next 2/3 years that will bring Cambridgeshire in line with the Department for Digital, Culture, Media and Sport's strategy for libraries in England.

The change to Windows 10 would require all mice, screens, key boards and computers to be replaced, as well as updating back-end servers. Currently there are 550 computers on the People's Network; 117 counter desktop computers and 216 corporate desktop computers which will all need replacing and existing machines to be disposed of. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme will start in 2019/20 at £104k and decreases each year thereafter.

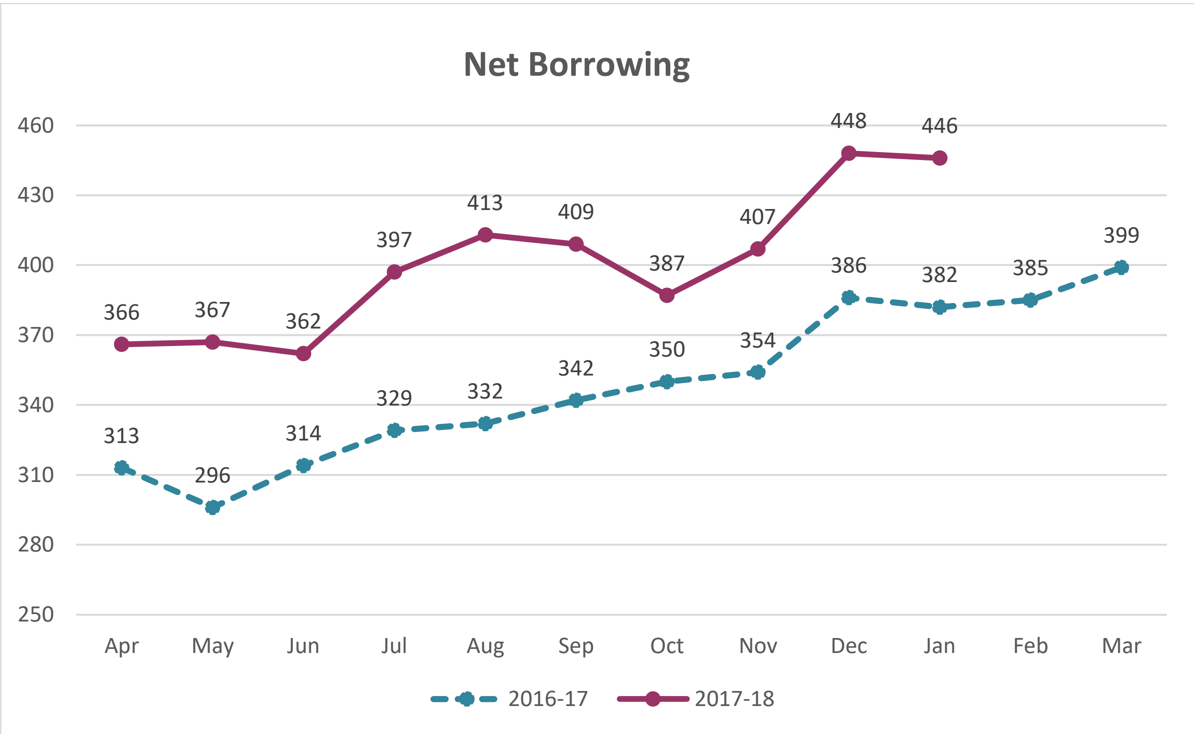
Capital Programme Board have reviewed the Business Case for the replacement of computers and equipment as part of the Libraries People's Network refresh and recommend that GPC approve the additional prudential borrowing of £495,000 in 2018/19 to undertake this scheme.

7. BALANCE SHEET

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

Measure		Year End Target	Actual as at the end of January
Level of debt outstanding (owed to the council) 91-360 days, £m	Adult Social Care	£1.6m	£2.5m
	Sundry	£0.4m	£1.1m
Level of debt outstanding (owed to the council) 361 days +, £m	Adult Social Care	£1.9m	£2.6m
	Sundry	£0.1m	£0.3m
Invoices paid by due date (or sooner)		97.6%	99.6%

7.2 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 January 2018 were £25.88m (excluding 3rd party loans) and gross borrowing was £471.86m. Of this gross borrowing, it is estimated that £26.519m 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.



7.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2017-18 TMSS was set in February 2017, it was anticipated that net borrowing would reach £466m at the end of this financial year. Net borrowing at the beginning of this financial year as at 1st April 2017 was £399m, this reduced to £366m at the end of April 2017 thus starting at a lower base than originally set out in the TMSS (£466m). This is to be reviewed as the year progresses and more information is gathered to establish the full year final position.

7.4 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.

7.5 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.

7.6 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.

7.7 Further detail around the Treasury Management activities can be found in the latest Treasury Management Report (https://tinyurl.com/y82aarug).

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

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

8.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

8.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

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

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 **Engagement and Communication Implications**

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

9.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

9.7 **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 (January 18) P&C Finance & Performance Report (January 18) PH Finance & Performance Report (January 18) CS and LGSS Cambridge Office Finance & Performance Report (January 18) C&I Finance & Performance Report (January 18) Performance Management Report & Corporate Scorecard (January 18) Capital Monitoring Report (January 18) Report on Debt Outstanding (January 18) Payment Performance Report (January 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	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	
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				
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	
Budget transfer per CCR					-43			43	
Transfer Strengthening Communities budget	5		17		-22				
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
Current budget	**239,503**	**386**	**42,030**	**24,227**	**11,338**	**5,151**	**-21**	**9,501**	**22,721**
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 31 January 2018		
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	15,808	1,546	17,353	13,296	
- Services					Service reserve balances transferred to General Fund after review
1 P&C	540	-540	0	0	
2 P&E	2,229	-2,229	0	0	
3 CS	-64	64	0	0	
4 LGSS Operational	609	-29	580	51	
subtotal	19,122	-1,188	17,933	13,347	
Earmarked					
- Specific Reserves					
5 Insurance	3,269	-1,324	1,945	1,945	
subtotal	3,269	-1,324	1,945	1,945	
- Equipment Reserves					
6 P&C	133	0	133	83	
7 P&E	218	0	218	218	
8 CS	57	0	57	57	
9 C&I	726	0	726	680	
subtotal	1,134	0	1,134	1,038	
Other Earmarked Funds					
10 P&C	1,223	-707	516	404	
11 PH	2,960	0	2,960	2,457	
12 P&E	5,989	-99	5,890	4,883	Includes liquidated damages in respect of the Guided Busway - current balance £1.5m.
13 CS	2,656	-97	2,559	2,181	
14 LGSS Managed	146	0	146	146	
15 C&I	442	53	495	548	
16 Transformation Fund	19,525	2,777	22,302	19,562	Savings realised through change in MRP policy
17 Innovation Fund	1,000	-72	928	928	
subtotal	33,941	1,855	35,796	31,109	
SUB TOTAL	**57,465**	**-657**	**56,809**	**47,439**	
Capital Reserves					
- Services					
18 P&C	1,827	44,455	46,282	44	
19 P&E	7,274	37,948	45,222	5,200	
20 LGSS Managed	72	-72	0	0	
21 C&I	0	3,100	3,100	0	
22 Corporate	29,782	10,887	40,668	30,344	Section 106 and Community Infrastructure Levy balances.
subtotal	38,955	96,318	135,272	35,588	
GRAND TOTAL	**96,420**	**95,661**	**192,081**	**83,026**	

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 31 January 2018		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	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	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	**7,626**	**-56**	**7,570**	**6,701**	

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
11) Home to School Transport – Special	**8,008**	**5,790**	**420**	**5%**

The Home to School Transport – Special Budget is forecasting to be £420k over budget at year-end. This is due to a higher than expected number of transport applications from children attending special schools, with an increase of 8% in the number of Cambridgeshire pupils attending Special Schools in the Autumn Term of Academic Year 17/18 compared to Autumn Term 16/17.

While savings have been made through successful routes retenders, savings activities around Independent Travel Training and Personal Transport Budgets (PTB) have not been achieved.

Mitigating actions being taken include:

- 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
- 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.
- 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

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.

