

**INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING
30TH NOVEMBER 2018**

To: Audit & Accounts Committee

Date: 24 January 2019

From: Chief Finance Officer

Electoral division(s): All

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

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

Recommendations: The committee is asked to note the following recommendations made to General Purposes Committee on 22 January 2019:

- a) Approve additional prudential borrowing of £36,000 in 2018/19 for the North Angle Solar Farm project, as set out in section 5.7;
- b) Approve allocation of the Levy Account Surplus grant (£987,000) to the corporate grants account within Funding Items, as set out in section 6.2. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

[Subject to the General Purposes Committee's agreement this change will be visible in the report up to 31Dec18]

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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

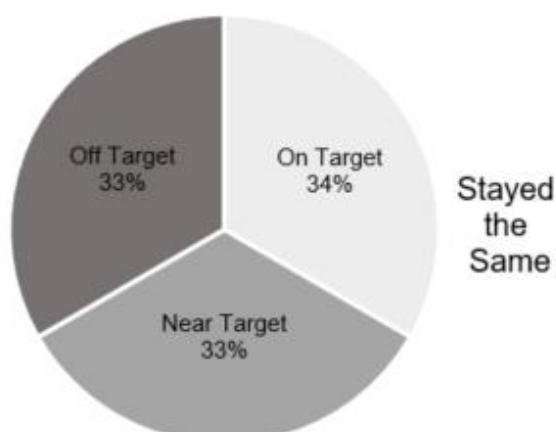
- 2.1 The following summary provides a snapshot of the Authority's performance against its indicators around outcomes, its forecast financial position at year-end and its key activity data for care budgets.

2.2 Change in indicators:

Data available as at: 30/11/2018

Outcomes: 94 indicators about outcomes are monitored by service committees. They have been grouped by outcome area and their status is shown below.

Older people live well independently

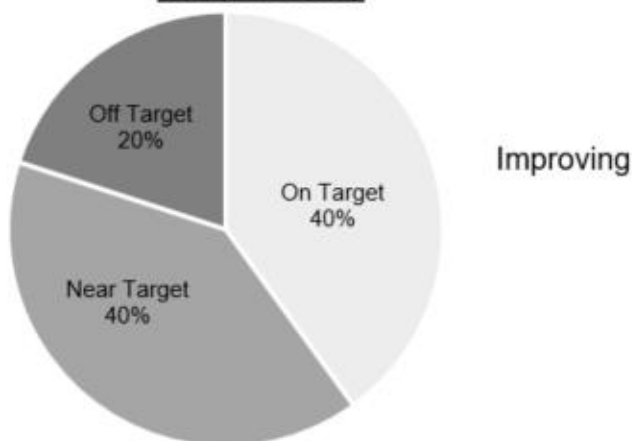


7 indicators, 4 of which do not have targets

Older people live well independently - Stayed the Same

Out of the 7 indicators for this outcome 3 have targets. One indicator was 'on target', one 'near target', and one 'off target'; they have all remained the same status since last month. The indicator that remained 'off target' was 'Average monthly number of bed day delays (social care attributable) per 100,000 18+ population' which decreased from 143 to 142, but is still above the target of 114. The council is continuing to invest considerable amounts of staff and management time into improving performance in this area, and working with colleagues in health to ensure correct and timely discharges from hospital.

People with disabilities live well independently

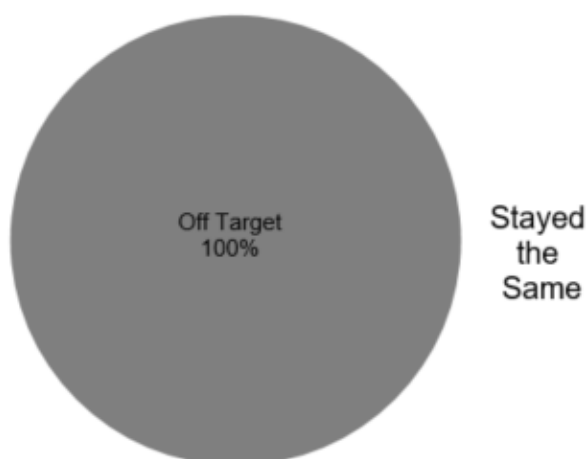


6 indicators, 1 of which do not have targets

People with disabilities live well independently – Improving

There are 6 indicators for this outcome and 5 have targets. 4 of these indicator's statuses did not change since last month, 1 'on target', 2 'near target', and 1 'off target'. The indicator that was 'off target' that stayed the same was 'Proportion of adults with a primary support reason of learning disability support in paid employment (year to date)'. No new data is currently available for this indicator so it still represents September's data. This is due to the ongoing migration of service data to the Mosaic system. The overall improving of performance in this indicator reflects a change in the status of the indicator 'Proportion of adults, in contact with secondary mental health services, who are in paid employment' which increased from 11.9% to 12.6% (target = >12.5%).

Adults and children are kept safe



8 indicators, 4 of which do not have targets

Adults and children are kept safe – Stayed the Same

There are 8 indicators for this outcome 4 of which have targets. All 4 indicators with targets have not changed status since last month, they are all still rated 'off target'. The first indicator that remained 'off target' was '% children whose referral to social care occurred within 12 months of a previous referral'. Performance for this indicator did improve; decreasing from 22.4% to 20.4%, but is still above the target of 20% (lower is better). The second indicator that remained 'off target' was 'Number of children with a Child Protection Plan per 10,000 population under 18', which increased from 36.8 to 37.1. The third indicator that remained 'off target' was 'Proportion of children subject to a Child Protection Plan for the second or subsequent time (within 2 years)'. Performance for this indicator did improve: decreasing from 13.3% to 10.1%, but is still above the target of 5%. The last indicator with a target that remained 'off target' was 'The number of looked after children per 10,000 population under 18' which increased from 53.2 (in October) to 56.3 (in November).

