

INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST JULY 2020

To: General Purposes Committee

Date: 22 September 2020

From: Chief Finance Officer

**Electoral
division(s):** All

Forward Plan ref: 2020/017 **Key decision:** Yes

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

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

- a) Approve the -£6.6m revised phasing of the capital programme variations budgets, as set out in section 6.6;
- b) Note the additional funding anticipated for the Lancaster Way scheme as set out in section 6.6;
- c) Note the changes in Section 106 funding in relation to the Fendon Road Roundabout scheme as set out in section 6.6;
- d) Note the correction to the Combined Authority contributions for the Coldham's Lane Roundabout scheme as set out in section 6.6;
- e) Approve the carry forward of £0.3m capital funding from 2019/20 to 2020/21 in relation to the Abington Woods SEN scheme, as set out in section 6.6;
- f) Approve the earmarking of the unringfenced grant (£3.789m) received in August 2020 for the purposes of responding to the coronavirus pandemic during 2020/21, previously recommended in the June 2020 report, as set out in Appendix 3;
- g) Approve the allocation of the £541k unringfenced grant (Local authority Emergency Assistance Grant for Food and Essential Supplies) to the People & Communities directorate, received in July 2020, previously recommended in the June 2020 report, as set out in Appendix 3;
- h) Approve the Think Communities - Creating a Unified Approach application for up to £1,686,000 from the Transformation Fund over the next two years.

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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 summary provides the Authority's forecast financial position at year-end and its key activity data for care budgets.

Finance and Key Activity

<u>Revenue budget forecast outturn</u> +£0.1m (+0.0%) forecast year end variance, however there is major uncertainty about pandemic impact in the second half of the year AMBER	This is a £0.772m decrease in the revenue pressure since last month's forecast. Forecast use of grant for Covid-19 pressures has increased by £0.8m. There is no change in the in-year capital expenditure forecast compared to last month.	<u>Capital programme forecast outturn</u> A balanced budget is forecast at the end of the year GREEN
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Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	July 20	May 20	Trend since May 20
Nursing	441	472	Decreasing
Residential	837	898	Decreasing
Community	1,917	1,861	Increasing

Adults aged 18+ receiving long term services

	July 20	May 20	Trend since May 20
Nursing	68	72	Stayed the same
Residential	355	351	Stayed the same
Community	2,362	2,360	Stayed the same

Children open to social care

	July 20	Apr 20	Trend since Apr 20
Children in Care	695	730	Decreasing
Child Protection	363	324	Increasing

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

- The overall revenue budget position is showing a forecast year-end pressure of +£0.1m. The pressures are largely within People & Communities (P&C) (+£13.7m), Place & Economy (P&E) (+£3.9m), Commercial & Investment (C&I) (+£1.8m), and LGSS Operational (£0.6m). These are partially offset by underspends in Funding Items (-£19.7m). See section 3 for details.

- The Capital Programme is forecasting a balanced budget at year-end. This includes use 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)

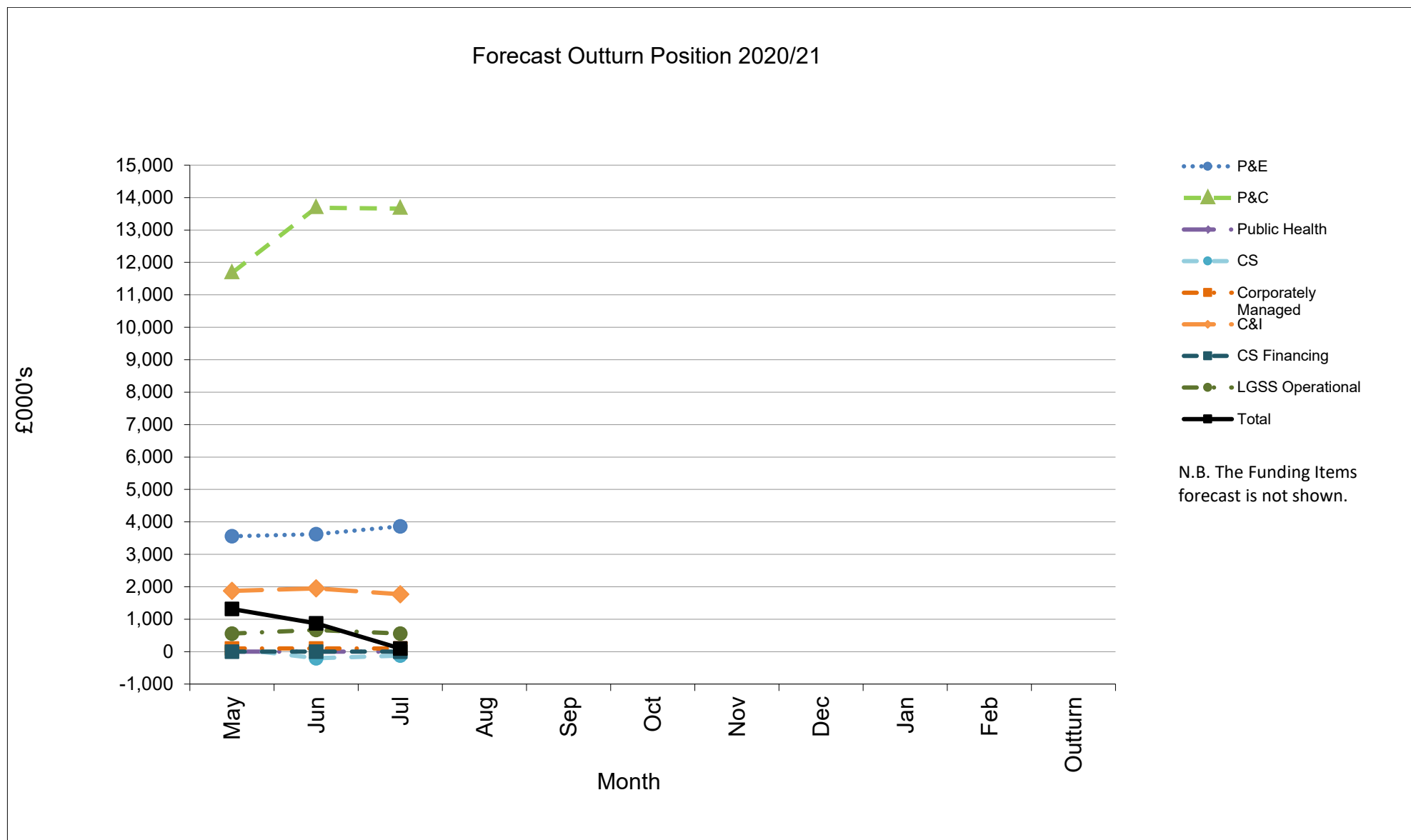
Original Budget as per Business Plan £000	Forecast Variance (June) £000	Service	Current Budget for 2020/21 £000	Actual (July) £000	Forecast Variance (July) £000	Forecast Variance (July) %	Overall Status	DoT	Covid-19 Financial Impact £000	Non Covid-19 Financial Impact £000
56,470	3,624	Place & Economy	56,470	9,214	3,863	6.8%	Red	↓	5,079	-1,216
275,096	13,686	People & Communities	274,726	88,230	13,660	5.0%	Red	↑	14,153	-493
0	0	Public Health	0	-11,207	0	-	Green	↔	157	-157
17,214	-204	Corporate Services	16,416	5,769	-124	-0.8%	Green	↓	508	-632
12,226	98	Corporately Managed	11,989	7,935	97	0.8%	Green	↑	0	97
-9,277	1,949	Commercial & Investment	-9,128	1,047	1,769	-	Red	↑	2,051	-282
29,570	0	CS Financing	29,570	2,419	0	0.0%	Green	↔	0	0
381,299	19,153	Service Net Spending	380,043	103,406	19,265	5.1%	Red	↓	21,948	-2,683
16,844	-18,951	Funding Items	16,844	7,411	-19,725	-	Green	↑		
398,143	202	Subtotal Net Spending	396,887	110,818	-460	-0.1%	Amber	↑	21,948	-2,683
		Memorandum items:								
6,286	667	LGSS Operational	6,893	2,903	557	8.1%	Amber	↑	0	557
	869	Grand Total Net Spending	403,780	113,721	97	0.0%	Amber	↑	21,948	-2,126
148,989		Schools	148,989							
553,418		Total Spending 2021/21	552,769							