<table>
<tr><th rowspan="2">Service</th><th>Current Budget for 2017/18</th><th>Actual</th><th colspan="2">Forecast Variance Outturn</th></tr>
<tr><th>£’000</th><th>£’000</th><th>£’000</th><th>%</th></tr>
<tr><td>12) LAC Transport</td><td>1,126</td><td>1,220</td><td>500</td><td>44%</td></tr>
<tr><td colspan="5"> The LAC Transport budget is forecasting to be £500k over budget at year-end. 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.
It has been agreed with the Head of Countywide and Looked After Children Services 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 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. </td></tr>
<tr><td>13) Youth Offending Service</td><td>1,618</td><td>980</td><td>-107</td><td>-7%</td></tr>
<tr><td colspan="5"> The Youth Offending Service are forecasting an under spend of £107k, an increase of £4k from December. Based on low incidents of secure remand for young offenders in recent years, the YOS remand equalisation earmarked reserve has been reduced, creating a non-recurrent underspend of £90k this year. The remaining £17k underspend is across a number of non-pay budgets, including staff training. </td></tr>
<tr><td>14) Strategic Management – Children & Safeguarding</td><td>3,575</td><td>4,663</td><td>822</td><td>23%</td></tr>
<tr><td colspan="5"> The Children and Safeguarding Director budget is forecasting an £822k over spend. This is a decrease of -£200k since last month following a review of actual and estimated vacancy savings within the service.
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 cost 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 estimated to exceed its vacancy saving target by £400k.
<u>Actions being taken:</u>
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. </td></tr>
</table>

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
15) Children in Care	**13,023**	**11,785**	**557**	**4%**

The Children in Care policy line is forecasting to be £557k over budget at year-end. This is an increase of £150k since last month due to increases across both the under 18 & over 18 Unaccompanied Asylum Seeking Children and 14-25 LAC Team budgets mainly due to the number of clients being supported and latest income expectations from the Home Office, together with an increase in the in-house fostering forecast due to additional placements being made.

The 14- 25 Team 4 is forecasting to be £179k over budget. 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.

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.

The Supervised Contact team is forecasting to be £275k over budget. 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.

Actions being taken:
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.

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.

16) Looked After Children Placements	**17,344**	**15,790**	**3,249**	**19%**

A pressure of £3.2m is being forecast, which is an increase of £0.3m from what was reported in December. The majority of this increase is the result of delayed savings that were forecast for planned placement moves (these have been delayed from the original planned move date) and 1 new high cost secure accommodation placement that has recently been commissioned.

It is positive that the overall numbers of looked after children have increased only slowly throughout the year. This demonstrates that demand management activity is having positive impact on numbers of Looked After Children and of external placements.

Overall LAC numbers at the end of January 2018, including placements with in-house foster carers, residential homes and kinship, are 702, 1 more than December 2017. This includes 63 unaccompanied asylum seeking children (UASC).

External placement numbers (excluding UASC but including 16+ and supported accommodation) at the end of January are 355, which is 3 less than reported at the end of December. 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.

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 Dec 2017 Packages	31 Jan 2018 Packages	Variance from Budget
Residential Disability – Children	1	1	2	+1
Child Homes – Secure Accommodation	0	0	1	+1
Child Homes – Educational	16	18	18	+2
Child Homes – General	22	37	37	+15
Independent Fostering	263	265	260	-3
Supported Accommodation	15	28	28	+13
Supported Living 16+	25	9	9	-16
TOTAL	**342**	**358**	**355**	**+13**

'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. This has resulted in timely and planned endings of high cost placements where appropriate.
- 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.

<u>Longer Term Actions</u>:

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 was approved by General Purposes Committee in December. This will include independent evaluation commencing in January 2018 to establish whether the progress of children through the care system and spending too long in care is a factor in the numbers of children in care being higher than statistical neighbours. The evaluation will report in March 2018 to enable us to take action to fundamentally change processes from that point.

The business case also enables investment in the in-house fostering service to address the 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%.

<table>
<tr><th rowspan="2">Service</th><th>Current Budget for 2017/18</th><th>Actual</th><th colspan="2">Forecast Variance Outturn</th></tr>
<tr><th>£'000</th><th>£'000</th><th>£'000</th><th>%</th></tr>
<tr><td>17) Adoption</td><td>4,406</td><td>4,298</td><td>576</td><td>13%</td></tr>
<tr><td colspan="5">The Allowances budget is forecasting to be £576k over budget at year-end.

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 (£352k) to manage this additional requirement and ensure our children receive the best possible outcomes.

The Adoption/SGO allowances pressure of £224k 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.

<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.

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.</td></tr>
<tr><td>18) Legal Proceedings</td><td>1,540</td><td>1,724</td><td>686</td><td>45%</td></tr>
<tr><td colspan="5">The Legal Proceedings budget is forecasting to be £686k over budget at year-end. This is an increase of £85k since last month due to late billing of historical legal costs.

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% since 1 April 2017 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.

Whilst we now have fewer ongoing sets of care proceedings (and fewer new applications being issued in Court) legacy cases and associated costs are still working through the system. Aside from those areas where 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 £600k 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.

<u>Actions being taken:</u>
Work is ongoing to better manage our controllable costs by use of a legal tracker which 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.</td></tr>
</table>

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
19) Children's Disability Service	**6,527**	**6,369**	**168**	**3%**

The Children's Disability Service is forecasting to be £168k over budget at year-end.

The Community Support Services budget has seen an increase both in the number of support hours, a high cost individual case (£35k) and in the number of joint funded health packages (also including some with high allocations of hours). Contributions to Adult Services (£45k) have increased and the service is also carrying a £50k pressure from 2016/17.

<u>Actions being taken:</u>
We will be reviewing the costs of current packages and in particular support levels for our young people.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn £'000	%
20) High Needs Top Up Funding	**13,573**	**12,738**	**200**	**1%**

Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and as a result the year-end forecast is £200k over budget. 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.

This budget is funded from the Dedicated Schools Grant (DSG) High Needs Block.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn £'000	%
21) SEN Placements	**8,973**	**8,875**	**850**	**9%**

The SEN Placements budget continues to forecast a £850k overspend 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.

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

<u>Actions being taken</u>:

- SEND Sufficiency 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;
- 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 courses are also being explored in the plan;
- SEND Commissioning Strategy and action plan are being developed with a focus on children and young children with SEND in Cambridgeshire accessing mainstream education;
- Work on coordination of reviews for ISEPs to look at returning in to county; and
- A full review of all High Needs spend is required due to the ongoing pressures and proposed changes to national funding arrangements.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
22) Out of School Tuition	**1,119**	**1,089**	**636**	**57%**

The Out of School Tuition budget is forecasting a pressure of £636k, which is an increase of £36k this month following a rise in the number of new packages being requested this month (January's requests have come through following breakdowns in placement that happened towards the end of the Autumn term in December).

There are several key themes emerging which are having an impact on the need for children to receive a package of education, sometimes for prolonged periods of time:

- Casework officers are not always made aware that a child's placement is at risk of breakdown until an emergency annual review is called.
- 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.
- There are insufficient specialist placements for children whose needs cannot be met in mainstream school.
- 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.
- In some cases of extended periods of tuition, parental preference is for tuition rather than in-school admission.

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.

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.

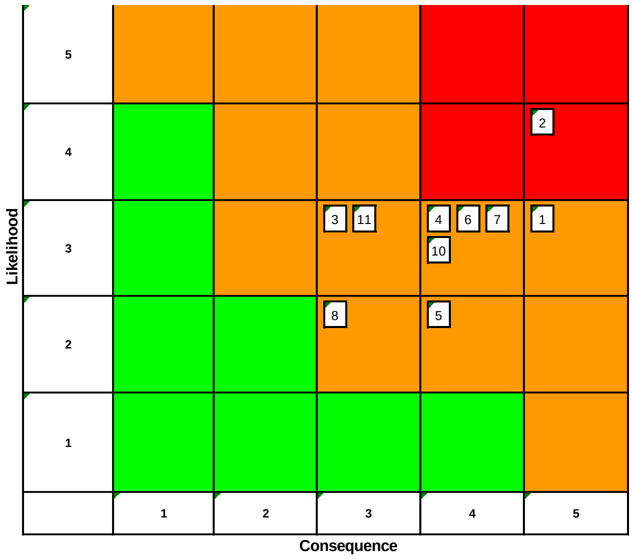
Immediate interim controls have been placed on access to this budget. Casework officers and Statutory Assessment Team Leaders must request new packages or increases to existing packages with the budget holder. This is vital in order to understand the nature of requests and bring in swift additional support 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.

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.

In the short term, it has been agreed to review all cases open to tuition with casework officers as a matter of urgency. This will involve rag rating cases according to confidence that tuition will be ceasing soon (e.g. next steps to a school are in place), safeguarding and financial concerns.

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%
23) Executive Director	**416**	**493**	**119**	**29%**
There has been a technical adjustment in reporting the ability to re-priorities grant funded activity (Improved Better Care Fund (iBCF), in response to Adults Services pressures. This is now being reported within Strategic Management – Adults. The revised forecast of £119k overspend is due to the £219k Business Support saving which will not be achieved in 17/18, being offset by £100k saving identified against uncommitted expenditure.				
24) Central Financing	**-523**	**-891**	**-215**	**-41%**
The Central Financing budget is forecasting underspend of -£215k. 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 – following a recent review a further £215k of eligible expenditure has been identified within People & Communities.				
25) Financing DSG	**-40,018**	**-33,348**	**-1,797**	**-4%**
Within P&C, spend of £40m is funded by the ring-fenced Dedicated Schools Grant. The DSG pressure of £1,797k is primarily made up from SEN Placements (£850k); Out of School Tuition (£636k); High Needs Top Up Funding (£200k); Early Years Specialist Support (£88k) and SEND Specialist Services (£72k). For this financial year the intention is to manage within overall available DSG resources.				