Further commentary about all these indicators, including the 4 that do not have a target, can be found in the People's and Communities finance and performance report.

People live in a safe environment

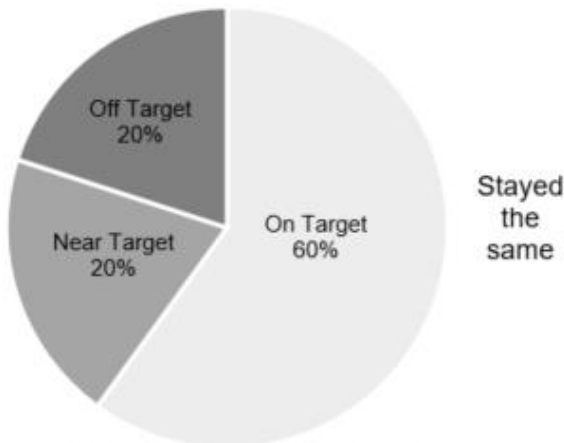


6 indicators, 3 of which do not have targets

People live in a safe environment – Stayed the same

3 out of the 6 indicators for this outcome have targets, one was 'on target', one 'near target', and one 'off target'. All three have not changed status from the previous month. The indicator that was 'off target' was 'Killed or seriously injured (KSI) casualties - 12-month rolling total'. The most recent data available for this indicator is from April 18 so its status has not changed. However, there has been a downward trend in this figure since August 2017, and if this trend continues it is anticipated to be within 10% of the target at year end.

The Cambridgeshire economy prospers to the benefit of all residents



15 indicators, 5 of which do not have targets

The Cambridgeshire economy prospers to the benefit of all residents – Stayed the same

There are 15 indicators for this outcome and 10 have targets, 6 were 'on target', 2 'near target', and 2 'off target'. All 10 indicators have not changed status from the previous month. The first indicator that was 'off target' was 'The average journey time per mile during the morning peak on the most congested routes', this was last measured in August 17 and an updated figure is not available hence the rating has not changed. The second 'off target' indicator was 'Classified road condition - narrowing the gap between Fenland and other areas of the County', this is an annual figure (2017/18) and will not be updated until the next financial year so will remain 'off target'.

Places that work with children help them to reach their potential



14 indicators, 2 of which do not have targets

Places that work with children help them to reach their potential – Worsening

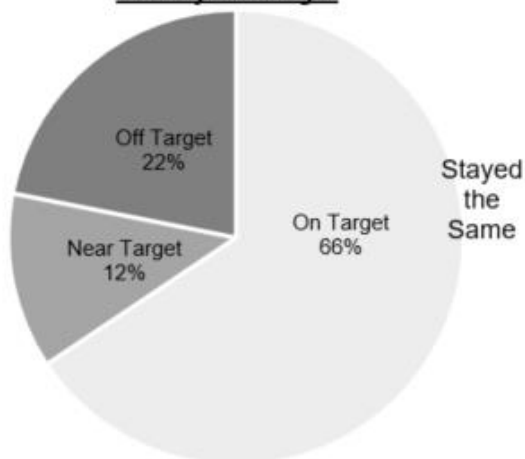
There are 14 indicators for this outcome and 12 have targets; 3 'on target', 6 'near target', and 3 'off target'. All 12 indicators with targets have not changed status since last month. The first indicator that remained 'off target' was '% of EHCP assessments completed within timescale' which decreased from 50% to 40% (target = >70%). The decrease in performance has been affected by a higher number of requests for EHCPs this year, compared to previous years. The rate of requests for an EHCP review have trebled since 2015. This is primarily as a result of increases in population and overall complexity of needs rising. In 2018, the statutory assessment team has

experienced high staff turnover and long term sickness this year. In response to these challenges, an action plan was implemented in October which increased the number of statutory assessment casework officers and refocused business support to ensure more timescales are met. The recent review of senior management structures in Education has created a new Assistant Director for SEND and Inclusion – this will help create further strategic capacity to drive reform in high needs services.

The second indicator that remained 'off target' was '% of disadvantaged households taking up funded 2 year old childcare places'. The data for this indicator reflects the summer term and as it is a termly, not monthly indicator, it will remain 'off target' until the data for the Autumn 2018 term is available.

The last indicator that remained 'off target' was 'Pupils attending schools that are judged as Good or Outstanding (Special Schools)'. This indicator decreased from 87.0% to 93.1%. However, it should be noted this decrease in percentage does not reflect a change in Ofsted ratings of any of the special schools but is due to changes in pupil numbers at the special school at the start of the new school year.

People lead a healthy lifestyle and stay healthy for longer



36 indicators, 4 of which do not have targets

People lead a healthy lifestyle and stay healthy for longer – Improving

There are 34 indicators for this outcome and 32 have targets. 21 'on target', 4 'near target', and 7 'off target'. All indicators with targets have not changed status since last month. 3 of the indicators that remained 'off target' are quarterly indicators and reflect 2018 Q2 data (Jul - September), so will remain red until then end of Q3 (October - December).

Performance for two of the indicators that remained 'off target' improved. These were 'Number of visitors to libraries/community hubs - year-to-date' which increased from 498,041 to 517,072 (target for Q1 = 600,000), and 'Smoking Cessation - four week quitters' which increased from 617 (64% of YTD target) to 787 (82% of YTD target; YTD target for September = 960).