¹ The budget figures in this table are net.

² For budget virements between Services throughout the year, please see [Appendix 1](#).

³ The budget of £0k stated for Public Health is cash limit budget. In addition to this, Public Health has a budget of £25.2m from ring-fenced public health grant, which makes up its gross budget.

⁴ The 'Funding Items' budget comprises the £9.0m Combined Authority Levy, the £416k Flood Authority Levy and £7.4m change in general and corporate reserves budget requirement. 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 In addition to the County Council forecast shown above for management accounting purposes, the Council is also monitoring and estimating the full potential financial consequences of the pandemic through an additional and enhanced process. The latest position as at 28 August is shown below.

Row Labels	Ring Fenced Grant	Impaired Savings	Income foregone	New Commitments	Total	MHCLG	NHS	DSG	PCC	T&T	Other	SFC	Net total
Adults		4,285	370	22,144	26,799		-8,020		-287		-1,592		16,899
C&I		443	1,513	165	2,121								2,121
Communities			863	1,846	2,709				-218		-405		2,086
CYP	1,483	1,436	2,447	5,826	11,192			-1,483			-798		8,911
GPC			22	1,449	1,471				-208	-182			1,081
Health		17		2,474	2,491					-2,311			180
E&S			178	837	1,015								1,015
H&T		990	3,974	4,054	9,018						-2,142		6,876
Total	1,483	7,171	9,367	38,795	56,815								
						-29,912						-3,690	-33,602
GRAND TOTAL						-29,912	-8,020	-1,483	-713	-2,493	-4,937	-3,690	5,567

Key to abbreviations

MHCLG	– Ministry of Housing, Communities & Local Government
DSG	– Dedicated Schools Grant
PCC	– Peterborough City Council
T&T	– Test & Trace
SFC	– Sales, Fees and Charges
C&I	– Commercial & Investment
CYP	– Children and Young People
GPC	– General Purposes Committee
E&S	– Environment & Sustainability
H&T	– Highways & Transport

3.1.2 This illustrates a potential financial impact, this year, on the Council of nearly £57m. After taking account of confirmed and anticipated funding (shown on the right hand side of the table above) this would present a deficit of £5.5m, an improved position compared to the last report to GPC.

3.1.3 This method of anticipating the financial impact on the Council differs significantly from the overall forecast shown on the previous page on a management accounting basis. At this stage there remain major variables and uncertainties about the impact of the pandemic and the proposal is that GPC continues to hold the MHCLG unringfenced funding centrally to offset a variety of risks across different departments of the Councils. The main differences between the forecasting methods include:

- Adults Services – we have not yet included a longer term estimate of the impact on Adults services of the pandemic in our management accounts, whereas there is provision for this in the full consequences forecast. Additionally the management accounts acknowledge some reductions in demand, as fewer people are receiving social care compared to the Spring, with more NHS funding.
- Children's Services – the anticipated national increase in demand is shown within the full consequences forecast, but not yet evident on commitment records underpinning the management accounts.
- Financing differences- the full consequences forecast includes the impact of redistributing staff internally and some capital impacts that will not have an impact on the revenue position necessarily.

3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** +£3.863m (+6.8%) pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> Parking Enforcement – a +£3.606m pressure is forecast. This is a decrease of £0.330m on the position previously reported in May, of which £0.209m relates to a change since last month. With restrictions around the Covid-19 virus, there is expected to be a significant shortfall in income especially for on-street parking and bus lane enforcement. The assumptions behind this shortfall are continually being monitored. 	+3.606	(-%)
<ul style="list-style-type: none"> Waste Management – a +£0.707m pressure is forecast. The tonnage of waste and recyclables collected at the kerbside up to the end of June has increased due to the impact of COVID 19, which will result in increased treatment costs and recycling credit payments to the city and district councils. The temporary closure of the Household Recycling Centres (HRCs) has resulted in less waste being collected than originally forecast. However, this position may change over the coming months as residents continue to dispose of waste at the HRCs that was stored while the sites were closed. The additional measures required to implement social distancing at the reopened Household Recycling Centres (HRCs) have created an additional burden on the waste budget. Although COVID related impacts have created an additional pressure on the service budget of approximately £837k (largely for HRC operations) so far, this pressure will be partly offset by reduced contract costs and an overall reduction in total waste collected (if this trend continues) resulting in a forecast pressure of £707k. 	+0.707	(-%)
<ul style="list-style-type: none"> A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£3.863m. For full and previously reported details, see the P&E Finance Monitoring Report. 		

