

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING  
30<sup>TH</sup> NOVEMBER 2016**

*To:* **Audit & Accounts Committee**

*Date:* **24<sup>th</sup> January 2017**

*From:* **Chief Finance Officer**

*Electoral  
division(s):* **All**

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

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

*Recommendations:* **The committee is asked to:**

**Note the recommendation to General Purposes Committee on 10<sup>th</sup> January to:**

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

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## 1. PURPOSE

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

## 2. OVERVIEW

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

| Area                                    | Measure                        | Forecast Year<br>End Position<br>(October) | Forecast Year<br>End Position<br>(November) | Current<br>Status | DoT<br>(up is<br>improving) |
|---|--------------------------------|--|---|-------------------|-----------------------------|
| Revenue<br>Budget                       | Variance (£m)                  | +£1.8m                                     | +£1.8m                                      | Amber             | ↔                           |
| Basket Key<br>Performance<br>Indicators | Number at<br>target (%)        | 44%<br>(7 of 16) <sup>1</sup>              | 44%<br>(7 of 16) <sup>1</sup>               | Amber             | ↔                           |
| Capital<br>Programme                    | Variance (£m)                  | +£0.2m                                     | £0.0m                                       | Green             | ↑                           |
| Balance<br>Sheet Health                 | Net borrowing<br>activity (£m) | £423m                                      | £421m                                       | Green             | ↔                           |

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

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

- The overall revenue budget position is showing a forecast year-end overspend of £1.8m, which is the same net position as was reported last month. Children, Families and Adults (CFA) has some new exceptions to report, although all movements in outturns broadly net out within the service. See section 3 for details.
- Key Performance Indicators; the corporate performance indicator set has been refreshed for 2016/17. There are 18 indicators in the Council's new basket, with data currently being available for 16 of these. Of these 16 indicators, 7 are on target. See section 5 for details.
- The Capital Programme is forecasting a balanced budget at year end. Although all directorates except Corporate Services are all reporting in-year slippage on their capital programmes, totalling £13.8m, this is within the allowances made for capital programme variations, leading to a balanced outturn overall. See section 6 for details.
- Balance Sheet Health; the original forecast net borrowing position for 31<sup>st</sup> March 2017, as set out in the Treasury Management Strategy Statement (TMSS) is £479m. This

projection has now fallen to £421m, which is £2m lower than reported last month. See section 7 for details.

### 3. REVENUE BUDGET

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

#### Key to abbreviations

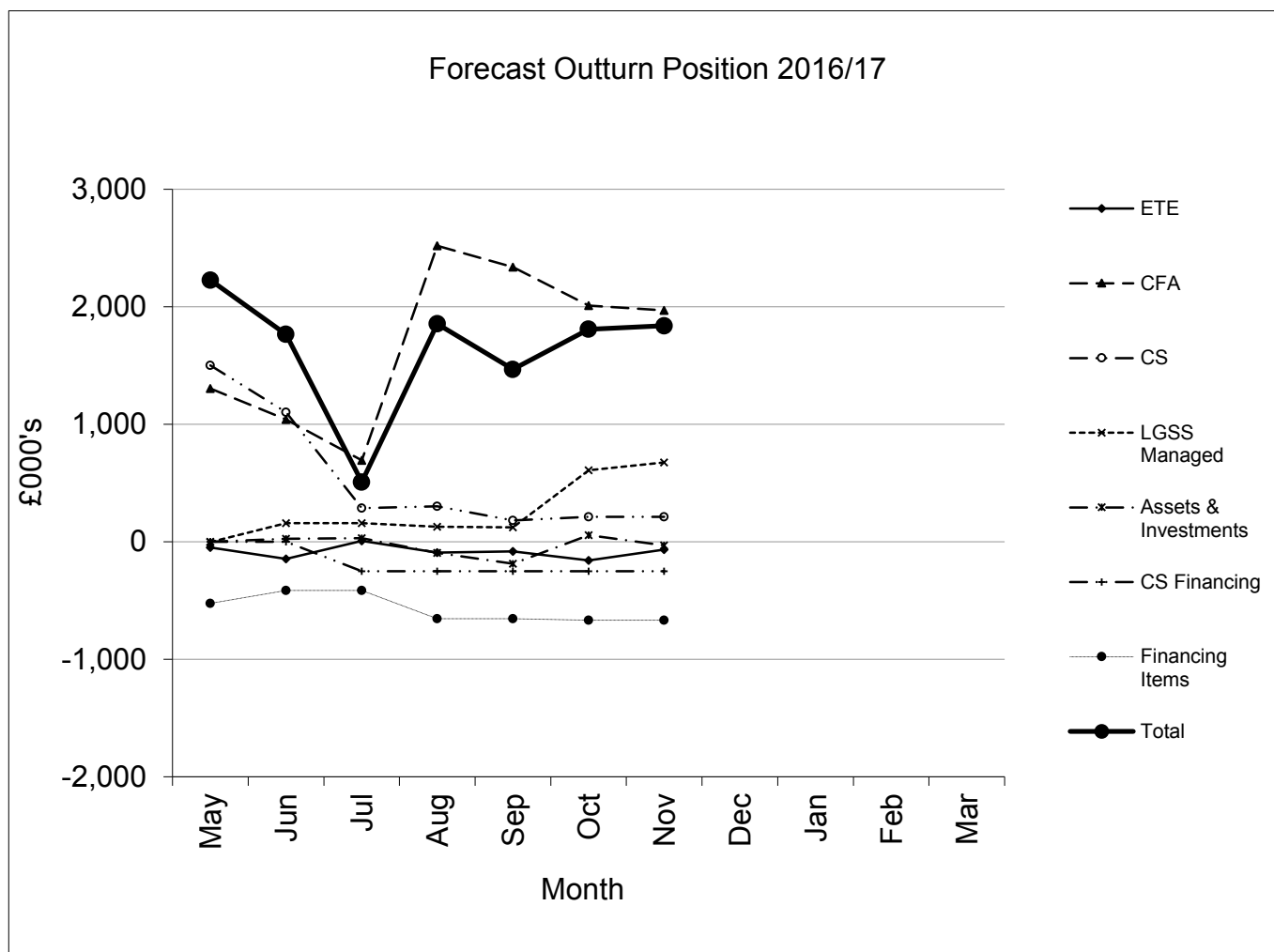
ETE – Economy, Transport and Environment  
 CFA – Children, Families and Adults  
 CS Financing – Corporate Services Financing  
 DoT – Direction of Travel (up arrow means the position has improved since last month)