APPENDIX 4 – Corporate Risk Register Summary



Risk #	Risk	Risk Owner	Residual Risk Level	Review Date
1	01. Vulnerable children or adults are harmed	Wendi Ogle-Welbourn	15	30/04/2018
2	02. The Business Plan (including budget and services) is not delivered	Chris Malyon	20	30/04/2018
3	03. Personal data is inappropriately accessed or shared	Sue Grace	9	30/04/2018
4	04. A serious incident occurs, preventing services from operating and / or requiring a major incident response	Sue Grace	12	30/04/2018
5	05. The Council does not deliver its statutory or legislative obligations	Quentin Baker	8	30/04/2018
6	06. Our resources (human resources and business systems, CCC and providers) are not sufficient to meet business need	Gillian Beasley	12	30/04/2018
7	07. The infrastructure and services (e.g. transport, education, services for children, families and adults) required to meet the current and future needs of a population is not provided at the right time	Graham Hughes	12	30/04/2018
8	08. The Council is a victim of major fraud or corruption	Gillian Beasley	6	30/04/2018
9	09. Our partnerships are not successful in delivering the intended outcomes	Gillian Beasley		30/04/2018
10	10. Inequalities in the county continue	Gillian Beasley	12	30/04/2018
11	11. Change and transformation of services is not successful	Chris Malyon	9	30/04/2018

This quarter, risk 2 ‘the Business Plan is not delivered’, has remained at a score of 20. Actions to address this are summarised in section 3.1 of this report, and the forecast outturn has reduced slightly comparing January to December, suggesting that mitigating actions are having a positive effect.

Agenda Item No. 6

INSURANCE TENDER – COUNCIL LIABILITY INSURANCE

To:	**General Purposes Committee**		
Meeting Date:	**27th March 2018**		
From:	**Deputy Chief Executive**		
Electoral division(s):	**All**		
Forward Plan ref:	**2018/036**	*Key decision:*	***Yes***
Purpose:	**To seek approval for the delegation of authority for the tendering and letting of the Council's liability and property owner insurance contracts. These are likely to be valued in excess of £500k per annum and to run for a minimum of 24 months, to the Council's Chief Finance Officer, in consultation with Chairman of General Purposes Committee.**		
Recommendation:	**General Purposes Committee is recommended to approve the delegation of authority to the Council's Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, to agree and let contracts for the provision of liability and property owner insurance to the Council commencing 1st October 2018.**		

	Officer contact:		***Member contacts:***
Name:	Mark Greenall	Names:	Councillors Count & Hickford
Post:	Insurance Manager	Post:	Chair/Vice-Chair
Email:	Mark.greenall@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01223 699112	Tel:	01223 706398

1. BACKGROUND

1.1 Existing contracts of insurance for liability and property owner risks are due to expire on 30th September 2018. A tender exercise was carried out in 2017 but these specific lots were not let and an annual extension of the previous contracts was put in place to allow for a further procurement exercise. It is proposed that an EU compliant tender process is undertaken to procure contracts of insurance to replace existing arrangements.

1.2 Current insurance arrangements are aligned with other LGSS partner and client Councils, therefore a joint procurement exercise is being prepared which will look as far as possible to align insurance protection and contracts in order to achieve cost and contract management efficiencies.

1.3 The Council currently spends approximately £484k per annum on these insurances which cover the following risks;

Employers Liability, Public Liability, Professional Indemnity, Officials Indemnity, Hirers Liability, Castle Court and Manor Tower Block.

In common with many of its peers the Council insures the majority of its risks in a traditional manner with relatively high self-insured retention levels. Self-insured retentions are catered for within the Council's insurance funding provision.

1.4 The Manor Tower Block (leased to Bellerby's College) and Castle Court (Study Inn Student Accommodation) are insured by the Council in accordance with the terms of the lease agreement entered into with the tenants.

1.5 The Council's appointed brokers will lead the procurement exercise with the support of LGSS Procurement to undertake a fully compliant marketing exercise engaging as many leading insurers as possible. The tender will be issued to the market in spring 2018 with responses due June 2018 for assessment and decision by July 2018. The new contracts of insurance will commence on 1st October 2018.

1.6 It is essential that the Council has in place a robust programme for protection against the financial exposure to insurable risks, alternative programme and design structures will be considered and the final structure will be agreed by Insurance in consultation with the Chief Finance Officer.

1.7 Due to the timing of the tender process it is efficient for authority to be delegated to the Chief Finance Officer, to be exercised in consultation with the Chairman of General Purposes Committee.

2. FINANCIAL IMPLICATIONS

2.1 Market intelligence suggests that insurers are being more selective about the risks they insure and the level of premium they apply to insurance arrangements. We are seeing a position where insurers are looking to adjust their rates particularly in respect of education, highways and social care risks, therefore the general indication would be toward an increase in current premium levels or a significant increase in self-insurance.

2.2 The Council’s annual renewal premium in 2017 for the classes of insurance to be tendered was £484k. In assessing the cost for the next few years no account has been taken of the changing size and shape of the Council, i.e. projected figures contain an element of uncertainty as they only reflect the 2017 position in terms of asset holding, employee costs and service provision.

2.3 The projected future insurance premiums, based on current programme structures are shown in the table below for reference.

	Previous Year*	Current Year*	Forecast	
	2016	2017	2018	2019
	£000	£000	£000	£000
External premium	534	484	561	578

* Figures relate to Insurance year rather than Financial year (i.e. October to September)

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The financial implications rising out of this procurement are set out in 2, above.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The tender is to be managed with the support of a Procurement Officer using the Council’s e-tendering system to ensure that all contract procedure rules and regulations are met.

4.3 Statutory, Legal and Risk Implications

Statutory, risk and legal implications have been considered. It is worthy of note that the Council is only obliged to insure fidelity guarantee risks. All other risks are subject to the availability of an exemption due to the status of the Council. The Council however chooses through risk management, financial prudence and to ensure compliance, where required, within leases or contracts to retain insurance for the liability and property exposures covered in this paper. In addition by virtue of lease agreements in respect of Castle Court and Manor Tower block are required to hold insurance for these assets.

The key risks arising from this proposal and the procurement are as follows;

Insurance team fails to oversee robust tender process leading to breach of EU regulations	Process is being managed by the Insurance Manager in consultation with LGSS Procurement and Council appointed insurance brokers to ensure full compliance with contracting regulations
Poor evaluation and decision making result in increased insurance costs over life of contract	Evaluation will be undertaken in consultation with appointed insurance brokers to ensure errors or omissions in bids are identified and final recommendations represent most economically advantageous outcome for the Council.
Poor financial evaluation leads to selection of inappropriate levels of self-insurance leading to higher lifetime costs	Working with appointed actuaries the Insurance Manager is undertaking a review against deductible of the Council's long term claims spend across liability and property risks to ascertain an appropriate level of self-insurance for the Council in the future.
The Council fails to successfully appoint a provider	There are generally 4 main bidders for the types of insurance being procured. However the market is growing in terms of competition and insurance is working with brokers to try and engage with new insurers to increase competition and reduce the risk of failed procurement.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Virginia Lloyd
Have the equality and diversity implications been cleared by your Service Contact?	Not applicable Name of Officer:
Have any engagement and communication implications been cleared by Communications?	Not applicable Name of Officer:
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Not applicable Name of Officer:
Have any Public Health implications been cleared by Public Health	Not applicable Name of Officer:

Source Documents	Location
None	Not applicable

Agenda Item No: 7

TRANSFORMATION FUND MONITORING REPORT QUARTER 3 2017/18

To:	**General Purposes Committee**
Meeting Date:	**27 March 2018**
From:	**Amanda Askham, Head of Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To outline progress in delivery of the projects for which transformation funding has been approved at the end of the third quarter of the 2017/18 financial year.**
Recommendation:	**It is recommended that the Committee note and comment on the report and the impact of Transformation Fund investment across the Council.**

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

1. BACKGROUND

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

1.2 General Purposes Committee (GPC) has responsibility for stewardship of the fund, approving business cases for new proposals and reviewing progress with existing schemes. In June 2017 the Committee received a baseline report describing how each of the proposals would be progressed and monitored and this paper provides the third quarterly in-year monitoring update on expenditure and outcomes to date, the first being received by GPC in September.