3.2.2 **People & Communities:** +£13.660m (+5.0%) pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> Learning Disability Partnership (LDP) - a +£1.377m pressure is forecast. This is an increase of £0.251m on the position previously reported last month. The overall pressure is mainly due to a 10% Covid market resilience payment to care providers and other Covid pressures. Demand increases so far this year are broadly within levels budgeted for. In addition to this, there is a further £720k underlying pressure on the LDP, which is an increase of £187k since last month and cannot be directly linked to Covid-19. Mostly this increase is due to transitions of new service users into the LDP and current service users' needs increasing at assessment by more than has been allowed for in demography allocation. 	+1.377	(+2%)
<ul style="list-style-type: none"> Physical Disabilities – a +£0.818m pressure is forecast. This is an increase of £0.346m on the position previously reported in May, of which £0.252m relates to a change since last month. The service has provided increased volumes of community-based support to clients since the start of the financial year, 	+0.818	(+7%)

which has resulted in higher than budgeted spend. The Council's response to the Covid pandemic has included reprioritising the activities of preventative services and this is expected to have an adverse effect on demand for social care during the course of the pandemic. An estimate of the resulting pressure has been incorporated into the forecast position.

New placements out of hospital or to facilitate avoidance of admission into hospital are being funded through NHS England as continuing health care in the short term, and it is expected that clients with assessed social care needs will return local authority funding streams once the immediate crisis is over. A provision has been made for this future commitment within the forecast this month.

- **Central Commissioning - Adults**– a +£0.278m pressure is forecast, of which £0.059m relates to a change since last month. There is a £224k delay in the achievement of savings on housing related support contracts, as a retender has been delayed due to Covid.. In addition, hospital discharge requirements that came in to place on March 23rd set out that discharge to assess pathways must operate between 8 am and 8pm 7 days a week. This meant that the brokerage team who operated 8am to 5pm 5 days a week had to increase working time, which was facilitated by working overtime. Latest advice from NHS England gives no timescale for changes to this arrangement.

+0.278 (+2%)
- **Children in Care**– a -£0.600m underspend is forecast, which relates in full to a change since last month. This is in respect of the unaccompanied asylum seeker children (UASC) and Leaving care budgets. An increase in the level of grant received from the Home Office, backdated to 1st April has contributed to the overall improved position. This is alongside the acceleration in the amount of Home Office decisions around asylum claims and the team's progression with Human Rights Assessments. We are also now seeing the full year benefits of the comprehensive review of placements undertaken in 2019/20.

-0.600 (-3%)
- **Outdoor Education (includes Grafham Water)** – a +£1.060m pressure is forecast across the Outdoor Centres. This is an increase of £0.360m on the position previously reported in May, of which £0.186m relates to a change since last month. This is due to the loss of income as a result of Covid-19 closures of the centres until September and allows for any reduction in costs due to staff being furloughed where appropriate and for redeployment adjustments. The increase since last month is due to recent government guidance advising against residential trips for schools in the Autumn Term. It is anticipated that this may increase further if the centres are not able to open fully for the Spring Term.

+1.060 (-%)
- **Executive Director**– a +£0.797m pressure is forecast. This is a decrease of £0.533m on the pressure previously reported in May and relates in full to a change since last month. The pressure is being forecast in relation to the purchase of Personal Protective

+0.797 (+58%)

Equipment (PPE) for use by CCC staff, in order to comply with government and Public Health England guidance for the protection of front-line workers during the Covid 19 pandemic. It is now projected that spend will remain broadly stable at June's level for the rest of the year, after higher spend in April and May. Some funding is being provided by the NHS to fund PPE in the Council's Reablement service where required where supporting a hospital discharge.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£13.660m. For full and previously reported details, see the [P&C Finance Monitoring Report](#).

- 3.2.3 **Public Health:** A balanced budget is forecast for year-end. There are no exceptions to report this month; for full details, see the [PH Finance Monitoring Report](#).
- 3.2.4 **Corporate Services:** -£0.124m (-0.8%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).
- 3.2.5 **Corporately Managed:** +£0.097m (+0.8%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).
- 3.2.6 **CS Financing:** A balanced budget is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).
- 3.2.7 **Commercial & Investment:** +£1.769m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [C&I Finance Monitoring Report](#).
- 3.2.8 **Funding Items:** -£19.725m underspend is forecast for year-end. This relates to forecast usage of the unbudgeted Covid-19 support grant from MHCLG in relation to forecast pressures as a result of the Covid-19 pandemic. The amount of additional Covid-19 grant identified as required since the previous report last month is £0.8m
- 3.2.9 **LGSS Operational:** +£0.557m (+8.1%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

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

4. SAVINGS TRACKER

- 4.1 The “Savings Tracker” report is a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2020-21 Business Planning process. Currently, the Council is on track to deliver £10.6m of savings against its original plan. Green rated savings total £9.1m. The Savings Tracker as at the end of quarter 1 is included as **Appendix 5** to this report.

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

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

BLUE			GREEN			AMBER			RED			BLACK			Total Original Savings	Total Variance
Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	Number of Savings	Total Original Savings	Total Variance	£000	£000
0	0	0	31	-9,089	0	4	-920	476	3	-5,800	4,710	2	-120	120	-15,929	5,306

5. KEY ACTIVITY DATA

- 5.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C Finance Monitoring Report](#) (section 5).

6. CAPITAL PROGRAMME

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

2020-21							TOTAL SCHEME	
Original 2020/21 Budget as per Business Plan £000	Forecast Variance - Outturn (June) £000	Service	Revised Budget for 2020/21 £000	Actual- Year to Date (July) £000	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (July) %	Total Scheme Revised Budget (July) £000	Total Scheme Forecast Variance (July) £000
29,051	-	P&E	49,724	2,240	-	0.0%	423,949	-
61,817	-0	P&C	49,686	7,532	-0	0.0%	572,311	-
10,866	-	CS	15,404	654	-	0.0%	67,092	-
140	-	Corporately Managed	730	572	-	0.0%	6,951	-
74,569	-	C&I	71,043	3,506	-	0.0%	442,299	-
-	-	Outturn adjustment	-	-	-	-	-	-
176,443	-0	Total Spending	186,588	14,504	-0	0.0%	1,512,602	-

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 Greater Cambridge Partnership, which has a budget for 2020/21 of £36.1m and is currently forecasting an in-year pressure of £5.8m 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.

