Budget monitoring for period three of 2017/18 (June 2017)

Summary

Surrey County Council set its 2017/18 budget in the context of significant rising demand pressures (particularly in social care) compounded by falling Government funding and continuing restraint on the council's ability to raise funds locally without triggering a referendum. Consequently, to achieve a sustainable budget, the council would have needed to make £150m savings. However, the use of a series of one off measures meant the council faced having to plan to deliver an unprecedented high level of £104m savings to balance the 2017/18 budget. Delivering this on top of £494m savings already made since 2009 is a significant challenge.

To assist in the challenge of delivering these savings of £104m in 2017/18, the tracker for monitoring progress of these reductions has been enhanced to reflect progress against their milestones, consultations and equalities impact assessments (EIAs). Each month budget holders update the tracker supported by Finance and directors review the tracker and report key messages to Cabinet. The tracker identifies the risks of not achieving savings at an early stage and the impact of late delivery, enabling remedial action where appropriate. Appendix 2 to this annex provides details of each of the Medium Term Financial Plan (MFTP) savings projects.

After three months of the financial year, services have already achieved over £38m savings (up from £30m last month) with another £31m on track for delivery. Whilst this is good early progress, savings plans of £13m face potential barriers, a further £6m are still considered at serious risk and a further £7m are considered to be unachievable (including nearly £3m in Early Help; £3m due to delays to savings in waste disposal, and £1m delays in Fire & Rescue Service savings). In addition, while £9m of savings have yet to be identified fully, Cabinet team and Senior Management team have held discussions about possibilities and further discussions are progressing.

In setting the 2017/18 budget, the council faced significant demand and cost pressures, mostly in social care. In some services a small proportionate change in demand can lead to significantly increased expenditure because service volumes are so high. The experience of the first three months of the year has seen numbers increase above what was expected even a short period ago. In Children's Services, demand continues to increase and is adding £9m pressure. In Public Health, retendering of a major contract is adding £2m pressure.

Currently, there are some offsetting forecast revenue underspends, such as in Schools & SEND (Special Educational Needs & Disabilities). Although this is early in the year, the combined impact of the lower savings and rising demand is £24m forecast overspend for 2017/18. However, the Cabinet and Senior Management are actively seeking alternative savings and cost reductions; and looking to delay expenditure where possible.

After three months of the financial year, services forecast spending £139m against the £185m capital programme. The most significant variance is against the School Basic Need programme, which Property has reviewed and proposes reprofiling £41m expenditure into future years of the capital programme. The council has approved plans for £114m long term capital investments, taking total forecast capital spending in 2017/18 to £252m.

9

Summary recommendations

This is the second budget monitoring report for 2017/18 and gives an early indication as to the confidence of delivering these savings. Being so early in the year does mean the council needs to balance its mitigating actions carefully so as not to affect service delivery unnecessarily, while also recognising the importance of managing any overspends down.

Cabinet is asked to note the following.

1. Early forecast revenue budget outturn for 2017/18, ahead of identifying mitigating actions, is £24m overspend (paragraph 1). This includes: £9m savings to be identified, £7m savings considered unachievable, and £11m service pressures.

2. Forecast savings for 2017/18 total £88.5m against £104.0m target (paragraph 28).

3. The Section 151 Officer's commentary and the Monitoring Officer's Legal Implications commentary (main report, paragraphs 15 to 18).

4. Cabinet is asked to approve the following revenue budget virements (paragraph 27):

   - £6.9m from Central Income & Expenditure to Budget Equalisation Reserve; and
   - £0.12m from Budget Equalisation Reserve for sums carried forward to support corporate apprenticeships.

5. Cabinet is asked to approve the following capital budget carry forward, funding adjustment and re-profile requests:

   - £45.9m net movement on the Property service capital budget comprising £10.0m carried forward from 2016/17 and £55.9m rescheduled from 2017/18 to the remaining years of the capital programme (paragraph 45); and
   - £1.0m net movement on the Information Technology & Digital capital budget, comprising £0.9m carried forward from 2016/17 and £0.1m brought forward from the remaining years of the capital programme (paragraph 46).

Revenue budget summary

In March 2017 Cabinet approved Surrey County Council's Medium Term Financial Plan (MTFP) 2017-20. This incorporates the £1,672m gross expenditure budget for the 2017/18 financial year set by Full County Council in February 2017. MTFP 2017-20 is a key means for delivering the council's strategic aims in the face of rising pressures from growth in demand for services (particularly social care) and continuing falls in Government funding, which both put significant strains on the council's finances.