| Original Budget as per Business Plan £000 | Service                       | Current Budget for 2016/17 £000 | Forecast Variance - Outturn (Oct) £000 | Forecast Variance - Outturn (Nov) £000 | Forecast Variance - Outturn (Nov) % | Overall Status | DoT      |
|---|-------------------------------|---------------------------------|--|--|-------------------------------------|----------------|----------|
| 59,952                                    | ETE                           | 61,902                          | -160                                   | -68                                    | -0.1%                               | Green          | ↓        |
| 242,563                                   | CFA                           | 242,361                         | 2,011                                  | 1,970                                  | 0.8%                                | Red            | ↑        |
| 182                                       | Public Health                 | 182                             | 0                                      | 0                                      | 0.0%                                | Green          | ↔        |
| 4,674                                     | Corporate Services            | 4,864                           | 212                                    | 211                                    | 4.3%                                | Amber          | ↑        |
| 6,010                                     | LGSS Managed                  | 6,004                           | 608                                    | 675                                    | 11.2%                               | Amber          | ↓        |
| 4,104                                     | Assets & Investments          | 4,221                           | 56                                     | -32                                    | -0.8%                               | Green          | ↑        |
| 34,206                                    | CS Financing                  | 34,206                          | -250                                   | -250                                   | -0.7%                               | Green          | ↔        |
| <b>351,691</b>                            | <b>Service Net Spending</b>   | <b>353,740</b>                  | <b>2,477</b>                           | <b>2,506</b>                           | <b>0.7%</b>                         | <b>Amber</b>   | <b>↓</b> |
| 4,677                                     | Financing Items               | 1,965                           | -668                                   | -668                                   | -34.0%                              | Green          | ↔        |
| <b>356,368</b>                            | <b>Total Net Spending</b>     | <b>355,705</b>                  | <b>1,809</b>                           | <b>1,838</b>                           | <b>0.5%</b>                         | <b>Amber</b>   | <b>↓</b> |
|   | <b>Memorandum items:</b>      |                                 |  |  |                                     |                |          |
| 8,195                                     | LGSS Operational              | 8,151                           | 246                                    | -101                                   | -1.2%                               | Green          | ↑        |
| 222,808                                   | Schools                       | 222,808                         |  |  |                                     |                |          |
| <b>587,371</b>                            | <b>Total Spending 2016/17</b> | <b>586,665</b>                  |  |  |                                     |                |          |

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

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

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



3.2 Key exceptions this month are identified below.

3.2.1 **Economy, Transport and Environment:** -£0.068m (-0.1%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [ETE Finance & Performance Report](#).

3.2.2 **Children, Families and Adults:** +£1.970m (+0.8%) overspend is forecast at year-end.

- **Learning Disabilities Services** – an overspend of £1.4m is forecast for year-end, which is an improvement of £357k on the position reported last month. This is due to:

- A £171k decrease in forecast overspend in the in-house Provider Units – the result of further financial review and cost control in anticipation of a pending restructure;
- A £100k improvement on the expected level of direct payment amounts recalled as unused in the South of the County;
- A reduced cost estimate for administrative staffing, due to vacancies;

| £m     | %     |
|--------|-------|
| +1.419 | (+2%) |

- Cost reductions from reviewed and ended packages exceeded the level of extra cost for increased need in November.
  
- **Adult Social Care (ASC) Practice & Safeguarding** – an underspend of -£250k is forecast for year-end, which is an improvement of £15k on the position reported last month and causes this area to meet the reporting threshold. The underspend is principally due to the shortage of available Best Interest Assessors (BIAs), and the resulting lower level of activity to date. A number of additional BIAs have been recruited recently, thus it is expected that the underspend will be lower than in 2015/16. However, recruitment continues to be a challenge due to the high demand for BIAs from all Local Authorities as they seek to respond to changes in case law, and the limited pool of qualified practitioners from which to recruit.
 

|  |        |        |
|--|--------|--------|
|  | -0.250 | (-14%) |
|--|--------|--------|
  
- **Older People and Mental Health – Shorter Term Support & Maximising Independence** – an underspend of £250k is forecast for year-end, which is an improvement of £10k on the position reported last month and causes this area to meet the reporting threshold. This is partially due to staff vacancies within the Reablement Service. However, staffing levels will increase in the latter part of the year due to successful recruitment drives. The majority of vacancy savings have been taken towards the directorate target, but £100k has been retained by the service to offset the pressure in discharge planning.
 

|  |        |       |
|--|--------|-------|
|  | -0.250 | (-3%) |
|--|--------|-------|

The remaining £150k of underspend is due to efficiencies establishing the Early Help Team; reduced support costs for the Reablement Service; and additional income in Assistive Technology due to a one-off sale of stock.
  
- **Looked After Children (LAC) Placements** – an overspend of +£3.5m is forecast for year-end, which is an increase of +£0.5m on the position reported last month. This is due to increased numbers over the available budget of LAC with complex needs who require purchased placements until the end of the year. LAC numbers have increased by 20 since October and now stand at 645.
 

|  |        |        |
|--|--------|--------|
|  | +3.500 | (+28%) |
|--|--------|--------|

Delivery of in-year savings targets within the remaining 4 months of the year has been compromised by increased in-house fostering capacity being needed for new admissions to care, rather than to enable a move away from purchased provision. The impact to future year savings is being dealt with as part of the Children's Change Programme and feeds into the current Business Planning process.