Another of the indicators that remained 'off target' did not change in value from last month. This was '% of Tier 2 clients recruited who complete the course and achieve 5% weight

loss' which remained at 24% from September to October.
Finally, performance for the final indicator that was 'off target' decreased. This indicator was 'Number of outreach health checks carried out' which changed from 610 (68% of YTD target) to 694 (66% of YTD target; YTD target for October = 1050).

Key Pressures
<ul style="list-style-type: none">- Residential and nursing placements for older people are increasing against the April 18 baseline.- The number of children in care has significantly increased this financial year.- The number of children on a child protection plan has increased this financial year. <p>See following page for details.</p>

- 2.3 The master file of performance indicators and latest Corporate Risk Register are available [here](https://tinyurl.com/yd96a2vw), (<https://tinyurl.com/yd96a2vw>).

Finance and Risk

Revenue budget forecast

+£4.4m (1.2%)
variance at end of
year

RED

This is a £0.068m decrease
in the revenue forecast
pressure since last month.

This is a +£0.090m increase
in the forecast in-year
capital expenditure
compared to last month.

Capital programme forecast

-£8.2m (-2.8%) variance
at end of year

GREEN

Residual risk score	Green	Amber	Red
Number of risks	0	8	2

*Latest Review: July 2018

Transformation Programme	Transformation Fund
43 Early ideas ↑ 196 Business cases in development ↓ 23 Projects being implemented ↔	13 projects rated Green ↑ 1 rated Amber (reflecting some need to re-phase savings) ↔ 2 rated Red (risk of non-delivery of savings or benefits) ↔

Number of service users supported by key care budgets

Older people aged 65+ receiving long term services

	Nov-18	Apr-18	Trend since Apr-18
Nursing	450	410	Increasing
Residential	857	847	Increasing
Community	2,187	2,023	Increasing

Adults aged 18+ receiving long term services

	Nov-18	Apr-18	Trend since Apr-18
Nursing	31	26	Increasing
Residential	317	309	Increasing
Community	1,931	1,933	Stayed the Same

Children open to social care

	Nov-18	Apr-18	Trend since Apr-18
Looked after children	764	715	Increasing
Child protection	492	483	Increasing
Children in need*	2,181	2,225	Decreasing

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

Public Engagement

	Nov-18	Apr-18	Trend since Apr-18
Contact Centre Engagement	13,135 Phone Calls 5,332 Other	12,763 5,316	Increasing Decreasing
Website Engagement (cambridgeshire.gov.uk)	177,742 Users 265,624 Sessions	154,319 229,409	Increasing Increasing

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

2.4 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end pressure of +£4.4m (+1.2%); a decrease of £0.1m on the forecast pressure reported in October. There have been increases in People & Communities (P&C) offset by a decreased pressure in Commercial & Investment (C&I). The LGSS Operational forecast is a £76k pressure. See section 3 for details.
- The Capital Programme is forecasting a year-end underspend of -£8.2m. This includes use of the capital programme variations budget. See section 5 for details.

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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)

Forecast Variance (Oct) £000	Service	Current Budget for 2018/19 £000	Actual (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Nov) %	Overall Status	DoT
0	Place & Economy	55,356	35,146	-59	-0.1%	Green	↑
4,031	People & Communities	243,251	136,294	4,382	1.8%	Red	↓
-391	Public Health	629	-5,082	-391	-	Green	↔
72	Corporate Services	6,883	5,980	74	1.1%	Amber	↓
184	LGSS Managed	11,186	9,680	126	1.1%	Amber	↑
6,438	Commercial & Investment	-8,797	2,269	6,135	-	Red	↑
-1,176	CS Financing	25,983	4,808	-1,176	-4.5%	Green	↔
9,158	Service Net Spending	334,491	189,095	9,091	2.7%	Red	↑
-1,795	Funding Items	15,677	6,638	-1,795	-11.5%	Green	↑
-2,950	Open Purchase Order Reconciliation	0	-2,950	-2,950	-	Green	↔
4,413	Subtotal Net Spending	350,168	192,783	4,346	1.2%	Red	↑
Memorandum items:							
77	LGSS Operational	8,835	5,356	76	0.9%	Amber	↑
4,490	Grand Total Net Spending	359,003	198,139	4,422	1.2%	Red	↑
Schools		198,140					
Total Spending 2018/19		557,143					