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

2. OVERVIEW OF PROGRAMME

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

<u>Figure 1: Transformation Programme Overview</u>

RAG Rating	No of Schemes	Investment to Q3 (£000)	Savings / Income to Q3 (£000)	Total Investment Committed (£000)	Total Projected Saving/income over lifetime of scheme (£000)
Green – On Track	12	898	-2356	3308	-3250
Amber – Delayed or some risk of under-delivery	2	619	-2160	840	-2592
Red – Not projected to deliver as originally planned	4	511	-416	1220	-512
Total	18	2,028	-4932	5368	-6354

3. EXCEPTIONS

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

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

<table>
<tr><th colspan="2">Scheme Description and Total Investment & Saving</th><th>Fund Expenditure to date at Q3 2017/18 (£000)</th><th>Savings to date at Q3 2017/18 (£,000)</th><th>Total projected Saving from investment</th><th>Progress & Commentary</th><th>RAG Rating</th></tr>
<tr><td colspan="2">Commercial Approach to Contract Management (c/r5.001)</td><td rowspan="3">267</td><td rowspan="3">-0</td><td rowspan="3">-2000</td><td rowspan="3">This investment supports additional external support in order to identify contract management savings. These will be reflected in underspends on contractual spend and in future business planning savings associated with externally commissioned services.

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

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

Scheme Description and Total Investment & Saving	Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Specialist Support for Adults with Autism to increase their independence (A/R 6.113) Invest £000: 50 Saving £000: -72	35	-19	-26	This scheme has been partially successful but will deliver a smaller financial benefit (£26k) than originally estimated (£72k) Mitigation work involves expanding the activity to other Vulnerable Adults; monitoring the saving against avoided costs and the demographic expectation.	Red

Scheme Description and Total Investment & Saving	Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Using Assistive Technology to help people with Learning Disabilities live and be safe more independently without the need for 24 hr or overnight care (A/R 6.116) Invest £000: 186 Saving £000: -214	94	-95	-135	As part of the Learning Disability savings programme we have invested in additional specialist assistive technology capacity. The work to review the use of technology across LD cases is ongoing. The savings rate achieved in 2017/18 is lower than modelled with the rate of referrals also being slower – however the programme is ongoing and we believe that further opportunities can be identified – in particular the use of more enabling technologies for people with autism will support greater independence during daytime activities. Updated savings projections will be made once this work has developed further – as part of the Adults Positive Challenge Programme	Amber

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Enhanced Occupational Therapy Support to reduce the need for double-handed care (A/R.6.165)		41	-202	-211	Project is in progress and delivering savings Progress with the Care Home element of the project has been slower than anticipated, due to a member of the team being off sick for an extended period (now returned). The LD reviews are progressing somewhat more slowly due to the complexity of the cases but where care packages can be changed this is expected to bring significant savings. Amber status reflecting potential need to re-phase savings	Amber
Invest £000	Saving £000					
90	-252					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Sustaining Budgetary performance in older people's services (c/r 5.320)		351	-793	-973	Return on investment is linked to the reallocation of some of the achieved underspend in Older People's and Mental Health Services in 2016/17. This saving is predicated on the services continuing to meet people's needs within the reduced budget allocation. Demographic pressures have recently appeared and are now being managed / mitigated within Older People's and Mental Health Services. The amber status and lower saving projection reflects the remaining pressure on this overall budget (£888k) as shown in the Finance and Performance Report	Amber
Invest £000	Saving £000					
600	-1861					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Children's Social Care Support for young people with complex needs (C/R.5.404)		115	-302	-1508	The model is now live from 1/10/17 delivering outreach support, residential beds in the children's home at Wisbech and joint working with the police. Over this period 42 young people have been supported to either prevent their admission to care, return home from care within a 28 day period of admission, return home from long-term care in a planned and sustainable way, or to stabilise their presentation to reduce risk and prevent placement breakdown or escalation in resources. Work has continued on a recruitment strategy for family placements (fostering and supported lodgings) however progress has been delayed due to significant pressures on management capacity and operational demands. Communication support worker has been recruited and started in Q4, and work continues to recruit to the clinician post. This project is already delivering savings and we anticipate that the full financial benefit of £1508k will be delivered. However the amber status reflects the delay in implementation which will result in a shortfall in 2017/18 – with savings re-phased into 2018/19 accordingly	Amber
Invest £000	Saving £000					
497	-1508					

Scheme Description and Total Investment & Saving		Fund Expenditure to date at Q3 2017/18 (£000)	Savings to date at Q3 2017/18 (£,000)	Total projected Saving from investment	Progress & Commentary	RAG Rating
Dedicated Reassessment Team - Learning Disabilities (A/R 6.114)		589	-1722	-1,994	A dedicated Project Assessment Team (PAT) has been established and a full programme of care package reviews and provider negotiations is underway. There has been some delay in delivering the estimated saving with the complexity of the cases as well as significant staff turnover in the team delaying the amount of care package reviews completed in the year. The commissioning element of PAT has also been leading on the procurement of framework contracts as well as provider fee increase negotiations which avoid increased costs rather than delivering cashable savings. This year has been particularly challenging due to increases in the National Living Wage and increased costs for night support due to recent clarifications of the National Minimum Wage Regulations on top of the wider financial challenges facing the sector.	Amber
Invest £000	Saving £000					
750	-2381					

4. HIGHLIGHTS

4.1 Some schemes which are of particular interest in terms of their positive impact on outcomes and savings are highlighted below.

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

The Consortium of Capgemini and iMPOWER are now nearing the end of the Adults Positive Challenge Programme in Adult Services and Safeguarding and are finalising their recommendations. The emerging programme captures and builds on the innovative thinking within our teams and brings fresh ideas and insights from an independent perspective.

The opportunities the consortium have identified include our approach to technology, our relationships with communities, conversations with service users, how we support carers differently, our approach to commissioning and how we influence people to keep themselves well. A priority that comes through strongly is a focus on empowered and devolved practice and supporting our teams to do what is needed to help people achieve their goals.

A programme plan is under development and a mobilisation and development period will take place during March and April. This time will be used to:

- Share the proposed vision and opportunities with elected Members and staff across the Council and gather feedback on the business cases through a series of workshops, drop-in sessions and via internal communications;
- Discuss the findings and proposed opportunities with partners to fully understand the potential impact on their organisations and how we can collaborate on transformation and develop opportunities together;
- Consider and discuss the scale of joint implementation between Cambridgeshire and Peterborough, and discuss this with elected Members from both authorities
- Identify the requirement for external capacity and expertise to support implementation of the programme.

There are a number of opportunities that can be taken forward now, whilst the rest of the programme is developed. These include conversations about measures we can take to maximise people's independence; changes to the Council's information and communications materials; and investigating different types of Assistive Technologies available in the market. Officers will begin to develop these opportunities during March and April as the full Programme is developed. It is anticipated that a full description of the programme, along with investment implications, will be presented to Adults Committee and GPC in May.

4.3 Neighbourhood Cares

Our future direction in Adults Service will be strongly informed by the Council's Neighbourhood Cares innovation sites which are fully operational in Soham and St Ives. Initially the teams were working to develop links into their communities and to meet the emerging needs of new service users. The pilot is now moving to the next stage where the teams are also taking on the service users open to the mainstream Older People's Team in East Cambridgeshire and Huntingdon – so we are beginning to test the model's ability to work differently whilst still responding to the full range of demand in a given geography.

The innovation sites continue to generate numerous examples of really positive work within communities - including

- Working with local residents to build a Soham Community Map which will be both physical and virtual. With the library hosting one of the three maps and local residents keeping info up to date.
- Soham Library are planning to work with the local community to host a Repair Café where volunteer Repairers fix items brought in by the public to prevent waste and build community whilst bringing new footfall to the library
- Responding to feedback from people in St Ives about how difficult and isolating the time could be between Christmas and New Year the team arranged a local café to hold a coffee and cake get together which will now go on to become a regular social and support group
- The library hosting Community Lunches where a range of public sector, voluntary and community partners come together to share news and collaborate on projects.
- Volunteer4Soham event. 10 organisations came together to showcase their volunteer opportunities in the town and to recruit new Volunteers.
- Neighbourhood Cares hold weekly Drop Ins in the library where local residents can pop in for info, advice and support and also to join our volunteer team

Paul Jansen the Chief Operating officer from Public World is carrying out a health check assessment on the Neighbourhood Carer model – testing how well it is using the Buurtzorg principles and to provide recommendations on how we can embed these in our future service models.

A further upcoming development is work with Purple (the organisation that provide the Direct Payment support to people in Cambridgeshire) and Care Networks in regards to their submitted bid to the Councils Innovation grant to support micro enterprises that specifically provide Personal Assistants . We are optimistic that this will give us the capacity to develop this market across the patches and inform the future county-wide model.

4.4 External Funding / Cambridgeshire Lottery

Transformation Fund investment has supported the development around the proposal of a lottery model for Cambridgeshire, this will be presented to Commercial & Investment Committee in March.

The proposal is for a £1 tickets price with a maximum prize of £25,000. The draws would be weekly and all tickets would be sold online via a dedicated website hosted by the ELM (accessible on mobiles, tablets and desktop applications).