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.

2020-21					
Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (July) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (July) £000
P&E	-12,043	-2,018	2,018	16.76%	0
P&C	-6,523	4	-4	-0.06%	-0
CS	-3,827	-182	182	4.76%	0
Corporately Managed	-183	0	0	0.00%	0
C&I	-17,625	-1,107	1,107	6.28%	0
Outturn adjustment	-	-	-	-	-
Total Spending	-40,201	-3,303	3,303	8.22%	-0

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

6.3.1 Place & Economy: a balanced budget is forecast at year-end.

[illegible]

capital variations budget; this relates primarily to the underspends on King's Dyke and Scheme Development for Highways Initiatives as reported above, together with more minor variances

- For full and previously reported details, see the [P&E Finance Monitoring Report](#).

6.3.2 **People & Communities:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details, see the [P&C Finance Monitoring Report](#).

6.3.3 **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 Monitoring Report](#).

6.3.4 **Corporately 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 Monitoring Report](#).

6.3.5 **Commercial & Investment:** a balanced budget is forecast at year-end.

Revised Budget for 2020/21	Forecast Spend - Outturn (July)	Forecast Spend - Outturn Variance (July)	Variance Last Month (June)	Movement	Breakdown of Variance: Underspend/pressure	Breakdown of Variance: Rephasing
£'000	£'000	£'000	£'000	£'000	£'000	£'000
St Ives Smart Energy Grid						
1,110	260	-850	-	-850	0	-850
An in-year underspend of -£0.9m is forecast. Due to ongoing delays in securing necessary grant funding, forecast spending to support the construction of the Smart Energy Grid has been delayed until 2021/22.						
C&I Capital Variation						
-17,625	-16,518	1,107	-	1,107	0	1,107
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 up to the point when rephasing exceeds this budget. Therefore the net £1.1m underspend is balanced by use of the capital variations budget; this relates primarily to the underspend on the St Ives Smart Energy Grid as reported above, together with more minor variances						

- For full and previously reported details, see the [C&I Finance Monitoring Report](#).

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

6.4.1 **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 Monitoring Report](#).

6.4.2 **People & Communities:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&C Finance Monitoring Report](#).

- 6.4.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously details, see the [CS & LGSS Finance Monitoring Report](#).
- 6.4.4 **Corporately Managed:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously details, see the [CS & LGSS Finance Monitoring Report](#).
- 6.4.5 **Commercial & Investment:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously details, see the [C&I Finance Monitoring Report](#).

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

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.8	-	5.2	-0.9	22.1	22.1	-
Basic Need Grant	20.6	-	-	-	20.6	20.6	-
Capital Maintenance Grant	3.9	-	-	-0.4	3.5	3.5	-
Devolved Formula Capital	0.8	1.4	-	-0.0	2.2	2.2	-
Specific Grants	9.0	0.1	2.7	3.2	15.1	14.5	-0.6
S106 Contributions & Community Infrastructure Levy	8.5	2.7	-2.9	2.6	11.0	10.8	-0.1
Capital Receipts	7.3	11.3	0.0	-5.1	13.5	14.8	1.3
Other Contributions	11.4	0.0	1.7	7.8	20.9	21.1	0.3
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	97.1	46.0	-59.7	-5.6	77.8	77.0	-0.8
TOTAL	176.4	61.5	-52.9	1.6	186.6	186.6	-0.0

¹ Reflects the difference between the anticipated 2019/20 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2020/21 Business Plan, and the actual 2019/20 year end position.

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

Funding	Service	Amount (£m)	Reason for Change
Revised Phasing	All Services	-£6.6	<p>Capital programme variations budgets, -£6.6m:</p> <p>In 2016/17 the Capital Programme Board recommended that a 'Capital Programme Variations' line be included for each Service, which effectively reduces the capital programme budget. Capital programme variations budgets were included in the 2020/21 Business Plan, but these have been revised for 2020/21 as a result of the rolled forward and revised phasing exercise carried out in May 20.</p> <p>General Purposes Committee is asked to approve the -£6.6m revised phasing of the capital programme variations budgets.</p>
Additional/ Reduction in Funding (Specific Grants, Section 106 contributions and Community Infrastructure Levy contributions)	P&E	+£2.5	<p>Additional funding is anticipated for the Lancaster Way scheme as follows:</p> <ul style="list-style-type: none"> ○ Grant £1.391m ○ Section 106 contributions £0.988m ○ Community Infrastructure Levy contributions £0.150m <p>General Purposes Committee is asked to note the additional funding anticipated for the Lancaster Way scheme as above.</p>
Additional/ Reduction in Funding (Section 106 contributions)	P&E	+£0.3	<p>Additional existing Section 106 contributions of £0.256m are being allocated to the Fendon Road Roundabout.</p> <p>General Purposes Committee is asked to note the changes in Section 106 funding in relation to the Fendon Road Roundabout scheme as above.</p>
Additional/ Reduction in Funding (Other contributions)	P&E	-£0.7	<p>A -£0.694m correction is being made to the funding for the Coldham's Lane Roundabout scheme in 2020/21. The revised budget is now in line with the Combined Authority contributions agreed for the first stage of the scheme.</p> <p>General Purposes Committee is asked to note the correction to the Combined Authority contributions for the Coldham's Lane Roundabout scheme as above.</p>
Rolled Forward Funding	P&C	+£0.3	<p>In December 2019 General Purposes Committee approved additional prudential borrowing of £335k for the Abington Woods Special Educational Needs (SEN) scheme. This funding was not spent in 2019/20 and is still required to complete the project.</p> <p>General Purposes Committee is asked to</p>

			approve the carry forward of £0.3m capital funding from 2019/20 to 2020/21 in relation to the Abington Woods SEN scheme.
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7. BALANCE SHEET