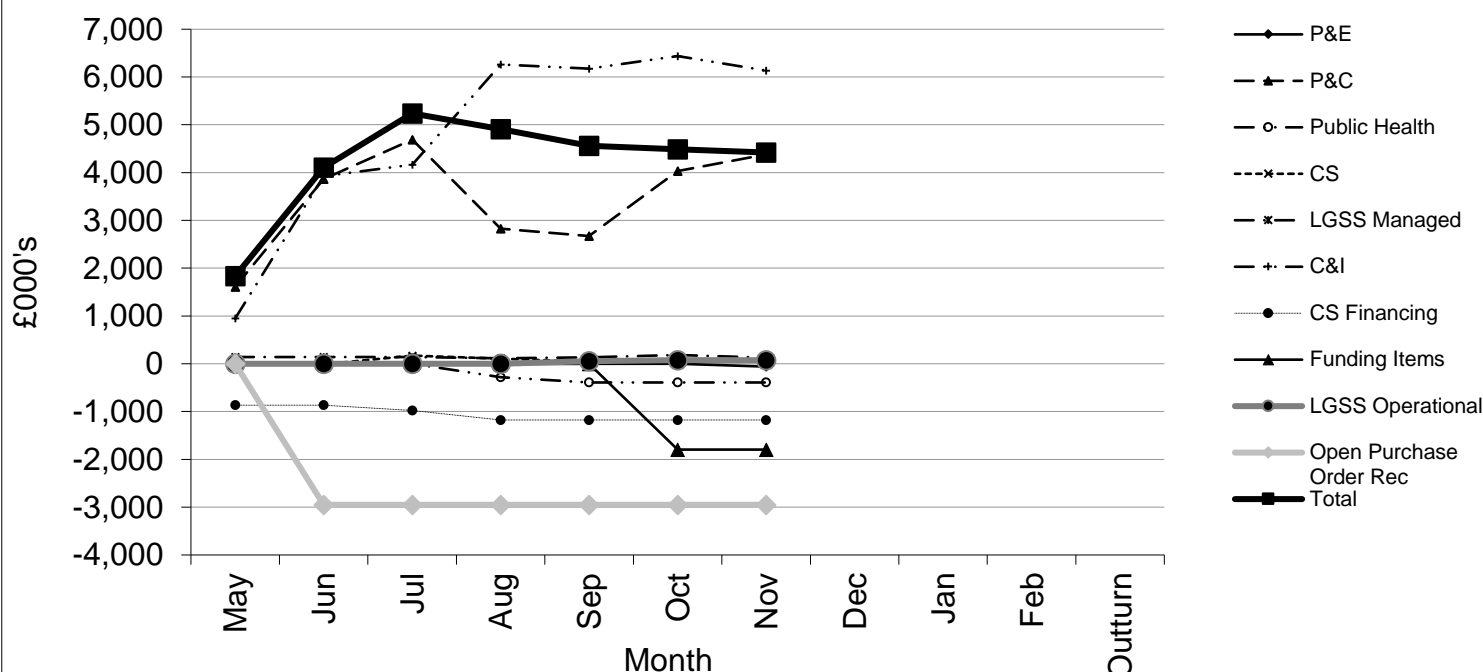
¹ The budget figures in this table are net.

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

³ The budget of £629k stated for Public Health consists of £391k cash limit and £238k funded from the carried forward Public Health reserve. In addition to this, Public Health has a budget of £25.4m 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 £392k Flood Authority Levy and £6.2m 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.

Forecast Outturn Position 2018/19



3.2 Key exceptions this month are identified below.

3.2.1 **Place & Economy:** -£0.059m (-%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/yc8s7lh4) (<https://tinyurl.com/yc8s7lh4>).

3.2.2 **People & Communities:** +£4.382m (+1.8%) pressure is forecast at year-end.

- | | £m | % |
|---|--------|-------|
| <ul style="list-style-type: none"> Learning Disability Partnership (LDP) – a +£2.557m pressure is forecast. This is an increase of £0.305m on the position previously reported in September, of which £0.242m relates to a change since last month. This is the Council's 78% share of a pooled budget with the NHS. Increases in the forecast position for the LDP in the last several months including November have been due to changes in care costs; demand for services, mainly through changing needs of existing service-users, has consistently exceeded the monthly expectation on which budgets were based. Part of the overall pressure relates to delays to savings plans, with some expected to be delivered in 2019/20 instead of in-year, but savings delivery remains good and on track for the revised phasing. | +2.557 | (+4%) |
| <ul style="list-style-type: none"> Older People's and Physical Disabilities Services – a +£0.840m pressure is forecast across Older People's and Physical Disabilities Services. This is a £0.545m increase in the pressure previously reported last month. Both services are seeing increasing prices for residential and nursing placements; unit costs of all types of care are generally increasing month-on-month and | +0.840 | (+1%) |

the mix of placements is shifting towards more expensive care types, especially nursing care. This is partially due to moving into winter, as well as work to accelerate discharges from hospitals, and is exacerbated by constrained capacity in the domiciliary care market. Work is underway to address these issues, particularly the latter, with funding announced by central government in the recent budget. Savings delivery in year has been on target, and the service is engaged in the Adults Positive Challenge Programme to enhance preventative services in the future and better manage demand on services.

- Looked After Children (LAC) Transport**– a +£0.300m pressure is forecast. LAC Transport is anticipated to be £300k over budget, as a result of an overall increase in Looked after Children, meaning that more children are requiring Home to School Transport. Many of these children are placed out of county and/or at a significant distance away from their schools leading to high transport costs. *(Please note that this pressure was included in the October forecast figures but the exception reporting was omitted from the Integrated Resources & Performance Report in error.)*

+0.300	(+18%)
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- Strategic Management – Adults** – a -£2.916m underspend is forecast. This is a £0.430m increase in the underspend position previously reported last month. A number of mitigations have been applied to this budget line to offset care cost pressures across Adult Social Care. The majority of this is the application of grants from central government, specifically elements of the Improved Better Care Fund and Adult Social Care Support grants, which are given for the purpose of meeting demand pressures on the social care system and to put in place measures to mitigate that demand.

-2.916	(-38%)
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- A combination of more minor variances, and previously reported exceptions disclosed in individual reports sum with the above to lead to an overall outturn of +£4.382m. For full and previously reported details see the [P&C Finance & Performance Report \(https://tinyurl.com/yaws8sj4\)](https://tinyurl.com/yaws8sj4).

3.2.3 **Public Health:** -£0.391m (-%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [PH Finance & Performance Report \(https://tinyurl.com/ydeulzyx\)](https://tinyurl.com/ydeulzyx). *(Please note that the Public Health report will be available at the link above following the publication of the Health Committee agenda.)*

3.2.4 **Corporate Services:** +£0.074m (+1.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

3.2.5 **LGSS Managed:** +£0.126m (+1.1%) pressure is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

- 3.2.6 **CS Financing:** -£1.176m (-4.5%) underspend is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 3.2.7 **Commercial & Investment:** +£6.135m (-%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report](https://tinyurl.com/y9fumwky) (<https://tinyurl.com/y9fumwky>). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*
- 3.2.8 **Open Purchase Order Reconciliation:** -£2.950m underspend is forecast. There are no exceptions to report this month.
- 3.2.9 **LGSS Operational:** +£0.076m (+0.9%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).