We are currently proposing a model whereby players can choose to buy a ticket to support either:

- The Central Fund (the default ticket type) – all 60% goes to the central fund to be distributed by the existing council processes

- Specific Good Cause – 50% goes directly to the chosen good cause and the other 10% goes to the central fund.

Using conservative estimates based on all ticket buyers donating 50p to a Specific Good cause and 10p to the Central Fund. Over 5 years it is estimated that around £1.3m would be generated for good causes and over £300k would be generated for the central fund – allowing the County Council to invest according to our priorities and offsetting existing costs.

5. ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

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

5.3 Supporting and protecting vulnerable people

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

6. SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

The resource implications are captured on the savings tracker showing expenditure from the transformation fund and the actual and anticipated return on investment.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

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

6.3 Statutory, Legal and Risk Implications

There are no significant impacts for this category.

6.4 Equality and Diversity Implications

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

6.5 Engagement and Communications Implications

There are no significant impacts for this category.

6.6 Localism and Local Member Involvement

There are no significant impacts for this category.

6.7 Public Health Implications

There are no significant impacts for this category.

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

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

Agenda Item No. 8

TREASURY MANAGEMENT - QUARTER THREE

To:	**General Purposes Committee**
Meeting Date:	**27 March 2018**
From:	**Chief Finance Officer**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To provide the third quarterly update on the Treasury Management Strategy 2017-18, approved by Council in February 2017.**
Recommendation:	**The General Purposes Committee is recommended to note the Treasury Management Report.**

	Officer contact:		***Member contacts:***
Name:	Mark Finnegan	Names:	Councillors Count & Hickford
Post:	Group Accountant – Treasury & Tax	Post:	Chair/Vice-Chair
Email:	mfinnegan@northamptonshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	01604 361392	Tel:	01223 706398

1. BACKGROUND

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

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

1.3 This report has been developed in consultation with the Council's external investment manager and treasury advisors, Link Asset Services (LAS), formerly Capita Asset Services and provides an update for the third quarter to 31st December 2017.

2. SUMMARY OF KEY HEADLINES

2.1 The main highlights for the quarter are:

- Investment returns received on cash balances are in line or slightly below the benchmarks. A return of 0.28% was achieved compared to the 7 day and 3 month London Interbank Bid Rate (LIBID) benchmark (0.28%, 0.35% respectively). See section 6.
- A £2,006k underspend is currently reported for the 3rd quarter, following an assessment of the annual minimum revenue provision (MRP) technical adjustments as reported in quarter 2. For further information please see Section 10.

3. THE ECONOMIC ENVIRONMENT

3.1 This information has been provided by Link Asset Services , the Council's treasury management advisors.

3.2 During the quarter ended 31st December 2017, the significant UK headlines of this analysis were:

- The Monetary Policy Committee (MPC) increased Bank Rate by 0.25% to 0.50% at its November meeting;
- Forward guidance from the MPC suggests two more 0.25% rises by 2020 but the risks to this forecast are dependent on the course of the Brexit negotiations during 2018;
- Growth picked up to 0.4% in quarter 3 and is anticipated to reach 0.4% in quarter 4 meaning annual growth in 2017 will be in the range 1.7% – 1.8%, almost as strong as the recently upwardly revised figure for 2016 of 1.8%; and
- Unemployment fell to 4.3% the lowest level since 1975

4. SUMMARY PORTFOLIO POSITION

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

	TMSS Forecast March 2018 (as agreed by Council February 2017)		Actual as at 31 March 2017		Actual as at 31st December 2017		Revised Forecast to March 2018	
	£m	Rate %	£m	Rate %	£m	**Rate %**	**£m**	**Rate %**
Long term borrowing								
PWLB	439.4	4.5	278.6	4.3	278.6	**4.5**	278.60	**4.3**
PWLB (3rd Party Loans)	-		3.9	2.3	3.84	**2.3**	6.64	**2.3**
Market	-		45.0	4.0	45.0	**4.0**	45.00	**4.0**
LOBO	34.5	3.6	19.5	3.6	19.5	**3.3**	19.50	**3.3**
Total long term	**473.9**	**4.3**	**347.0**	**4.3**	**346.9**	**4.3**	**349.74**	**4.3**
Short term borrowing	-	-	92.0	0.4	120.0	0.5	120.0	0.5
Total borrowing	**473.9**	**4.2**	**439.0**	**3.4**	**466.86**	**3.7**	**469.74**	**3.7**
Investments	**7.9**	**0.5**	**40.5**	**0.3**	**19.13**	**0.3**	**16.0**	**0.4**
Total Net Debt / Borrowing	**466.0**	**-**	**398.5**	**-**	**447.7**	**-**	**465.74**	**-**
3rd Party Loans & Share Capital	**-**	**-**	**4.3**	**-**	**4.24**	**-**	**7.04**	**-**

4.2 Net debt at 31st December 2017 (£447.7m) is less than originally set out in the Treasury Management Strategy Statement in February 2017 (£466m). The full year projection shows that net debt as at 31st March (£465.7m) is forecast to be in line with the original TMSS estimate of (£466m). The forecast includes 3rd Party loans to Cambridgeshire Housing Investment Company (CHIC) of £2.8m (the first loan amount with further activity of this kind expected in the final quarter).

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

5. BORROWING

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

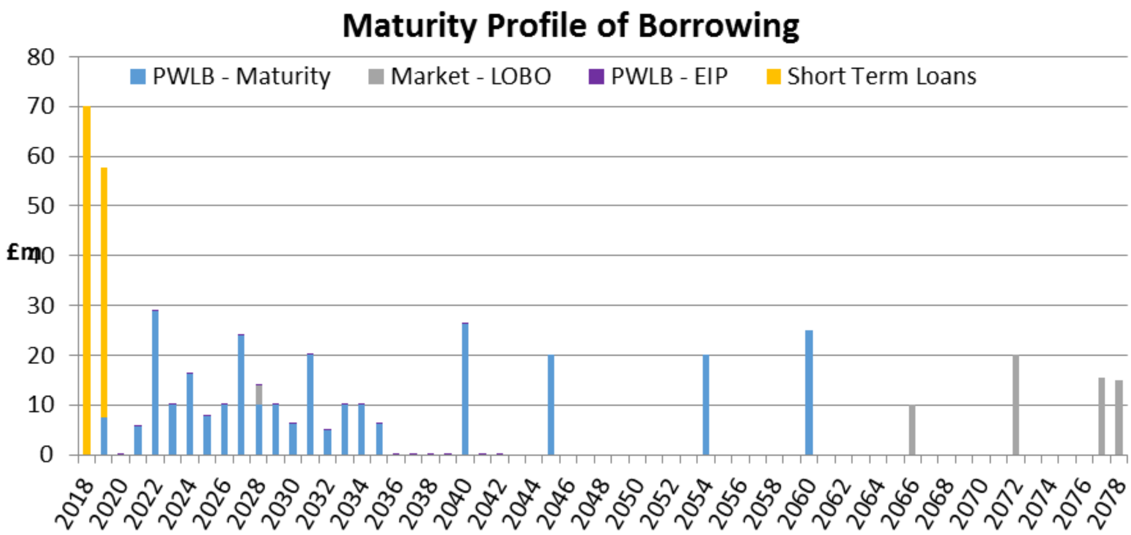
New loans and repayment of loans:

5.2 This section shows details of new long term (>1yr) loans raised and loans repaid during this quarter. No Loans were raised or repaid during the 3rd quarter to 31st December 2017.

Maturity profile of borrowing:

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

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



Loan restructuring:

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

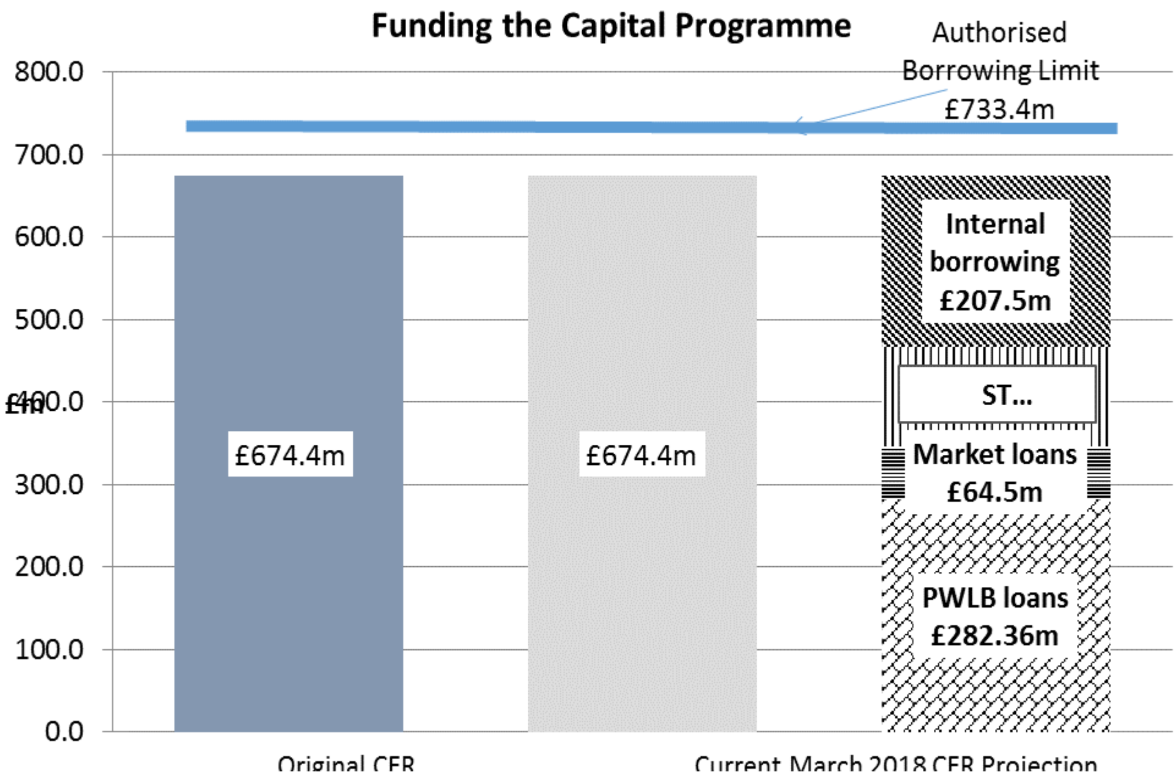
- to generate cash savings
- to reduce the average interest rate
- to enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (volatility is determined by the fixed/variable interest rate mix)

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

Funding the Capital Programme:

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

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



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

5.10 In addition, the chart shows how the Council is currently funding its borrowing requirement (through internal and external resources). As at 31st December 2017, based on current projections of the Capital Financing Requirement, internal borrowing is expected to be approximately £207.5m. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally.

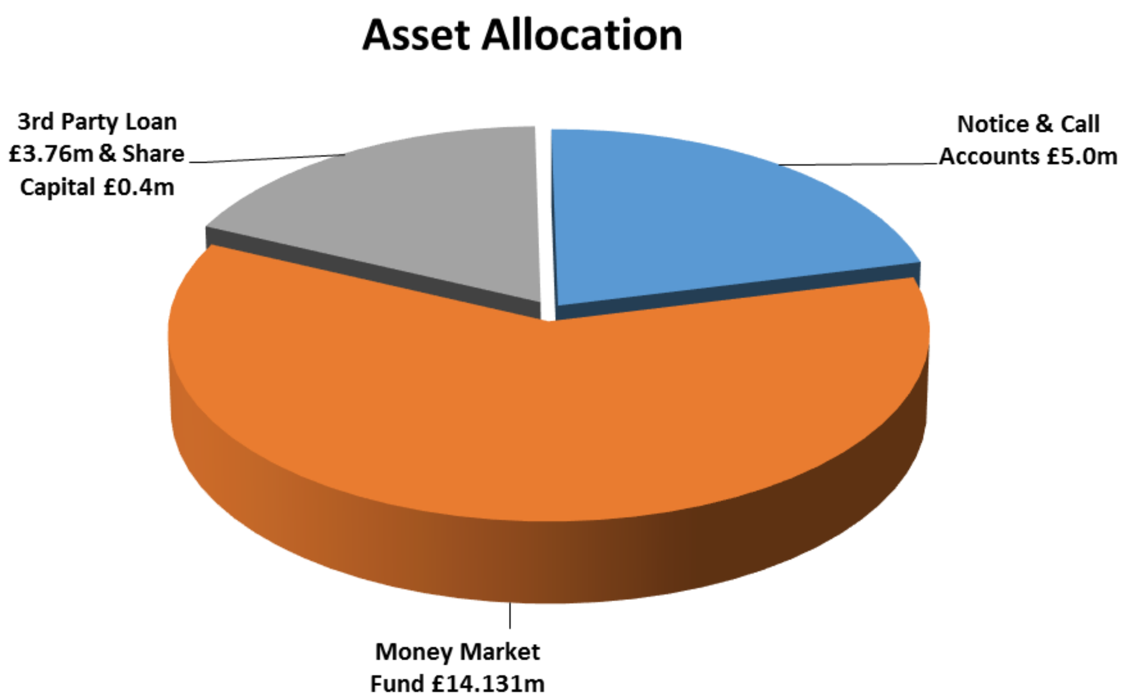
6. INVESTMENTS

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

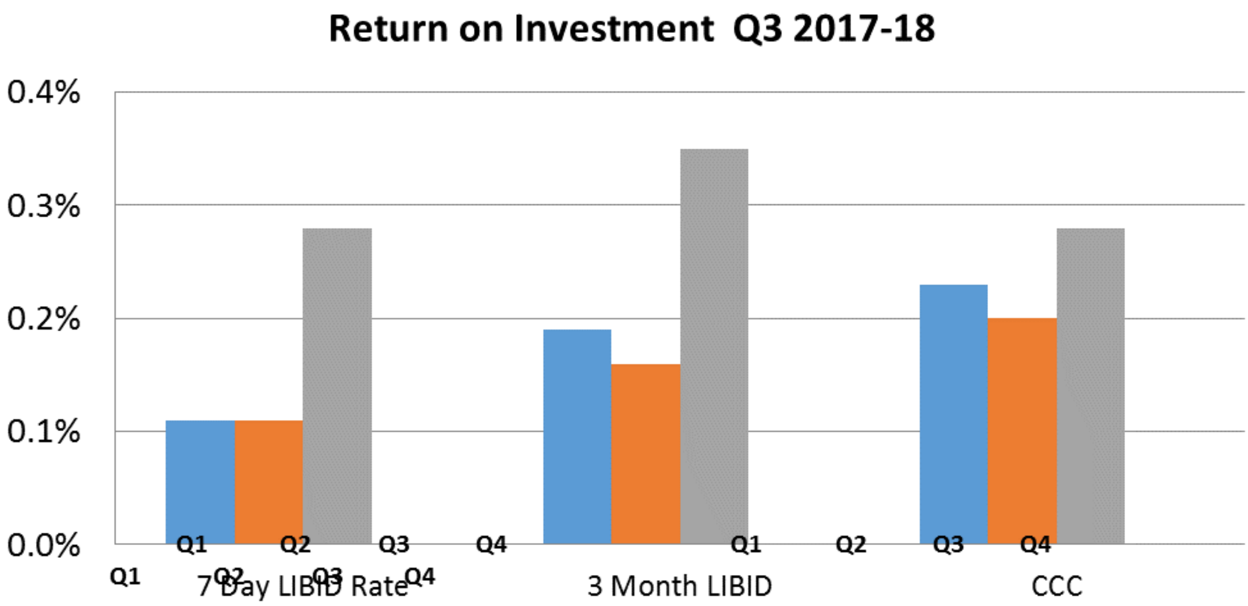
6.2 As described in section 5, the strategy currently employed by the Council of internal borrowing also has the affect of limiting the Council's investment exposure to the financial markets, thereby reducing credit risk.

6.3 As at 31st December 2017 the level of investment totalled £19.13m, excluding 3rd party loans and share capital which are classed as capital expenditure. The level of cash available for investment is as a result of reserves, balances and working capital the Council holds. These funds can be invested in money market deposits, placed in funds or used to reduce external borrowings.

6.4 A breakdown of investments by asset allocation are shown in the graph below, with detail at **Appendix 3**. The majority of investments are in notice and call accounts and money market funds to meet the liquidity demands of the Council. The weighted average time to maturity of investments at 31st December is 1 day. Where possible deposits are placed for longer durations with appropriate counterparties to obtain enhanced rates of return.



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



6.6 It can be seen from the graph that investments returned 0.28% during the 3rd quarter which is equivalent to the 7 day LIBID (0.28%) benchmark, but below the 3 month LIBID (0.35%) benchmark. The variance versus 3 month LIBID was as a result of the increase in base rate in November 2017. The greatest proportion of the Council's investment portfolio is placed in Money Market Funds which typically lag 1 to 2 months behind following a rate increase as existing investments in the fund mature and are replaced by new investments at current market levels.

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

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

7. OUTLOOK

7.1 The current interest rate forecast is shown in the table below. The performance of the economy over the coming months will be critical for any further monetary policy easing or tightening. The central forecast now is for a further increase in Bank Rate to commence in quarter ending December 2018, but this will very much depend on how strongly and how soon the economy makes a gradual recovery, and so continue a process of very gradual increases in Bank Rate over a prolonged period.

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

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

7.3 From a strategic perspective, the Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved. Cash flows in the last couple of years have been sufficiently robust for the Council to use its balance sheet strength to limit the amount of new long term borrowing undertaken.