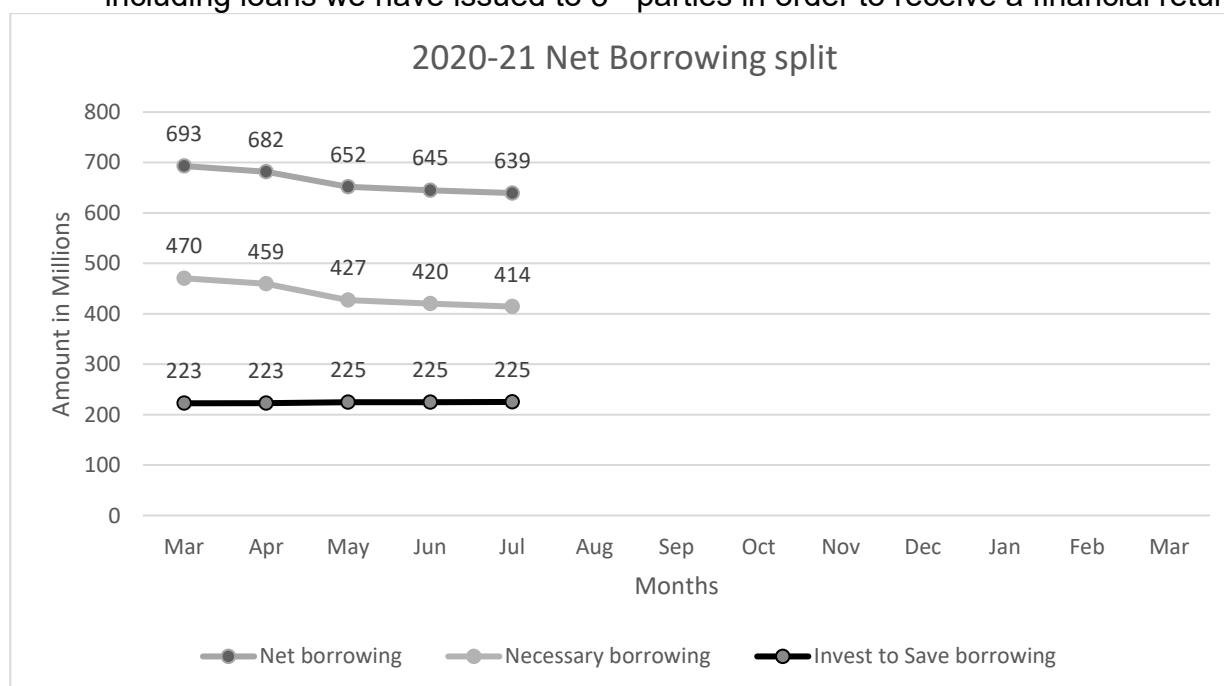
7.1 A more detailed analysis of balance sheet health issues is included below:

Measure		Year End Target	Actual as at the end of July 2020 ¹
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£6.54m
	Sundry	£1.71m	² £2.58m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days		95.0%	96.9%
% of Undisputed Commercial Supplier Invoices Paid Within Terms		85.0%	83.2%

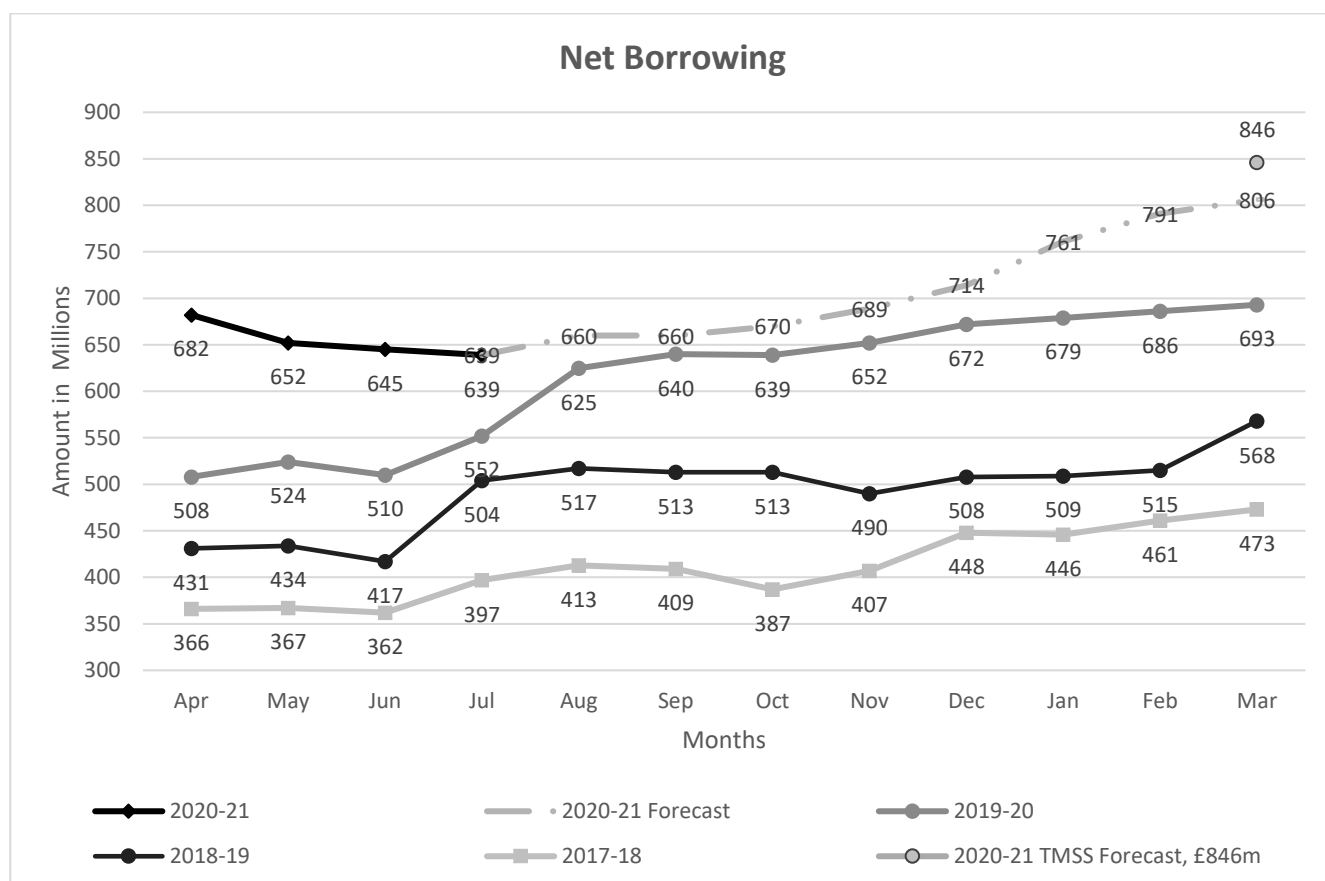
¹ The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £3.89m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

² Adjusted for invoices paid up to 4 August.