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

4. KEY ACTIVITY DATA

- 4.1 The latest key activity data for: Looked After Children (LAC); Special Educational Needs (SEN) Placements; Adult Social Care (ASC); Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C Finance & Performance Report](https://tinyurl.com/yaws8sj4) (section 2.5) (<https://tinyurl.com/yaws8sj4>).

5. CAPITAL PROGRAMME

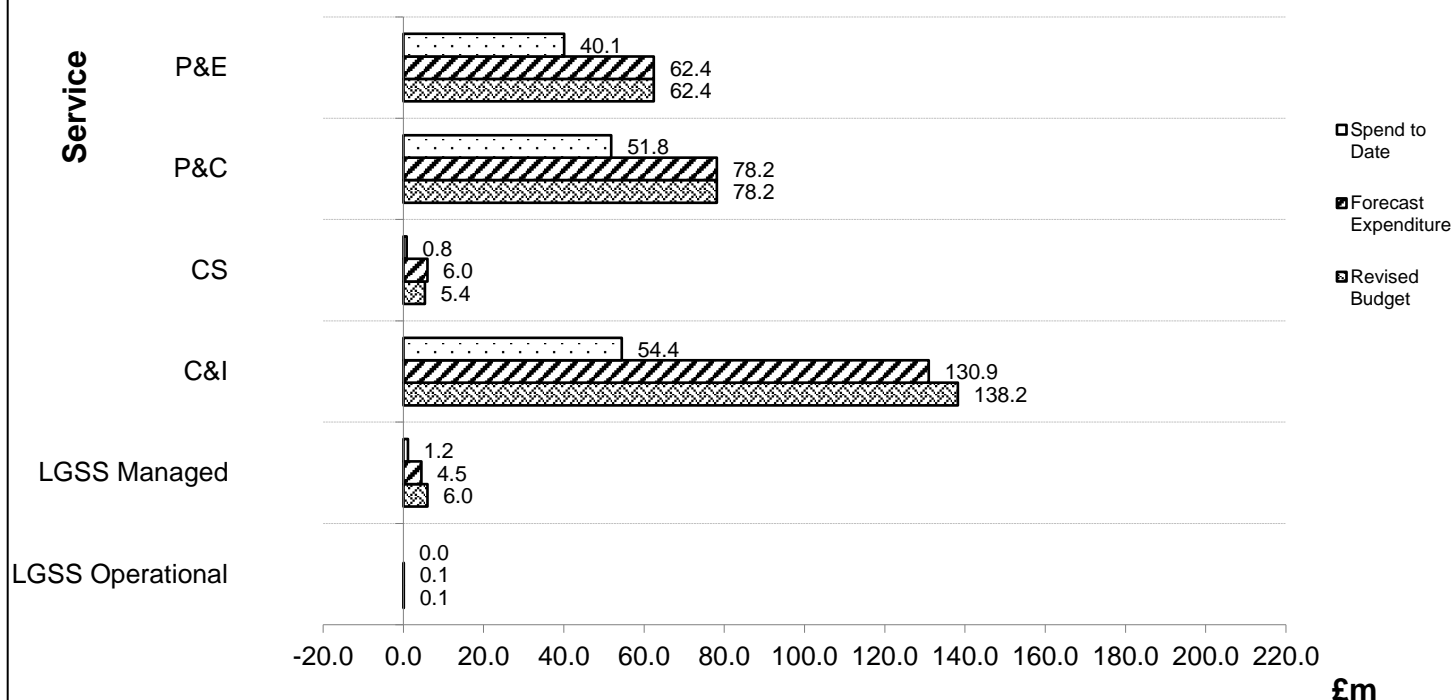
5.1 A summary of capital financial performance by service is shown below:

2018-19							TOTAL SCHEME	
Original 2018/19 Budget as per Business Plan £000	Forecast Variance - Outturn (Oct) £000	Service	Revised Budget for 2018/19 £000	Actual- Year to Date (Nov) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
35,956	-	P&E	62,449	40,060	-	0.0%	445,596	-
87,820	-0	P&C	78,157	51,807	-0	0.0%	669,433	15,751
2,038	516	CS	5,369	835	606	11.3%	19,437	-
6,415	-1,556	LGSS Managed	6,013	1,162	-1,556	-25.9%	6,963	-172
123,274	-7,277	C&I	138,217	54,414	-7,277	-5.3%	266,164	-147
-	-	LGSS Operational	134	-	-	0.0%	2,025	-
-	-	Outturn adjustment	-	-	-	-	-	-
255,503	-8,317	Total Spending	290,339	148,277	-8,227	-2.8%	1,409,618	15,432

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 5.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2018/19 of £26.1m and is currently forecasting a balanced budget at year-end
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

Capital Programme 2018/19



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

5.2 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.

2018/19					
Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Nov) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Nov) £000
P&E	-14,931	-6,039	6,039	40.45%	0
P&C	-10,469	-8,360	8,360	79.86%	-0
CS	-951	606	0	0.00%	606
LGSS Managed	-1,479	-3,035	1,479	100.00%	-1,556
C&I	-33,805	-41,082	33,805	100.00%	-7,277
LGSS Operational	0	0	0	-	0
Outturn adjustment	-	-	-	-	-
Total Spending	-61,635	-57,910	49,683	80.61%	-8,227

5.3 As at the end of November 2018, LGSS Managed and Commercial and Investment schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£1.6m and -£7.3m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no adjustment has been made to the outturn.