- **Central Financing** – Following approval at July GPC, an amount of SEND Reform Grant to be received during the 2016/17 financial year will be applied to support additional associated costs within CFA.

As of November 2016, there is a pressure from a delay in the planned senior management restructure, which is addressed through Business Planning for 2017/18. However, we expect to improve the funding contributing to the County Council through underspends within the Better Care Fund.

-0.299 (-9%)

- For full and previously reported details see the [CFA Finance & Performance Report](#).

3.2.3 **Public Health:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [PH Finance & Performance Report](#).

3.2.4 **Corporate Services:** +£0.211m (+4.3%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

3.2.5 **LGSS Managed:** +£0.675m (+11.2%) overspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

3.2.6 **CS Financing:** -£0.250m (-0.7%) underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve. For full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

3.2.7 **LGSS Operational:** -£0.101m (-1.2%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

3.2.8 **Assets & Investments:** -£0.032m (-0.8%) underspend is forecast at year-end. There are no new exceptions to report this month; for full and previously reported details see the [A&I Finance & Performance Report](#).

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

#### 4. KEY ACTIVITY DATA

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

## 5. PERFORMANCE TARGETS

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

| Corporate priority     | Indicator  | Service                             | What is good? High (good) or low | Date            | Unit   | Actual   | Target  | Status (Green, Amber or Red) | Direction of travel (up is good, down is bad) |
|------------------------|--|-------------------------------------|----------------------------------|-----------------|--------|--|---|------------------------------|---|
| Developing our economy | Percentage of Cambridgeshire residents aged 16 - 64 in employment: 12-month rolling average                | ETE                                 | High                             | At-30-June-2016 | %      | 78.7%  | 80.9% to 81.5%  | Amber                        | ↔   |
|                        | Additional jobs created*   | ETE                                 | High                             | To 30-Sep-2015  | Number | +6,300 (provisional)   | + 3,500 (2015/16 target)  | Green                        | ↓   |
|                        | 'Out of work' benefits claimants – narrowing the gap between the most deprived areas (top 10%) and others* | ETE                                 | Low                              | At-31-May-2016  | %      | Gap of 6.4 percentage points<br>Most deprived areas (Top 10%) = 11.3%<br>Others = 4.9% | Most deprived areas (Top 10%) <=12%<br>Gap of <7.2 percentage points (2015/16 target) | Green                        | ↔   |
|                        | The proportion of children in year 12 taking up a place in learning  | CFA (Enhanced & Preventative – E&P) | High                             | October 2016    | %      | 93.6%  | 96.5%   | Amber                        | ↑   |
|                        | Percentage of 16-19 year olds not in education, employment or training (NEET)                              | CFA                                 | Low                              | October 2016    | %      | 2.5%   | 3.3%  | Green                        | ↓   |

| Corporate priority | Indicator   | Service        | What is good? High (good) or low | Date         | Unit   | Actual | Target                          | Status (Green, Amber or Red)  | Direction of travel (up is good, down is bad) |
|--------------------|---|----------------|----------------------------------|--------------|--------|--------|---------------------------------|-------------------------------|---|
|                    | The proportion pupils attending Cambridgeshire Primary schools judged good or outstanding by Ofsted                           | CFA (Learning) | High                             | October 2016 | %      | 82.5%  | 82.0%                           | Green                         | ↔   |
|                    | The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted                         | CFA (Learning) | High                             | October 2016 | %      | 66.3%  | 75.0%                           | Red                           | ↑   |
|                    | The proportion pupils attending Cambridgeshire Special schools judged good or outstanding by Ofsted                           | CFA (Learning) | High                             | October 2016 | %      | 94.8%  | 100%                            | Amber                         | ↔   |
|                    | The proportion of Adult Social Care and Older People's Service users requiring no further service at end of re-ablement phase | CFA            | High                             | October 2016 | %      | 55.1%  | 57%                             | Amber                         | ↑   |
|                    | Reduced proportion of Delayed Transfers of care from hospital, per 100,000 of population (aged 18+)                           | CFA            | Low                              | September 16 | Number | 577    | 429 per month (4874.5 per year) | Red                           | ↓   |
|                    | Number of ASC attributable bed-day delays per 100,000 population (aged 18+)   | CFA            | Low                              | September 16 | Number | 133    | 114                             | Red                           | ↓   |
|                    | Healthy life expectancy at birth (males)  | Public Health  | High                             | 2012 – 2014  | Years  | 66.1   | N/A – contextual indicator      | Green (compared with England) | ↓ (compared with previous year)               |



| Corporate priority                          | Indicator   | Service                           | What is good? High (good) or low | Date  | Unit                            | Actual  | Target                     | Status (Green, Amber or Red)  | Direction of travel (up is good, down is bad) |
|---|---|-----------------------------------|----------------------------------|---|---------------------------------|---------|----------------------------|-------------------------------|---|
|   | Healthy life expectancy at birth (females)  | Public Health                     | High                             | 2012 – 2014   | Years                           | 67.6    | N/A – contextual indicator | Green (compared with England) | ↑<br>(compared with previous year)            |
|   | Absolute gap in life expectancy between the most deprived 20% of Cambridgeshire's population and the least deprived 80% (all persons) | Public Health                     | Low                              | 2013-2015 (Q4 2015)   | Years                           | 2.6     | N/A – contextual indicator | N/A – contextual indicator    | ↔   |
| Supporting and protecting vulnerable people | The number of looked after children per 10,000 children   | CFA (Children's Social Care)      | Low                              | October 2016  | Rate per 10,000                 | 47.0    | 40                         | Red                           | ↑   |
|   | No/ % of families who have not required statutory services within six months of have a Think Family involvement.                      | CFA (E&P)                         | TBC                              | Following the recommendations from the Think Family evaluation report and the implementation of the Children's Change Programme, the Family CAF is being replaced with a new Early Help Assessment from December 2016. In addition, the Corporate Capacity Review has led to the development of the Business Intelligence and Transformation Teams, both of which are supporting the Council in reviewing how performance is monitored / measured. Considering these changes it is not currently possible or helpful to report on the current CAF / Think Family measure as this will be redefined. |                                 |         |                            |                               |   |
| An efficient and effective organisation     | The percentage of all transformed transaction types to be completed online  | Customer Service & Transformation | High                             | 1 July – 30 September 2016  | %                               | 55.83%. | 75%                        | Red                           | ↓   |
|   | The average number of days lost to sickness per full-time equivalent staff member   | LGSS HR                           | Low                              | November 2016   | Days (12 month rolling average) | 7.06    | 7.8                        | Green                         | ↓   |