8. THIRD PARTY LOANS

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

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

9. DEBT FINANCING BUDGET

9.1 Overall a £2,006k underspend is currently forecasted and reported for Debt Charges. The forecast has been updated following work on technical adjustments on capitalisation of interest and the finalisation of 2017-18 MRP calculation by officers during quarter 2. Further analysis on the capitalisation of interest will take prior to year-end subject to the application of alternate funding streams (S106 agreements, grants, etc.) that had not been forecast in the original estimate.

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

10. MUNICIPAL BONDS AGENCY

10.1 This authority approved entry into the Framework Agreement, which allows the Council to borrow through the Municipal Bonds Agency (MBA) at lower rates than from the Public Works Loan Board. It is not anticipated that any borrowing will be raised in this way during the course of the year. Currently four councils (including Westminster Council & Cambridgeshire County Council) have been approved for the first tranche of the bonds issuance. It is anticipated that the sign off and dating of the Joint and Several Framework Agreement by the first four councils during quarter 4 2017/18 with bond issuance to happen shortly thereafter.

11. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

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

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

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

12. ALIGNMENT WITH CORPORATE PRIORITIES

12.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

12.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

12.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

13. SIGNIFICANT IMPLICATIONS

13.1 Resource Implications

This report provides information on performance against the Treasury Management Strategy. Section 10 shows the impact of treasury decisions impacting the Debt Charges Budget, which are driven by the capital programme and the Council's overall financial position.

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

There are no significant implications within this category.

13.3 **Statutory, Legal and Risk Implications**

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

13.4 **Equality and Diversity Implications**

There are no significant implications in this category.

13.5 **Engagement and Communication Implications**

There are no significant implications in this category.

13.6 **Localism and Local Member Involvement**

There are no significant implications in this category

13.7 **Public Health Implications**

There are no significant implications in this category

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Fiona McMillan n/a
Are there any Equality and Diversity implications?	No Name of Officer: n/a
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: n/a
Are there any Localism and Local Member involvement issues?	No Name of Officer: n/a
Have any Public Health implications been cleared by Public Health	No Name of Officer: n/a

Source Documents	**Location**
None	Not applicable

Appendix 1

Prudential and Treasury Indicators at 31st December 2017

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

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

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

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

	Limits	Actual
Fixed rate	150%	73.12%
Variable rate	65%	26.88%
Total		100%

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

$$\frac{\textit{Total Fixed (or Variable) rate exposure}}{\textit{Total borrowing – total investments}}$$

Fixed Rate calculation:

$$\frac{\textit{(Fixed rate borrowing £327.4m* - Fixed rate investments £0m*)}}{\textit{Total borrowing £466.9m - Total investments £19.1m}} = 73.12\%$$

*Defined as greater than 1 year to run

Variable Rate calculation:

$$\frac{\textit{(Variable rate borrowing £139.5m** - Variable rate investments £19.1m**)}}{\textit{Total borrowing £466.9m - Total investments £19.1m}} = 26.88\%$$

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

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

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

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

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

	Upper Limit	Actual
under 12 months	80%	30%
12 months and within 24 months	50%	2%
24 months and within 5 years	50%	10%
5 years and within 10 years	50%	15%
10 years and above	100%	43%

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

Affordability

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

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

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

2017-18 Original Estimate £	2017-18 Revised Estimate £	Difference £
11.38	11.75	0.37

Prudence:

7. **Gross borrowing and the Capital Financing Requirement (estimated borrowing liability excluding PFI)**

Original 2017-18 Capital Financing Requirement (CFR) £m	2017-18 CFR (based on latest capital information) £m	Actual Gross Borrowing £m	Difference between actual borrowing and original CFR £m	Difference between actual borrowing and latest CFR £m
674.4	674.4	466.8	207.6	207.6

Capital Expenditure

8. **Estimates of capital expenditure**

For details of capital expenditure and funding please refer to the monthly capital report.

External Debt

9. **Authorised limit for external debt**

2017-18 Authorised Limit £m	Actual Borrowing £m	Headroom £m
733.4	466.8	266.6

The Authorised limit is the statutory limit on the Council's level of debt and must not be breached. This is the absolute maximum amount of debt the Council may have in the year.

10. **Operational boundary for external debt**

2017-18 Operational Boundary £m	Actual Borrowing £m	Headroom £m
703.4	466.8	236.6

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised limit and must be monitored carefully.

Appendix 2

Investment Portfolio as at 31st December 2017

Class	Type	Deal Ref	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Deposit	Fixed	CCC/88	16/06/16	16/06/41	Arthur Rank Hospice Charity	EIP	3.3400%	-3,760,000.00
Fixed Total							**3.3400%**	**-3,920,000.00**
Deposit	Call	CCC/CE/6	01/12/14	01/01/2018	Barclays Bank plc	Maturity	0.4000%	-5,000,000.00
Call Total							**0.4000%**	**-5,000,000.00**
Deposit	Variable	CCC/59	25/09/14	25/09/24	The UK Municipal Bonds Agency	Maturity	0.0000%	-400,000.00
Variable Total							**0.0000%**	**-400,000.00**
Deposit	MMF	CCC/ST/3	31/03/14	01/01/2018	SLI Sterling Liquidity/Cl 2	Maturity	0.3491%	-966,000.00
Deposit	MMF	CCC/ST/7	22/07/15	01/01/2018	Deutsche Managed Sterling Platinum	Maturity	0.2936%	- 13,165,000.00
MMF Total							**0.2974%**	**- 14,131,000.00**
Deposit Total							**0.8055%**	**- 23,291,000.00**
Grand Total								**- 23,291,000.00**

Agenda Item No: 9

MEMBER CHAMPION FOR EVIDENCE-INFORMED POLICY

To:	**General Purposes Committee**
Meeting Date:	**27th March 2018**
From:	**Head of Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* ***No***
Purpose:	**To propose the appointment of a Member Champion for Evidence-Informed Policy.**
Recommendation:	**General Purposes Committee is recommended to approve:**

a) the establishment of the role of Member Champion for Evidence-Informed Policy.

b) the appointment of Cllr Manning as Member Champion for Evidence-Informed Policy.

	Officer contact:		*Member contacts:*
Name:	Gwendolyn Casazza	Names:	Councillors Count & Hickford
Post:	Transformation	Post:	Chair/Vice-Chair
Email:	Gwendolyn.Casazza@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk Roger.Hickford@cambridgeshire.gov.uk
Tel:	07946 345206	Tel:	01223 706398

1. BACKGROUND

1.1 In 2016/17, Cambridgeshire County Council ran a pilot series of ‘Policy Challenges’ with Cambridge University Science and Policy Exchange (CUSPE), a student-run organisation for early-career researchers with an interest in public policy.

The pilot - which saw researchers get valuable and interesting experience and the Council get new ideas for policy formation backed by evidence - was instigated by Councillor Manning to increase the opportunities for collaboration at a local policy level. Councillors put forward a list of longstanding policy issues that the Council faces and these were then matched against the research interests of the applicants from CUSPE and developed into three research projects.

The main aim of the pilot was to strengthen relationships between Cambridgeshire County Council and the University of Cambridge by creating a space for academics and elected officials to collaborate and improve public policy through the more effective use of evidence and expertise.

Through doing so, the following aims also developed:

- the project would demonstrate the value that collaboration between academia and policy-making could hold on a local level (where other projects had focused on a national level);
- the project would create a wider awareness (within the University, Council and for the general public) of the value of evidence-informed policy;
- researchers would devise recommendations that could positively impact Council outcomes through the promotion of evidence-based policy making;
- researchers would gain a greater understanding of how academic research can be used in a “real-world” context and would gain experience of policy making.

Overall, the evaluative process found the ‘Policy Challenges’ pilot to have been successful in meeting these aims and the Councillors, officers and researchers involved recommend that the collaboration should be made formal and a Member Champion appointed to drive the work forward.

2. MEMBER CHAMPION ROLE

2.1 In order to carry the work forward to the next phase, it is recommended that the Council appoints a **Member Champion for Evidence-Informed Policy**. (It is recognised that this type or work is commonly referred to as “Evidence-*Based* Policy” however the evaluation group proposes that the word “*Informed*” more clearly indicates that evidence does not create policy – it suggests a direction for consideration at the political level.)

2.2 The Member Champion for Evidence-Informed Policy will have responsibility for:

- promoting the use and presentation of evidence and creating opportunities for fellow Councillors and officers to use that evidence in the decisions they make;
- running future phases of the Policy Challenges programme, liaising with officers, committees and researchers and ensuring that there is a good resource/ results balance in all projects;
- developing links which encourage collaboration, shape opportunities and identify funding for longer term/in depth research projects;

- curating topics for policy challenges and collating and sharing the knowledge, placing the County Council at the forefront nationally of evidenced policy making;
- championing Cambridgeshire County Council by finding and highlighting examples of use of evidence in current practice across the Council.