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

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

	£m	%
<ul style="list-style-type: none"> Delivering the Transport Strategy Aims – an in-year underspend of -£0.25m is forecast across Delivering the Transport Strategy Aims schemes. This is primarily due to rephasing on the following scheme: <ul style="list-style-type: none"> Cycling Improvements: an in-year underspend of £0.2m is forecast. In relation to the Papworth to Cambourne project, Highways England have now secured some funding from their central ‘Designated Funds’. Their consultants will undertake the detailed design of this scheme. As a result there will be less spend on this project for this financial year than originally anticipated, with funding carried forward into 2019/20. 	-0.3	(-8%)
<ul style="list-style-type: none"> Cycling Schemes – an in-year underspend of -£1.0m is forecast across Cycling Schemes. This is primarily due to rephasing on the following scheme: <ul style="list-style-type: none"> Abbey-Chesterton Bridge: an in-year underspend of £1.0m is forecast. The construction contract has now been let to Tarmac and it is forecast that the outturn spend will be £1.0m less than originally profiled, due to delays in finalising land deals, and will be carried forward into 2019/20. The Tarmac contract includes the new bridge as well as Phase 1 of The Chisholm Trail, with completion planned for mid-2020. 	-1.0	(-32%)
<ul style="list-style-type: none"> P&E Capital Variation – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £6.0m underspend is balanced by use of the capital variations budget; this is an increase of £1.2m on the use of variations budget reported last month and relates primarily to the underspends on Cycling Improvements and Abbey-Chesterton Bridge as reported above. 	+6.0	(+40%)
<ul style="list-style-type: none"> For full and previously reported details see the P&E Finance & Performance Report (https://tinyurl.com/yc8s7lh4). 		

5.4.2 **People & Communities:** a balanced budget is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • Basic Need – Secondary – an in-year underspend of -£7.6m is forecast. This is a decrease of £0.3m on the underspend previously reported last month. This is mainly due to accelerated spend on the following scheme: <ul style="list-style-type: none"> ○ Cambourne Village College; The forecast rephasing on the scheme has reduced from £1,932k to £1,599k since last month; £333k accelerated spend is forecast as enabling works for the site and the haul road have begun approximately 6 weeks ahead of the anticipated schedule. 	-7.6	(-21%)
<ul style="list-style-type: none"> • P&C Capital Variation – as agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall. Therefore the net £8.4m underspend is balanced by use of the capital variations budget; this is a decrease of £0.4m on the use of variations budget reported last month and primarily relates to the decreased underspend on Basic Need – Secondary schemes as reported above. 	+8.4	(+80%)
<ul style="list-style-type: none"> • For full and previously reported details see the P&C Finance & Performance Report (https://tinyurl.com/yaws8sj4). 		

5.4.3 **Corporate Services:** a +£0.6m (+11%) in-year pressure is forecast at year-end.

	£m	%
<ul style="list-style-type: none"> • Capitalisation of Transformation Team – an in-year pressure of +£0.3m is forecast. A greater proportion of the cost of the Transformation Team is being funded from capital receipts in 2018/19 due to a decrease in the amount of Transformation Team work being funded from other sources. In addition to this, some staff time in HR will also be funded from capital receipts. All of this pressure is offset by capital receipts. 	+0.3	(+23%)
<ul style="list-style-type: none"> • For full and previously reported details see the CS & LGSS Finance & Performance Report (https://tinyurl.com/y7cepmqn). 		

5.4.4 **LGSS Managed:** a -£1.6m (-25.9%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

5.4.5 **Commercial & Investment:** a -£7.3m (-5.3%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report \(https://tinyurl.com/y9fumwky\)](https://tinyurl.com/y9fumwky). (Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)

5.4.6 **LGSS Operational:** a balanced budget is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report \(https://tinyurl.com/y7cepmqn\)](https://tinyurl.com/y7cepmqn).

- 5.5 A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:
- 5.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [P&E Finance & Performance Report](https://tinyurl.com/yc8s7lh4) (<https://tinyurl.com/yc8s7lh4>).
- 5.5.2 **People & Communities:** a +£15.8m (+2%) total scheme overspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [P&C Finance & Performance Report](https://tinyurl.com/yaws8sj4) (<https://tinyurl.com/yaws8sj4>).
- 5.5.3 **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](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 5.5.4 **LGSS Managed:** a -£0.2m (-3%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).
- 5.5.5 **Commercial & Investment:** a -£0.1m (-0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the [C&I Finance & Performance Report](https://tinyurl.com/y9fumwky) (<https://tinyurl.com/y9fumwky>). *(Please note that the C&I report will be available at the link above following the publication of the C&I Committee agenda.)*
- 5.5.6 **LGSS Operational:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the [CS & LGSS Finance & Performance Report](https://tinyurl.com/y7cepmqn) (<https://tinyurl.com/y7cepmqn>).

5.6 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	17.5	4.1	-0.4	2.4	23.6	23.6	-
Basic Need Grant	24.9	-	-	-	24.9	24.9	-
Capital Maintenance Grant	4.0	-	0.2	-	4.2	4.2	-
Devolved Formula Capital	1.0	0.7	-	-0.1	1.6	1.6	-
Specific Grants	6.5	4.4	-1.0	-	9.9	8.2	-1.8
S106 Contributions & Community Infrastructure Levy	11.0	3.0	-0.5	-0.5	12.9	11.8	-1.1
Capital Receipts	81.1	-	-15.9	-	65.2	45.7	-19.5
Other Contributions	12.1	-	-3.6	5.9	14.3	14.2	-0.1
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	97.3	92.4	-70.9	14.8	133.6	147.8	14.2
TOTAL	255.5	104.6	-92.2	22.5	290.3	282.1	-8.2

¹ Reflects the difference between the anticipated 2017/18 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2018/19 Business Plan, and the actual 2017/18 year end position.