\* 'Out of work' benefits claimants - narrowing the gap between the most deprived areas (top 10%) and others – the target of ≤12% is for the most deprived areas (top 10%). At 6.7 percentage points the gap is the same as last quarter, but is narrower than the baseline (in May 2014) of 7.2 percentage points.

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

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

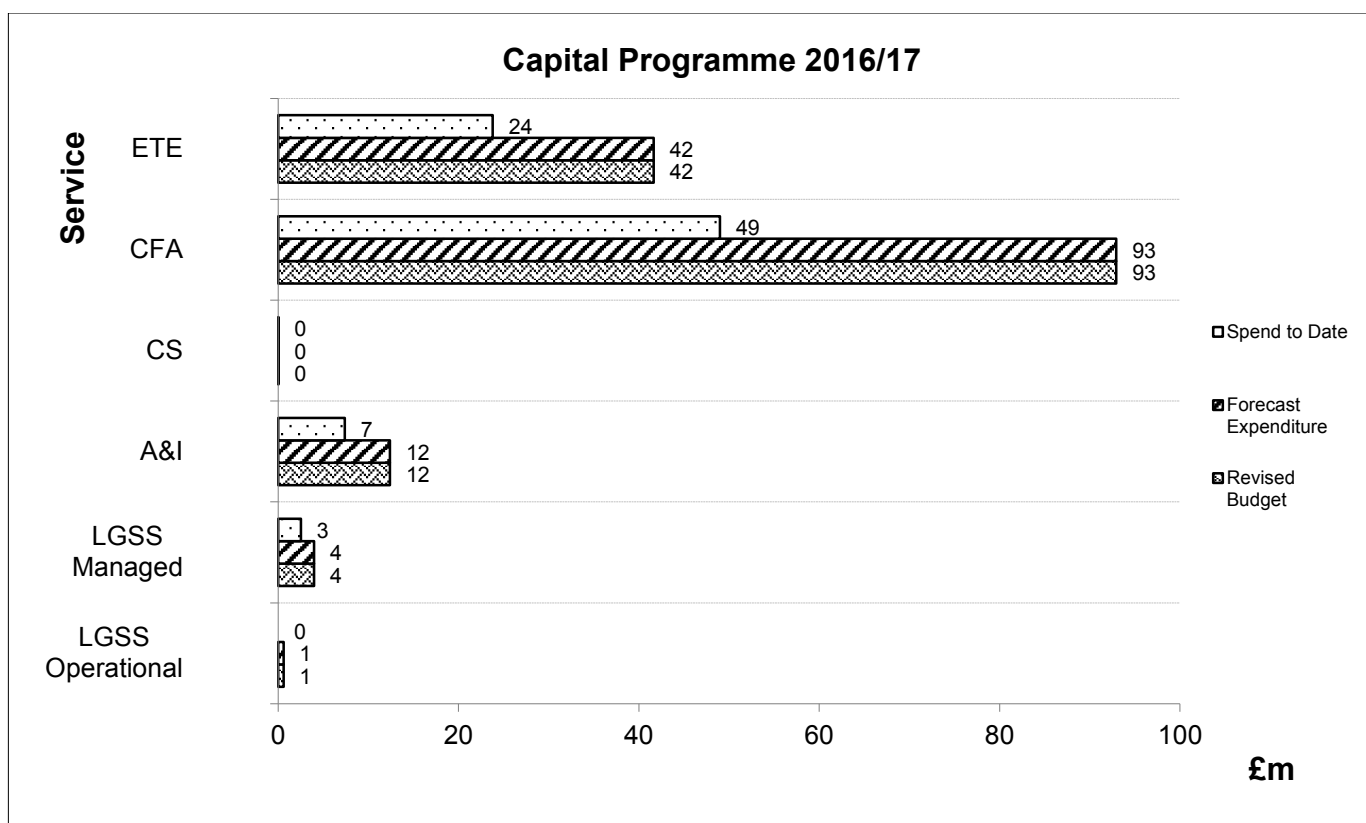
## 6. CAPITAL PROGRAMME

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

| 2016/17   |                           |   |  |  |   | TOTAL SCHEME  |  |
|---|---------------------------|---|--|--|---|---|--|
| Original<br>2016/17<br>Budget<br>as per<br>Business<br>Plan<br>£000 | Service                   | Revised<br>Budget<br>for<br>2016/17<br>£000 | Forecast<br>Variance<br>- Outturn<br>(Oct)<br>£000 | Forecast<br>Variance -<br>Outturn<br>(Nov)<br>£000 | Forecast<br>Variance<br>- Outturn<br>(Nov)<br>% | Total<br>Scheme<br>Revised<br>Budget<br>(Nov)<br>£000 | Total<br>Scheme<br>Forecast<br>Variance<br>(Nov)<br>£000 |
| 71,699  | ETE                       | 41,639                                      | -  | -  | 0.0%  | 415,691   | -  |
| 97,156  | CFA                       | 92,921                                      | 0  | 0  | 0.0%  | 543,222   | 31,825   |
| 33  | Corporate<br>Services     | 48  | -  | -  | 0.0%  | 300   | -  |
| 4,405   | LGSS<br>Managed           | 3,996                                       | -  | -  | 0.0%  | 15,140  | -0   |
| 11,397  | A&I                       | 12,398                                      | 227  | 0  | 0.0%  | 240,310   | -3,248   |
| 1,104   | LGSS<br>Operational       | 618   | -  | -  | 0.0%  | 1,704   | -  |
| <b>185,794</b>  | <b>Total<br/>Spending</b> | <b>151,620</b>                              | <b>227</b>   | <b>1</b>   | <b>0.0%</b>                                     | <b>1,216,367</b>                                      | <b>28,576</b>  |

### Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted, including the capital programme variations budget allocated to each service. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
2. The reported ETE capital figures do not include City Deal, which has a budget for 2016/17 of £7.4m and is currently forecasting an in-year underspend of £0.15m.