7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2020-21, it is estimated that £225m 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 graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of July 2020, investments held totalled £144.4m (excluding all 3rd party loans) and gross borrowing totalled £783.8m, equating to a net borrowing position of £639.4m.



- 7.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2019-20 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2020-21 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.
- 7.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2020-21 TMSS was set in February 2020, it anticipated that net borrowing would reach £846.0m by the end of this financial year. Based on the 2019-20 outturn position and subsequent revisions to the capital programme, this is now forecast to be £806.0m by the end of this financial year, remaining on target.
- 7.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner.
- 7.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of

cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

- 7.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 7.9 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 A good quality of life for everyone

There are no significant implications for this priority.

8.2 Thriving places for people to live

There are no significant implications for this priority.

8.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

This report provides the latest resources 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 Consultation 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 Monitoring Report (July 20) P&C Finance Monitoring Report (July 20) PH Finance Monitoring Report (July 20) CS and LGSS Cambridge Office Finance Monitoring Report (July 20) C&I Finance Monitoring Report (July 20) Capital Monitoring Report (July 20) Report on Debt Outstanding (July 20) CCC Prompt Payment Report (July 20)	1 st Floor, Octagon, Shire Hall, Cambridge

(Only virements of £1k and above (total value) are shown below)

[illegible]

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2020 £000s	Movements in 2020-21 £000s	Balance at 31 July 2020 £000s	Forecast Balance at 31 March 2021 £000s	Notes
General Reserves					
- County Fund Balance	17,658	1,829	19,487	19,390	
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	825	-228	597	284	
subtotal	18,483	1,601	20,084	19,674	
Earmarked					
- Specific Reserves					
5 Insurance	4,165	-419	3,746	3,746	
subtotal	4,165	-419	3,746	3,746	
- Equipment Reserves					
6 P&C	0	0	0	0	
7 P&E	0	0	0	0	
8 CS	3	-3	0	0	
9 C&I	0	0	0	0	
subtotal	3	-3	0	0	
Other Earmarked Funds					
10 P&C	1,097	0	1,097	1,097	
11 PH	2,728	0	2,728	2,469	
12 P&E	4,669	-94	4,575	1,312	Includes liquidated damages in respect of the Guided Busway
13 CS	5,360	-38	5,322	5,168	
14 Corporately Managed	63	0	63	63	
15 C&I	705	0	705	705	
16 Transformation Fund	24,593	7,953	32,546	28,269	Savings realised through change in MRP policy.
17 Innovate & Cultivate Fund	972	-71	901	442	
18 Corporate	14,612	11,512	26,124	0	Includes COVID-19 Support Grant 1st and 2nd tranches
subtotal	54,799	19,263	74,062	39,525	
SUB TOTAL	77,450	20,442	97,891	62,945	
Capital Reserves					
- Services					
19 P&C	2,518	0	2,518	0	
20 P&E	5,024	7	5,031	0	
21 Corporately Managed	0	0	0	0	
22 C&I	11,632	0	11,632	0	
23 Corporate	60,761	2,369	63,130	52,972	Section 106 and Community Infrastructure Levy balances.
subtotal	79,935	2,376	82,311	52,972	
GRAND TOTAL	157,385	22,818	180,203	115,917	

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 2020 £000s	Movements in 2020-21 £000s	Balance at 31 July 2020 £000s	Forecast Balance at 31 March 2021 £000s	Notes
- Short Term Provisions					
1 P&E	0	0	0	0	
2 P&C	224	-24	200	200	
3 CS	0	0	0	0	
4 Corporately Managed	2,093	0	2,093	2,093	
5 C&I	0	0	0	0	
subtotal	2,317	-24	2,293	2,293	
- Long Term Provisions					
6 Corporately Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	5,930	-24	5,906	5,906	

APPENDIX 3 – RECOMMENDATIONS FROM JUNE 20 REPORT

The June Integrated Finance Monitoring Report included two recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Finance Monitoring Report to be presented at a meeting of GPC was the May report, on 14th July 2020.

GPC is asked to approve the recommendations in the June report.

June 2020 Integrated Finance Monitoring Report

Two recommendations concerning funding changes, found in section 5:

5. FUNDING CHANGES

5.1 Coronavirus (COVID-19) pandemic funding- 3rd tranche

On 2nd July, the Ministry of Housing, Communities and Local Government (MHCLG) announced a third tranche of COVID-19 funding for councils. The Council received an additional £3.789m in unringfenced funds in August 2020. This funding is intended to help councils address the pressures they are facing in response to the pandemic and takes the total allocation to CCC from MHCLG under this heading to £29.9m. At this stage the Council is continuing to hold these grants centrally (reporting the additional funding under funding items in this report to GPC) rather than making a direct allocation to individual services given current uncertainties.

General Purposes Committee is asked to approve the earmarking of the unringfenced grant (£3.789m) due received in August 2020 for the purposes of responding to the coronavirus pandemic during 2020/21.

5.2 Coronavirus (COVID-19): Local authority Emergency Assistance Grant for Food and Essential Supplies

On 10th July, the Department for Environment, Food & Rural Affairs (DEFRA) published guidance on the Coronavirus (COVID-19): Local authority Emergency Assistance Grant for Food and Essential Supplies. This funding is for local authorities in England to use to support people who are struggling to afford food and other essentials due to COVID-19. The Council received £541k in unringfenced funds in July 2020, however there are monitoring stipulations and guidance from central government which makes clear there is an expectation funds will be broadly deployed in line with the purpose set out in the title.