- 5.7 Additional funding of £36k is requested in 2018/19 for the North Angle Solar Farm project. This project is to construct a solar farm on 200 acres of rural estate property bordering CCC's solar farm at Triangle Farm with a view to generate income from the sale of electricity and contribute to national carbon reduction targets. The North Angle Solar Farm is estimated to generate over 33,000 MWh per year which is equivalent to the amount used by about 9,000 households per year; the scheme will therefore avoid a significant amount of carbon dioxide entering the atmosphere. The electricity generated will create a net revenue of £500k in the first year, increasing with expected increases in the generation tariff. The full scheme budgets will be submitted for approval as part of the 2019-20 Business Planning process; the 2018/19 funding requires GPC approval now to fund initial planning and design work including an Investment Grade Proposal. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (total borrowing £23.218m) will start in 2021/22 at £1.493m, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £36,000 in 2018/19 for the North Angle Solar Farm project.

6. FUNDING CHANGES

- 6.1 Where there has been a material change in 2018/19 grant allocations to that budgeted in the Business Plan (BP) i.e. +/- £160k, this will require Strategic Management Team (SMT) discussion in order to gain a clear and preferred view of how this additional/shortfall in funding should be treated. The agreed approach for each grant will then be presented to the GPC for approval.

6.2 Surplus on the Levy Account additional allocation

In the Provisional Local Government Finance Settlement 2019/20 published on 13th December 2018 the Government announced its intention to distribute £180m of the surplus on the 2018-19 business rates retention levy account to local authorities. National Non-Domestic Rates (NNDR3) data published on 21 November 2018 confirmed that, as a result of growth in business rates collected by authorities in 2017-18 and the associated levy payments, there is a surplus in the Government's 2018-19 levy account.

The provisional allocations of £180m of the levy account surplus are based on the 2013-14 settlement funding assessment – the sum of each local authority's Revenue Support Grant and Baseline Funding Level allocations. Cambridgeshire County Council's provisional allocation is £987k.

It is proposed that this additional income is held in the corporate grants section of Funding items, and transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval.

General Purposes Committee is asked to approve the allocation of the Levy Account Surplus grant (£987,000) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

6.3 Adult Social Care Winter pressures grant

The Council is receiving an additional £2.324m in 2018-19 to spend on Adult Social Care to alleviate winter pressures. The Council is required to certify that the totality of this

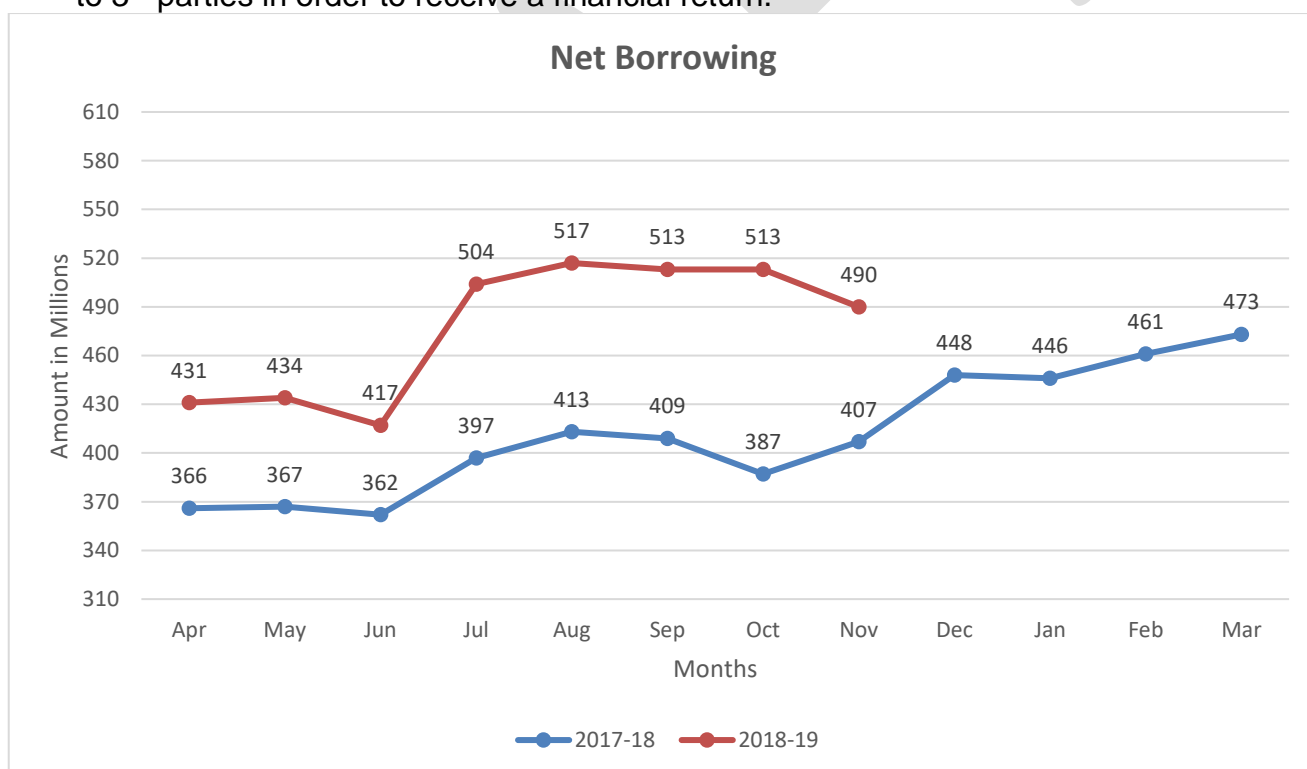
funding will be spent on Adult Social Care, meaning that the funds are ring-fenced and so must be allocated to the Adults Committee rather than as determined by GPC. The December meeting of the Adults Committee considered the distribution of this grant and related issues in more detail (see item 4 at <https://tinyurl.com/item4AdulWint>).