**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 start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

| 2016/17               |   |   |  |   |   |
|-----------------------|---|---|--|---|---|
| Service               | Capital Programme Variations Budget<br>£000 | Forecast Variance - Outturn (Nov)<br>£000 | Capital Programme Variations Budget Used<br>£000 | Capital Programme Variations Budget Used<br>% | Revised Forecast Variance - Outturn (Nov)<br>£000 |
| ETE                   | -10,500                                     | -5,946                                    | 5,946  | 56.63%  | 0   |
| CFA                   | -10,282                                     | -5,834                                    | 5,834  | 56.74%  | 0   |
| Corporate Services    | -12   | 0   | 0  | 0.00%   | 0   |
| LGSS Managed          | -1,029                                      | -1,857                                    | 1,857  | 180.47%                                       | 0   |
| A&I                   | -2,850                                      | -18                                       | 18   | 0.63%   | 0   |
| LGSS Operational      | -155  | -100                                      | 100  | 64.52%  | 0   |
| <b>Total Spending</b> | <b>-24,828</b>                              | <b>-13,754</b>                            | <b>13,755</b>                                    | <b>55.40%</b>                                 | <b>1</b>  |

- 6.3 Slippage in the capital programme for LGSS Managed is forecast to exceed its capital programme variations budget allocation of £1m. However, at this stage it is not anticipated that the capital programme as a whole will slip beyond the overall variations budget, but it is not clear where any offsetting under-utilisation of the variations budget will be realised. Thus the outturn on LGSS Managed does not currently lead to an overall forecast underspend on the capital programme, but this will be closely monitored with any changes to the position reflected in future reports.
- 6.4 A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.5m or greater are identified below.

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

|  | £m   | %      |
|--|------|--------|
| <ul style="list-style-type: none"> <li> <b>Operating the Network</b> – a -£1.2m in-year underspend is forecast, which is a movement of -£0.7m on the position reported last month. This is due to slippage on a traffic signal replacement scheme on Cherry Hinton Road. Issues with land purchase have resulted in the start date being delayed, so £0.7m of S106-funded expenditure planned for 2016/17 will now occur in 2017/18. </li> </ul>   | -1.2 | (-8%)  |
| <ul style="list-style-type: none"> <li> <b>£90m Highways Maintenance Schemes</b> – a +£1.0m in-year overspend is forecast. £6m was initially allocated to this area in 2016-17 and spare funding from the previous year was rolled forward into future years. Historically although more work has been programmed than budgeted for the year, through slippage on schemes expenditure has always been within the agreed budget. However, this year more schemes are being completed by the Contractor and total expenditure is likely to be nearer £7m. These schemes will therefore be funded by reducing the amount of budget available in future years. </li> </ul>   | +1.0 | (+17%) |
| <ul style="list-style-type: none"> <li> <b>Cycling Schemes</b> – a -£0.4m in-year underspend is forecast, which is a movement of -£0.6m on the position reported last month. This is due to delays in the following schemes: <ul style="list-style-type: none"> <li>Yaxley to Farcet: delays in the completion of land deals have led to the start date for work being moved to March 2017.</li> <li>Lode to Quy: unanticipated planning objections have delayed the start date and the majority of spend will now occur in 2017/18.</li> <li>A10 Harston: a start date of January 2017 was planned. However, issues raised at the initial consultation led to the scheme undergoing a second round of consultation. The majority of spend will now occur in 2017/18.</li> <li>Bar Hill to Longstanton: work to develop a solution for this scheme has taken longer than anticipated, so less expenditure will occur in 2016/17 than planned.</li> </ul> </li> </ul> | -0.4 | (-11%) |

- **Ely Crossing** – a +£1.4m in-year overspend is forecast. The Second Stage Target Cost for this contract is nearing conclusion. Based upon the outline works delivery programme, the completed design costs and early site mobilisation, the forecast spend within this financial year has been increased to £6.9m. The total Target Cost Value for the scheme has not been concluded and will therefore be reported in December 2016 update. +1.4 (+26%)
- For full and previously reported details see the [ETE Finance & Performance Report](#).

6.4.2 **Children, Families and Adults:** a balanced budget is forecast at year end.

- |   | £m   | %      |
|---|------|--------|
| <ul style="list-style-type: none"> <li>• <b>Basic Need – Primary</b> – a -£5.6m in-year underspend is forecast, which is a movement of -£1.4m on the position reported last month. This is largely due to movement on the following schemes:               <ul style="list-style-type: none"> <li>○ Wisbech Primary: -£2.1m (-66%), movement of -£0.9m since last month due to the tender being submitted late, causing a further three week delay to the start on site date.</li> <li>○ Fulbourn Primary: -£0.2m (-57%) slippage due to additional complex design work being required, causing the progress of the project to slow.</li> <li>○ Histon Primary: +£0.2m, movement of -£0.2m since last month. Works are still progressing ahead of schedule, but not as rapidly as originally forecast.</li> </ul> </li> </ul> | -5.6 | (-13%) |
| <ul style="list-style-type: none"> <li>• <b>Basic Need – Secondary</b> – a +£0.3m in-year overspend is forecast, which is a movement of -£0.6m on the position reported last month. This is due to slippage on the Cambourne Secondary School scheme; it has been identified that the original forecast programme of works from the contractor for 2016/17 is overly optimistic and £600k of these works will now be completed in 2017/18.</li> </ul>   | +0.3 | (-1%)  |
| <ul style="list-style-type: none"> <li>• <b>CFA Capital Variation</b> – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. There has been a movement of +£2.0m in the outturn for CFA capital variation since last month.</li> </ul>  | +5.8 | (+57%) |
- For full and previously reported details see the [CFA Finance & Performance Report](#).