As this is technically an unringfenced grant, General Purposes Committee is invited to agree allocation of the additional £541k funding to the People & Communities directorate for the purposes of supporting emergency assistance for food and essential supplies. The funds are required across additional demand for the Cambridgeshire Local Assistance Scheme (and existing CCC service that has been expanded due to the pandemic) as well as meeting the costs of the distribution centre the Council has established for essential supplies. Additionally some funds are allocated on a district-by-district basis to enable response to further needs.

General Purposes Committee is asked to approve the allocation of the £541k unringfenced grant (Local authority Emergency Assistance Grant for Food and Essential Supplies) to the People & Communities directorate, received in July 2020.

APPENDIX 4- Think Communities Transformation Fund Bid

Investment Proposal Supporting Information / Transformation Fund Bid

Bid Title	Think Communities - Creating a Unified Approach
Service Area / Directorate	People and Communities, Community & Safety Directorate
Sponsoring Director	Adrian Chapman

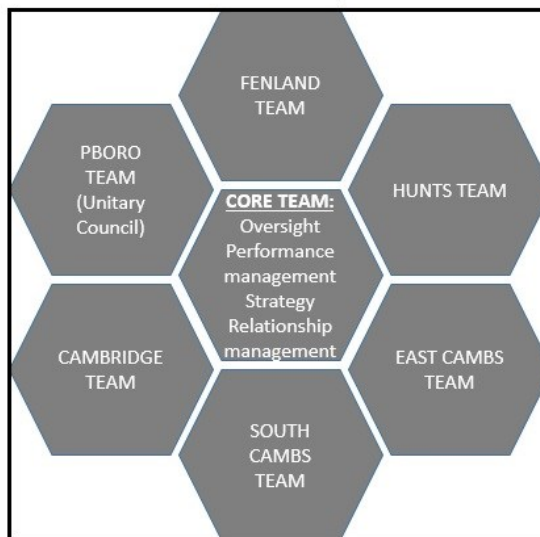
Brief Description of Bid	<p>Establishment of a Think Communities team, to coordinate place-focused people-centered support alongside local councils, voluntary and faith sector, community groups, housing providers, business, health, police and fire.</p> <p>Over the last 5 months, the coordinated Hub response has proven the concept of the Think Communities approach in real time supporting tens of thousands of residents to protect themselves from COVID-19, and as such not overload the NHS or other statutory services.</p> <p>This way of working together across all local councils, services and communities has resulted in some amazing individualised outcomes for our residents. It hasn't relied on public sector reform, but just a common-sense approach to working smarter together. This unified approach is something we want to build on.</p> <p>It is important that we now capitalise on the relationships, working arrangements and processes that have been shown to work well, as well as review where necessary, as we evolve our services into a new normal of test and trace, outbreak management and coping with the social, health and economic challenges which our citizens will face in the future, backed by the agreement made to adopt our four Grand Challenges.</p> <p>Resourcing the Peterborough and Cambridgeshire Think Communities approach in partnership with the rest of the system is the best way to continue to build resilience and sustainability within our communities to mitigate against those challenges and to realise the best possible recovery. The model seeks to enable a:</p> <ul style="list-style-type: none">• Coordinated place-focused people-centered support alongside local councils, voluntary and faith sector, community groups, housing providers, business, health, police and fire, in order to....• Make fast, joint decisions and take rapid creative action to address local issues and prevent escalation• Transformed VCS infrastructure support model, featuring:<ul style="list-style-type: none">– A coordinated system response to supporting volunteers– Quality VCS voice and representation– Governance support– Training and development• Timely, meaningful, appropriate, flexible data sharing - to enable a single version of the truth, joined up support and effective problem solving
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- Analysis and interpretation of data in order to support a focused partnership approach to real time challenges
- Transformation of services to evolve to a place-based commissioning model rooted in the community

The delivery model will deliver targeted preventative work to ensure people in receipt of statutory interventions are supported and enabled to reduce or even remove that dependency, and those households whose circumstances mean they may end up needing a statutory intervention in the future are prevented from reaching that point.

The teams will work in 6 geographical areas:

1. Coordination and Delivery



2. Supported by...

**Communications, Business Intelligence,
Transformation, Finance and Legal**

3. Assisted by...

Local Authority services: Libraries, Cambridgeshire Skills, Community Safety, Trading Standards, Registration services, Coroners, Youth and Community Workers

Partners— District and City Councils, Parish and Town Councils, CCG, Police and Fire, Voluntary Sector Agencies, Mutual Aid and Faith Groups.

We are proposing an initial two-year investment to build on our existing core-funded infrastructure, embed many of the features developed during the pandemic, and deliver highly practical outcomes in support of all service committees.

After the 18 months of transformation investment, it is expected that this approach and way of working will be embedded in the organisation and that ongoing work will be part of core budgets.

Role	Cost per post (£)	No. posts	CCC %	Total annual cost to CCC (£)	Existing funding (£)	Additional resource Sept 20 - March 21 (£)	Additional resource April 21 - March 22 (£)
Place co-ordinators	53,652	5	100%	268,260	107,304	93,891	160,956
Community Connectors	36,815	10	100%	368,150	0	214,754	368,150
Information Gateway Officer	36,815	1	70%	25,771	0	15,033	25,771
Data/Information Analyst	53,652	1	70%	37,556	0	21,908	37,556
Communications Officer	53,652	1	70%	37,556	0	21,908	37,556
Public Health Officer	53,652	1	100%	53,652	53,652	0	0
Transformation Officers	53,652	4	70%	150,226	0	87,632	150,226
Two existing unfunded posts	107,774	2	100%	107,774	0	62,868	107,774
				1,048,945	160,956	517,994	887,989

Other cost considerations	Cost (£)	Comments
Mileage	15,000	
Community Vehicle	75,000	
Enabling budget	50,000	£10k p/a per place co-ordinator
Total additional resource	140,000	