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 Nov 2018
Level of debt outstanding (owed to the council) 91 days +, £m	Adult Social Care	£3.37m	£4.06m
	Sundry	£1.71m	£5.13m

7.2 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. The levels of investments at the end of November 2018 were £68m (excluding 3rd party loans) and gross borrowing was £558m. Of this gross borrowing, it is estimated that £115m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



7.3 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2018-19 TMSS was set in February 2018, it was anticipated that net borrowing would reach £683m at the end of this financial year. Based upon latest projections of Balance Sheet cash-backed reserves and the Capital Programme borrowing requirements, this is now forecast to be lower at £630m. This position will be monitored as the year progresses to establish the full year final position.

- 7.4 From a strategic perspective, the Council is currently utilising cash backed balances and undertaking shorter term borrowing to generate net interest savings. This approach carries with it interest rate risk, and officers are monitoring options as to the timing of any potential longer term borrowing should underlying rates be forecast to rise in a sustained manner.
- 7.5 There is a link between the annual capital programme borrowing requirement, the net borrowing position and consequently net interest charges. However, the Debt Charges budget is formulated in the context of 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.
- 7.6 The Council's cash flow profile varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, Council tax etc.). 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.
- 7.7 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](https://tinyurl.com/y84h4899), (<https://tinyurl.com/y84h4899>).
- 7.8 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

8.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

8.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

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

9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and 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 & Performance Report (November 18) P&C Finance & Performance Report (November 18) PH Finance & Performance Report (November 18) CS and LGSS Cambridge Office Finance & Performance Report (November 18) C&I Finance & Performance Report (November 18) Performance Management Report & Corporate Scorecard (November 18) Capital Monitoring Report (November 18) Report on Debt Outstanding (November 18)	1 st Floor, Octagon, Shire Hall, Cambridge

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

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	239,124	629	41,428	25,983	7,207	11,126	-8,188	8,871	33,685
Post BP adjustments	208				203	58	-433	-36	
Greater Cambridge Partnership budgets not reported in CCC budget					-863				
Use of earmarked reserves for Community Transport			84						-84
Cleaning contract savings transfer					36		-36		
Organisational structure review	-70				70				
Use of earmarked reserves for Community Transport			211						-211
Funding from General Reserves for Children's services reduced grant income expectation as approved by GPC	295								-295
Funding from General Reserves for New Duties – Leaving Care as approved by GPC	390								-390
Savings forthcoming from change in LEP governance arrangements applied to corporate savings target			-43		43				
Grand Arcade shop rental income transfer from Libraries to Property Services			50				-50		
Use of Smoothing Fund Reserve for P&C	3,413								-3,413
Transfer of advocacy budget to Corporate Services	-95				95				
Transfer of LGSS Law dividend target to C&I							-90	90	
Transfer of Monitoring Officer budget to Corporate services					90			-90	
Transfer of Bookstart contribution from Children's centres to Library services	-12		12						
Technical adjustment re Combined Authority Levy			13,615						-13,615
Current budget	243,252	629	55,357	25,983	6,881	11,184	-8,797	8,835	15,677
Rounding	1	0	1	0	-1	-1	1	0	0

APPENDIX 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 November 2018		
	£000s	£000s	£000s	£000s	
<u>General Reserves</u>					
- County Fund Balance	13,392	2,568	15,960	11,538	Service reserve balances transferred to General Fund after review
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	0	0	0	0	
subtotal	13,392	2,568	15,960	11,538	
<u>Earmarked</u>					
- Specific Reserves					
5 Insurance	3,175	-1,135	2,040	2,040	
subtotal	3,175	-1,135	2,040	2,040	
- Equipment Reserves					
6 P&C	64	0	64	0	
7 P&E	30	-30	0	0	
8 CS	30	-27	3	3	
9 C&I	680	-654	26	0	
subtotal	804	-711	93	3	
<u>Other Earmarked Funds</u>					
10 P&C	514	-88	426	149	Includes liquidated damages in respect of the Guided Busway
11 PH	2,567	0	2,567	2,069	
12 P&E	5,382	-242	5,140	3,780	
13 CS	2,628	-186	2,442	2,865	Savings realised through change in MRP policy
14 LGSS Managed	63	0	63	0	
15 C&I	552	106	658	658	
16 Transformation Fund	21,877	7,139	29,016	21,738	This table has been presented on the basis of the £3.413m draw down approved in the August IR&PR section 6.2.
17 Innovate & Cultivate Fund	844	-148	696	453	
18 Smoothing Fund	0	0	0	0	
subtotal	34,427	6,581	41,009	31,712	
SUB TOTAL	51,799	7,303	59,102	45,293	
<u>Capital Reserves</u>					
- Services					
18 P&C	778	20,258	21,036	0	Section 106 and Community Infrastructure Levy balances.
19 P&E	10,200	-5,257	4,943	1,000	
20 LGSS Managed	0	0	0	0	
21 C&I	0	34,309	34,309	52,590	
22 Corporate	43,561	15,350	58,910	47,071	
subtotal	54,539	64,660	119,198	100,661	
GRAND TOTAL	106,338	71,962	178,300	145,954	

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 2018	2018-19		Forecast Balance 31 March 2019	Notes
		Movements in 2018-19	Balance at 30 November 2018		
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	55	0	55	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,715	0	3,715	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,328	0	7,328	7,273	