6.4.3 **Corporate Services:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).

- 6.4.4 **LGSS Managed:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.4.5 **LGSS Operational:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.4.6 **Assets & Investments:** a balanced budget is forecast at year-end.
- |   | £m   | %       |
|---|------|---------|
| <ul style="list-style-type: none"> <li><b>Making Assets Count – Market Towns Project (March)</b> – an in-year underspend of £0.5m. This project is no longer required as it has been superseded by the new Housing schemes, with redevelopment projects transferred to the Housing programme. This change has also had an impact on generation of associated ring-fenced capital receipts, resulting in reduced funding of £0.4m in 2016/17.</li> </ul> | -0.5 | (-100%) |
| <ul style="list-style-type: none"> <li>For full and previously reported details see the <a href="#">A&amp;I Finance &amp; Performance Report</a>.</li> </ul>  |      |         |
- 6.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.5m or greater are identified below:
- 6.5.1 **Economy, Transport and Environment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [ETE Finance & Performance Report](#).
- 6.5.2 **Children, Families and Adults:** a +£31.8m (+6%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CFA Finance & Performance Report](#).
- 6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.4 **LGSS Managed:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.5 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](#).
- 6.5.6 **Assets & Investments:** -£3.2m (-1%) total scheme underspend is forecast.
- |  | £m   | %       |
|--|------|---------|
| <ul style="list-style-type: none"> <li><b>Making Assets Count – Market Towns Project (March)</b> – a total scheme underspend of £1.5m is forecast. As explained in section 6.4, this project is no longer required as it has been</li> </ul> | -1.5 | (-100%) |

superseded by the new Housing schemes that have been submitted via the 2017/18 Business Planning process, with redevelopment projects transferred to the Housing programme. Potential projects not covered by the Housing programme will be taken forward as new Business Plan applications in the future.

- For full and previously reported details see the [A&I Finance & Performance Report](#).

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

| Funding Source                                     | B'ness Plan Budget<br>£m | Rolled Forward Funding <sup>1</sup><br>£m | Revised Phasing<br>£m | Additional/Reduction in Funding<br>£m | Revised Budget<br>£m | Outturn Funding<br>£m | Funding Variance<br>£m |
|--|--------------------------|---|-----------------------|---------------------------------------|----------------------|-----------------------|------------------------|
| Department for Transport (DfT) Grant               | 20.5                     | 0.2                                       | -1.7                  | 1.0                                   | 20.0                 | 19.9                  | -0.1                   |
| Basic Need Grant                                   | 3.8                      | -   | -                     | -                                     | 3.8                  | 3.8                   | -0.0                   |
| Capital Maintenance Grant                          | 4.6                      | -   | -                     | 0.1                                   | 4.7                  | 4.7                   | -                      |
| Devolved Formula Capital                           | 1.1                      | 0.9                                       | -                     | -0.0                                  | 1.9                  | 1.9                   | -0.0                   |
| Specific Grants                                    | 21.1                     | 3.6                                       | -12.7                 | 1.7                                   | 13.8                 | 11.7                  | -2.0                   |
| S106 Contributions & Community Infrastructure Levy | 30.3                     | 1.1                                       | -3.7                  | 0.2                                   | 27.9                 | 25.8                  | -2.1                   |
| Capital Receipts                                   | 10.3                     | -   | -                     | -6.4                                  | 3.9                  | 3.9                   | 0.0                    |
| Other Contributions                                | 10.7                     | 0.2                                       | -8.8                  | 1.1                                   | 3.2                  | 3.9                   | 0.7                    |
| Revenue Contributions                              | -                        | -   | -                     | -                                     | -                    | -                     | -                      |
| Prudential Borrowing                               | 83.4                     | 10.2                                      | -29.3                 | 8.1                                   | 72.4                 | 75.9                  | 3.5                    |
| <b>TOTAL</b>                                       | <b>185.8</b>             | <b>16.3</b>                               | <b>-56.1</b>          | <b>5.7</b>                            | <b>151.6</b>         | <b>151.6</b>          | <b>-0.0</b>            |

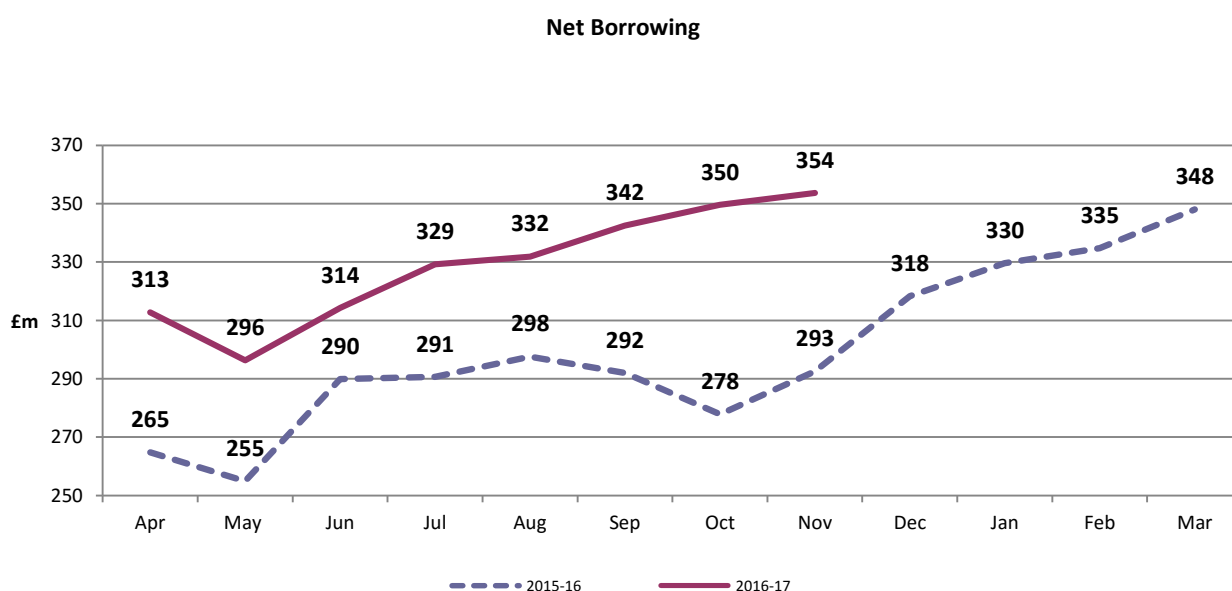
<sup>1</sup> Reflects the difference between the anticipated 2015/16 year end position, as incorporated within the 2016/17 Business Plan, and the actual 2015/16 year end position.