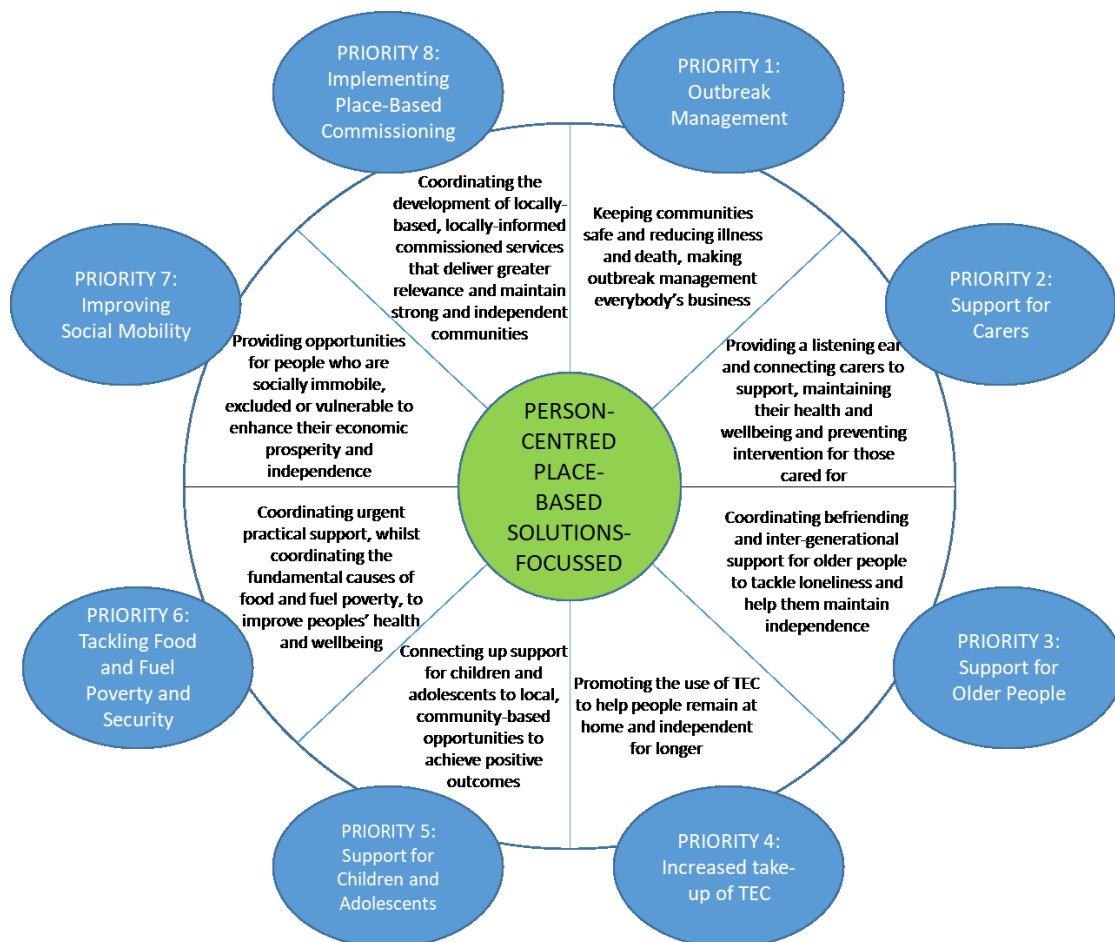
Type of Bid	<p>Invest to improve</p> <p>This work is highly preventative in nature – the evidence from mobilising the approach during the pandemic, at least in part, has shown that people have been kept safe and well and have not therefore needed statutory intervention. For example, many people have been ‘found’ in very poor health through the work of the Hub via home visits, and community based support has been put in place to prevent further escalation.</p> <p>The approach will lead to demand reductions through offering alternative interventions to people already in receipt of services and by ensuring those not yet receiving services is supported to maintain independence or improve their social mobility.</p> <p>Potential cost avoidance and savings areas include (but are not limited to):</p> <ul style="list-style-type: none"> • Cost avoidance relating to increased demand across services from communities living in more deprived areas, or who are more vulnerable to COVID-19. • Some prevention, delay and reduction in Adult Social Care demand as a result of delay to domiciliary care and residential care packages. • Support to deliver TEC savings as part of the Adults Positive Challenge programme. • Reductions in Children’s Social Care costs, domestic violence referrals, and Youth Offending Service involvements.
Strategic Links	<p>The work we have led to stand up arrangements to support our most vulnerable residents and communities during the pandemic has enabled us to test in real time the work we had done to develop the Think Communities approach prior to the lockdown. We have brought together the whole system to corral and coordinate support, to build community capacity, to support our key partners with data and intelligence, and redeploy staff into roles and functions that have placed them at the heart of communities.</p>

This approach has inevitably led to thousands of people staying safe and being protected from harm, and not needing to access costly statutory services including health and social care.

Think Communities as a concept has already been agreed and adopted by both councils, and the wider system via the Public Services Board, as the way we want to work, and we have built the momentum needed through the pandemic to demonstrate the difference that can be achieved.

The relationships we now have with our district and city council partners, parish and town councils and their representative bodies, other public sector organisations, voluntary sector agencies and faith groups is compellingly positive and productive. This is evidenced in the Community Reference Group which was stood up as part of the response to the pandemic. The group still has in the region of 35 organisations in attendance with a wide array of focused discussion and work spinning out from it. We will continue with this group through recovery and beyond. Many of these partners are making their own commitments – which include resource contributions, both in terms of capacity and finances - to the system wide Think Communities approach.

The initial priority themes described above have been identified as a result of a range of inputs: evidence drawn from the pandemic, data and intelligence relating to poverty, and social care data:



Cash Flow	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000
Revenue Advance	624	970	0	0	0
Capital Advance	0	0	0	0	0
Repayment	0	0	0	0	0

Pay Back Period in Years	No direct pay back expected – cost avoidance and additional savings across all service areas
Savings/Investment Ratio over 10 Years	

Measure of Performance Improvement	Baseline	20/21	21/22	22/23	24/25
<i>Not applicable</i>					

Risks and Contingencies	<p>We have spent considerable time working alongside all of our partners pre-pandemic to develop the concepts and principles of Think Communities. We have then adopted that approach at the heart of our work during the pandemic, testing and adapting as we've gone along. Risk of failure is hugely mitigated as a result, as we have shown that there is a different way to work together to achieve better outcomes for vulnerable people and communities.</p> <p>A full risk assessment will however be developed in consultation with our partners.</p>
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Decision and Date	
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General Purposes Committee is asked to approve the Think Communities - Creating a Unified Approach application for up to £1,686,000 Transformation Funding over the next two years.