2.3 The role is non-political and is there to advocate the use and presentation of evidence, giving the opportunity for fellow Councillors and officers to use that evidence in the decisions they make. The role is not there to suggest policy design on the basis of that evidence. By its very nature the role is apolitical and the holder will be expected to adhere to this at all times whilst carrying out functions associated with it.

2.4 It is recommended that Councillor Manning should be appointed as the first Cambridgeshire County Council Member Champion for Evidence-Informed Policy, allowing him to build on existing relationships with the University of Cambridge, other such institutions in Cambridgeshire and the success of the pilot programme.

2.5 The recommended term of office for the role is one year.

3. ALIGNMENT WITH CORPORATE PRIORITIES

Improving the depth and quality of knowledge used by policy makers is shown to influence the effectiveness of policies and a positive impact on all key priorities is expected as a result of this initiative.

3.1 Developing the local economy for the benefit of all

3.2 Helping people live healthy and independent lives

3.3 Supporting and protecting vulnerable people

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	**Officer Clearance**
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Officer: Virginia Lloyd
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Gwendolyn Casazza
Have any engagement and communication implications been cleared by Communications?	Yes: Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Gwendolyn Casazza
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Kate Parker

Source Documents	**Location**
CUSPE Pilot Evaluation Report	Transformation Service Network Folder

GENERAL PURPOSES COMMITTEE AGENDA PLAN	Published on 1st March 2018 As at 16th March 2018 **Agenda Item No.10**	Cambridgeshire County Council

Notes

Committee dates shown in bold are confirmed.
Committee dates shown in brackets and italics are reserve dates.

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.
* indicates items expected to be recommended for determination by full Council.
\+ indicates items expected to be confidential, which would exclude the press and public. Additional information about confidential items is given at the foot of this document.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is six clear working days before the meeting.

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
27/03/18	1. Minutes – 23/01/18	M Rowe	Not applicable	14/03/18	16/03/18
	2. Treasury Management Report – Quarter 3	M Finnegan	Not applicable		
	3. Integrated Resources and Performance Report (January)	R Barnes	2018/002		
	4. Resources and Performance Report (January) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 3 2017-18	J Wilson	Not applicable		
	6. Member Champion for Evidence Informed Policy	A Askham	Not applicable		
	7. Insurance tender for the Council's liability insurances	M Greenhall	2018/036		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
[24/04/18] Provisional Meeting				11/04/18	13/04/18
29/05/18	1. Minutes – 27/03/18	M Rowe	Not applicable	16/05/18	18/05/18
	2. Integrated Resources and Performance Report (March)	R Barnes	2018/003		
	3. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	M Finnegan	Not applicable		
	5. Transformation Fund Monitoring Report Quarter 4 2017-18	J Wilson	Not applicable		
	6. Single Equality Strategy*	D Lane	Not applicable		
	7. Cambridgeshire Public Service Network (CPSN) East/Net Re-Procurement - providing IT network connectivity to Cambridgeshire County Council, Cambridgeshire schools and a range of public sector partners	C Stromberg	Not applicable		
	8. Shared and Integrated Services – Programme Governance	A Askham	Not applicable		
	9. Waste PFI Contract+	A Smith	2018/026		
[26/06/18] Provisional Meeting					
24/07/18	1. Minutes – 29/05/18	R Barnes			
	2. Resources and Performance Report (May) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	3. Integrated Resources and Performance Report - May 2017	R Barnes	2018/012		
	4. For Baby's Sake	J Heath	2018/037		
[21/08/18] Provisional Meeting					
20/09/18	1. Minutes – 24/07/18	M Rowe			
	2. Resources and Performance Report (July) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report – July 2017	R Barnes	2018/015		
	4. Treasury Management Report – Quarter 1	M Finnegan	Not applicable		
	5. Medium Term Financial Strategy	C Malyon	Not applicable		
	6. Capital Strategy	C Malyon	Not applicable		
	7. Strategic Framework	C Malyon	Not applicable		
	8. Investigation into alternative office software	S Smith	Not applicable		
	9. Transformation Fund Monitoring Report Quarter 1 2018-19	J Wilson	Not applicable		
23/10/18	1. Minutes – 20/09/18	M Rowe			
	2. Resources and Performance Report (August) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - August 2017	R Barnes	2018/013		

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	4. Service Committee Review of Draft Revenue Business Planning Proposals for 2019/20 to 2023/2024	C Malyon	Not applicable		
	5. Draft 2019/20 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
27/11/18	1. Minutes – 23/10/18	M Rowe			
	2. Resources and Performance Report (September) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - September 2017	R Barnes	2018/014		
	4. Treasury Management Report – Quarter 2*	M Finnegan	Not applicable		
	5. Second Review of Draft 2019-20 Capital Programme and Capital Prioritisation	C Malyon	Not applicable		
	6. Business Planning 2019-20 to 2023-24 – update	C Malyon	Not applicable		
	7. Transformation Fund Monitoring Report Quarter 2 2018-19	J Wilson	Not applicable		
18/12/18	1. Minutes – 27/11/18	M Rowe			
	2. Resources and Performance Report (October) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - October 2017	R Barnes	2018/016		
	4. Amendments to Business Plan Tables (if required)	C Malyon	Not applicable		
	5. Draft Revenue and Capital Business Planning Proposals for 2019-20 to 2023-2024 (whole Council)	C Malyon	Not applicable		
08/01/19	1. Minutes – 18/12/18	M Rowe			

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	2. Resources and Performance Report (November) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report - November 2017	R Barnes	2019/001		
	4. Local Government Finance Settlement	C Malyon	Not applicable		
	5. Overview of Business Planning Proposals	C Malyon	Not applicable		
22/01/19	1. Minutes – 08/01/19	M Rowe			
	2. Capital Receipts Strategy	C Malyon	Not applicable		
	3. Treasury Management Strategy	C Malyon	Not applicable		
	4. Business Plan*	C Malyon	Not applicable		
	5. Consultation Report	S Grace	Not applicable		
[26/02/19] Provisional Meeting					
26/03/19	1. Minutes – 22/01/19	M Rowe			
	2. Resources and Performance Report (January) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (January)	R Barnes	2019/002		
	4. Treasury Management Report – Quarter 3	M Finnegan	Not applicable		
[30/04/19] Provisional Meeting					

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
28/05/19	1. Minutes – 26/03/19	M Rowe			
	2. Resources and Performance Report (March) – Corporate and Customer Services and LGSS Managed	T Kelly	Not applicable		
	3. Integrated Resources and Performance Report (March)	R Barnes	2019/003		
	4. Treasury Management Report – Quarter 4 and Outturn Report*	M Finnegan	Not applicable		

Notice made under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in compliance with Regulation 5(7)

1. At least 28 clear days before a private meeting of a decision-making body, public notice must be given which must include a statement of reasons for the meeting to be held in private.
2. At least 5 clear days before a private meeting of a decision-making body, further public notice must be given which must include a statement of reasons for the meeting to be held in private, details of any representations received by the decision-making body about why the meeting should be open to the public and a statement of the Council's response to such representations.

Forward plan reference	Intended date of decision	Matter in respect of which the decision is to be made	Decision maker	List of documents to be submitted to the decision maker	Reason for the meeting to be held in private
2018/026	**29/05/18**	**Waste PFI Contract**	**General Purposes Committee**	**Report of Executive Director: Economy, Transport and Environment**	**Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

Decisions to be made in private as a matter of urgency in compliance with Regulation 5(6)

3. Where the date by which a meeting must be held makes compliance with the above requirements impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from the Chairman of the Council.
4. Compliance with the requirements for the giving of public notice has been impracticable in relation to the business detailed below.
5. The Chairman of the Council has agreed that the Committee may hold a private meeting to consider the business referred to in paragraph 4 above because the meeting is urgent and cannot reasonably be deferred for the reasons stated below.

Date of Chairman's agreement	Matter in respect of which the decision is to be made	Reasons why meeting urgent and cannot reasonably be deferred

For further information, please contact Quentin Baker on 01223 727961 or Quentin.Baker@cambridgeshire.gov.uk

GENERAL PURPOSES COMMITTEE TRAINING PLAN	The Training Plan below includes topic areas for GPC approval. Following sign-off by GPC the details for training and development sessions will be worked up.	

Ref	Subject	Desired Learning Outcome/Success Measures	Priority	Date	Responsibility	Nature of training	Attendance by:	Cllrs Attending	Percentage of total
1.	Emergency planning	The Council's roles and responsibilities, how do we respond in an emergency		25th July 2017	Stuart Thomas / Sue Grace		GPC	Bailey Bates Bywater Count Criswell Dupre Hickford Hudson Jenkins Nethsingha Schumann Shuter	80%
2.	Business Intelligence	Data / system integration Date sharing with other authorities. The importance of good governance and information management. *(pre reading material required)*		28th November 2017	Tom Barden/ Sue Grace		GPC	Bailey Bywater Criswell Dupre Hickford Hudson Jenkins Kavanagh McGuire Nethsingha Shuter Wotherspoon	80%