## 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 November |
|--|-----------------|----------------------------------|
| Level of debt outstanding (owed to the council) – 4-6 months, £m | £0.4m           | £0.7m                            |
| Level of debt outstanding (owed to the council) – >6 months, £m  | £1.0m           | £2.0m                            |
| Invoices paid by due date (or sooner)                            | 97.6%           | 99.7%                            |

7.2 The graph below shows net borrowing (investments less borrowings) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of November were £20.4m (excluding 3rd party loans) and gross borrowing was £374.1m.





### 7.3 Key exceptions are identified below:

| Key exceptions   | Impacts and actions  |
|--|--|
| Less borrowing activity than planned – original net borrowing forecast was £479m. Actual net borrowing at 30th November was £354m. | <p>A £250k underspend is currently forecast for Debt Charges. This reflects the fall in the forecast for net interest payable following falls in interest rates across all parts of the yield curve.</p> <p>The impact of lower borrowing on the Debt Charges budget would normally result in a favourable forecast variance (due to lower interest payments). However the Debt Charges budget was reduced in anticipation of capital expenditure slippage during the budget setting process, so the magnitude of the variance reported is muted.</p> <p>The Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances (where possible) and undertaking shorter term borrowing which could potentially generate savings next year, subject to an assessment of the interest rate risks involved.</p> |

7.4 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).

7.5 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 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

## **9.3 Equality and Diversity Implications**

There are no significant implications within this category.

## **9.4 Engagement and Consultation Implications**

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

## **9.5 Localism and Local Member Involvement**

There are no significant implications within this category.

## **9.6 Public Health Implications**

There are no significant implications within this category.

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

| <b>Source Documents</b>  | <b>Location</b>  |
|--|--|
| ETE Finance & Performance Report (November 16)<br>CFA Finance & Performance Report (November 16)<br>PH Finance & Performance Report (November 16)<br>CS and LGSS Cambridge Office Finance & Performance Report (November 16)<br>A&I Finance & Performance Report (November 16)<br>Performance Management Report & Corporate Scorecard (November 16)<br>Capital Monitoring Report (November 16)<br>Report on Debt Outstanding (November 16)<br>Payment Performance Report (November 16) | 1 <sup>st</sup> Floor,<br>Octagon,<br>Shire Hall,<br>Cambridge |

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

|   | CFA            | Public Health | ETE           | CS Financing  | Corporate Services | LGSS Managed | Assets & Investments | LGSS Operational | Financing Items |
|---|----------------|---------------|---------------|---------------|--------------------|--------------|----------------------|------------------|-----------------|
|   | £'000          | £'000         | £'000         | £'000         | £'000              | £'000        | £'000                | £'000            | £'000           |
| Opening Cash Limits as per Business Plan  | 242,563        | 182           | 59,952        | 34,206        | 4,674              | 8,720        | 0                    | 9,589            | 3,915           |
| Adjustment LGSS Managed and Operational   |                |               |               |               |                    | 10           |                      | -10              |                 |
| LGSS property virement  |                |               |               |               | 10                 |              |                      | -10              |                 |
| Licenses budget from LGSS Op. to CS   |                |               |               |               | 17                 | -17          |                      |                  |                 |
| Contact Centre budget from CFA to CS  | -77            |               |               |               | 77                 |              |                      |                  |                 |
| CPFT NHS accommodation budget from CFA to LGSS Man.                               | -10            |               |               |               |                    | 10           |                      |                  |                 |
| Reablement budget from CFA to LGSS Op.  | -113           |               |               |               |                    |              |                      | 113              |                 |
| Pupil forecasting/demography budget to research group                             | -53            |               |               |               | 53                 |              |                      |                  |                 |
| ETE use of service reserves   |                |               | 2,015         |               |                    |              |                      |                  | -2,015          |
| Disaggregation of Assets and Investments budgets                                  |                |               |               |               |                    | -2,714       | 2,714                |                  |                 |
| Centralised mobile phones budget  | 6              |               |               |               |                    | -6           |                      |                  |                 |
| Strategic Assets and Property Services budgets returned to CCC following demerger |                |               |               |               |                    |              | 1,531                | -1,531           |                 |
| Advocacy contract budget from CS to CFA   | 45             |               |               |               | -45                |              |                      |                  |                 |
| ETE return of service reserves not needed in 16/17                                |                |               | -65           |               |                    |              |                      |                  | 65              |
| <b>Current budget</b>   | <b>242,361</b> | <b>182</b>    | <b>61,902</b> | <b>34,206</b> | <b>4,786</b>       | <b>6,004</b> | <b>4,245</b>         | <b>8,151</b>     | <b>1,965</b>    |
| Rounding  | 0              | 0             | 0             | 0             | 0                  | 0            | 0                    | 0                | 0               |

## APPENDIX 2 – Reserves and Provisions

| Fund Description                    | Balance<br>at 31<br>March<br>2016 | 2016-17                 |                              | Forecast<br>Balance<br>31 March<br>2017 | Notes  |
|-------------------------------------|-----------------------------------|-------------------------|------------------------------|---|--|
|                                     |                                   | Movements<br>in 2016-17 | Balance at 30<br>November 16 |   |  |
|                                     | £000s                             | £000s                   | £000s                        | £000s                                   |  |
| <b><u>General Reserves</u></b>      |                                   |                         |                              |   |  |
| - County Fund Balance               | 18,921                            | -27                     | 18,894                       | 19,137                                  |  |
| - Services                          |                                   |                         |                              |   |  |
| 1 CFA                               | 1,623                             | -1,062                  | 561                          | -1,408                                  |  |
| 2 PH                                | 1,138                             | -155                    | 983                          | 638                                     |  |
| 3 ETE                               | 3,386                             | -1,950                  | 1,436                        | 0                                       |  |
| 4 CS                                | 1,218                             | 0                       | 1,218                        | 0                                       |  |
| 5 LGSS Operational                  | 1,013                             | 0                       | 1,013                        | 461                                     |  |
| subtotal                            | 27,299                            | -3,194                  | 24,105                       | 18,828                                  |  |
| <b><u>Earmarked</u></b>             |                                   |                         |                              |   |  |
| - Specific Reserves                 |                                   |                         |                              |   |  |
| 6 Insurance                         | 2,864                             | 0                       | 2,864                        | 2,864                                   |  |
| subtotal                            | 2,864                             | 0                       | 2,864                        | 2,864                                   |  |
| - Equipment Reserves                |                                   |                         |                              |   |  |
| 7 CFA                               | 782                               | -80                     | 702                          | 98                                      |  |
| 8 ETE                               | 218                               | 0                       | 218                          | 250                                     |  |
| 9 CS                                | 57                                | 0                       | 57                           | 57                                      |  |
| subtotal                            | 1,057                             | -80                     | 977                          | 405                                     |  |
| <b><u>Other Earmarked Funds</u></b> |                                   |                         |                              |   |  |
| 10 CFA                              | 4,097                             | -2,249                  | 1,848                        | 959                                     | Includes liquidated damages in respect of the Guided Busway - current balance £2.4m. |
| 11 PH                               | 2,020                             | 0                       | 2,020                        | 1,445                                   |  |
| 12 ETE                              | 6,631                             | -773                    | 5,858                        | 4,919                                   |  |
| 13 CS                               | 1,274                             | 0                       | 1,274                        | 1,196                                   |  |
| 14 LGSS Managed                     | 149                               | 43                      | 192                          | 192                                     |  |
| 15 Assets & Investments             | 233                               | 71                      | 304                          | 327                                     |  |
| 16 LGSS Operational                 | 130                               | 0                       | 130                          | 130                                     |  |
| 17 Transformation Fund              | 9,891                             | -235                    | 9,656                        | 18,907                                  | Savings realised through change in MRP policy  |
| subtotal                            | 24,425                            | -3,143                  | 21,282                       | 28,075                                  |  |
|                                     |                                   |                         |                              |   |  |
| <b>SUB TOTAL</b>                    | <b>55,645</b>                     | <b>-6,417</b>           | <b>49,227</b>                | <b>50,171</b>                           |  |
|                                     |                                   |                         |                              |   |  |
| <b><u>Capital Reserves</u></b>      |                                   |                         |                              |   |  |
| - Services                          |                                   |                         |                              |   |  |
| 18 CFA                              | 2,428                             | 9,662                   | 12,090                       | 425                                     | Section 106 and Community Infrastructure Levy balances.                              |
| 19 ETE                              | 11,703                            | 19,254                  | 30,957                       | 10,200                                  |  |
| 20 LGSS Managed                     | 422                               | -350                    | 72                           | 72                                      |  |
| 21 Assets & Investments             | 230                               | 213                     | 443                          | 230                                     |  |
| 22 Corporate                        | 39,388                            | 6,492                   | 45,880                       | 28,358                                  |  |
| subtotal                            | 54,171                            | 35,271                  | 89,442                       | 39,285                                  |  |
|                                     |                                   |                         |                              |   |  |
| <b>GRAND TOTAL</b>                  | <b>109,815</b>                    | <b>28,854</b>           | <b>138,669</b>               | <b>89,456</b>                           |  |

**Notes:**

1. The figures do not include City Deal reserves, which have a current balance of £37.8m and are anticipated to have a year-end balance of £30.4m.

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

| Fund Description               | Balance at<br>31 March<br>2016 | 2016-17                 |                              | Forecast<br>Balance 31<br>March 2017 | Notes |
|--------------------------------|--------------------------------|-------------------------|------------------------------|--------------------------------------|-------|
|                                |                                | Movements<br>in 2016-17 | Balance at 30<br>November 16 |                                      |       |
|                                | £000s                          | £000s                   | £000s                        | £000s                                |       |
| <b>- Short Term Provisions</b> |                                |                         |                              |                                      |       |
| 1 ETE                          | 712                            | -33                     | 679                          | 0                                    |       |
| 2 CS                           | 1,312                          | 0                       | 1,312                        | 1,062                                |       |
| 3 LGSS Managed                 | 5,545                          | 0                       | 5,545                        | 5,545                                |       |
| 4 Assets & Investments         | 50                             | 0                       | 50                           | 50                                   |       |
| subtotal                       | 7,619                          | -33                     | 7,586                        | 6,657                                |       |
| <b>- Long Term Provisions</b>  |                                |                         |                              |                                      |       |
| 5 LGSS Managed                 | 3,613                          | 0                       | 3,613                        | 3,613                                |       |
| subtotal                       | 3,613                          | 0                       | 3,613                        | 3,613                                |       |
|                                |                                |                         |                              |                                      |       |
| <b>GRAND TOTAL</b>             | <b>11,232</b>                  | <b>-33</b>              | <b>11,199</b>                | <b>10,270</b>                        |       |