The Section 151 Officer's Annex to the Budget Report in February 2017 expressed the view that the risks to the council's financial position had become even more serious during 2016/17. To alleviate these risks and move towards a sustainable financial position, the council needs to achieve £104m savings in 2017/18 to balance this year's budget.

As at 30 June 2017, the council forecasts £24m overspend at year end. The main variances (outlined in paragraphs 7 to 21) relate to:

- £9.0m savings yet to be identified;
- £6.5m forecast underachievement of savings, including
  £2.6m in Early Help

£2.6m in Waste
£1.2m in Fire & Rescue; and

- £8.4m net service pressures, including
  £9.1m demand in Children's Services
  £2.1m contractual issues in Public Health
  £1.6m underspend in Schools & SEND

As at 30 June 2017, the council has £21m general balances and £71m earmarked reserves. Whilst this level is a little improved from the position in February 2017 when the Director of Finance indicated that the level of reserves was at minimum safe levels, the position remains serious. Taking no action to mitigate overspending against the 2017/18 budget at the current forecast level would require £24m unplanned use of reserves. £24m is over a quarter of the council's total earmarked reserves and balances.

Capital summary

Creating public value by improving outcomes for Surrey's residents is a key element of Surrey County Council's corporate vision and it is at the heart of its £387m capital programme in MTFP 2017-20. As at 30 June 2017, services forecast spending £139m against the £185m current 2017/18 capital budget. Significant variances include: underspends against the School Basic Need programme and Surrey Fire & Rescue Service's joint transport project (paragraph 44).

As part of increasing the council's overall financial resilience, it currently plans £114m net investment in long term capital investment assets in 2017/18 (paragraphs 47 to 50). This means total capital spending, including long term investments, is forecast to be £252m in 2017/18.

9

Revenue budget

Overview

1. As at 30 June 2017, the forecast year end budget variance is £23.7m overspend.

2. The overall forecast overspend is mainly due to: £6.5m forecast underachievement on savings; £9.0m savings which remain unidentified; service pressures of £9.1m in Children's Services and £2.1m in Public Health; offset by £1.6m forecast underspends in Schools & SEND and £0.5m in Highways & Transport (paragraphs 7 to 21).

3. While a forecast outturn overspend position of this size so early in the financial year is significant, it important to balance remedial action with avoiding services being reduced unnecessarily. It also gives Cabinet some time to approve remedial actions for services to deliver offsetting savings.

Revenue budget monitoring position

4. In March 2017, Cabinet approved the council's 2017/18 gross revenue expenditure budget at £1,672.4m, gross revenue income budget at £1,660.6m and use of reserves at £11.8m.

5. Changes in the first three months of 2017/18 to reflect agreed carry forwards and other budgetary adjustments, decreased the gross expenditure budget as at 30 June 2017 to £1,671.9m and the gross income budget to £1,660.1m. Approved use of reserves remains unchanged. Table App1 in the appendix outlines the updated revenue budget by service after in year budget virements and budget carry forwards from the 2016/17 financial year.

6. Table 1 shows the updated net revenue expenditure budget position analysed by service. Net revenue expenditure budgets are services' gross expenditure less income from specific grants and fees, charges and reimbursements. Net revenue budgets do not include income from the council's general funding sources, which are general government grants and local taxation (council tax and business rates). Table App3 in the appendix shows year to date and forecast year end positions for the council's general funding sources.

Table 1: 2017/18 updated net revenue budget forecast as at 30 June 2017

Service	Full year revised budget £m	YTD actual £m	Full year projection £m	Full year variance £m
Economic Growth	1.0	0.2	1.0	0.0
Strategic Leadership	0.9	0.2	0.9	0.0
Adult Social Care	361.9	88.3	361.9	0.0
Children's and Safeguarding services	106.2	28.4	115.3	9.1
Commissioning & Prevention	33.7	9.0	36.3	2.6
Schools & SEND (Special Educational Needs & Disabilities)	61.2	15.9	59.6	-1.6
Delegated Schools	0.0	0.0	0.0	0.0
Community Partnership & Safety	2.6	0.7	2.6	0.0
Coroner	1.7	0.4	1.7	0.0
Cultural Services	9.3	2.1	9.1	-0.2
Customer Services	3.4	0.7	3.1	-0.3
C&C Directorate Support	0.8	0.2	0.7	-0.1
Emergency Management	0.5	0.1	0.5	0.0
Surrey Fire & Rescue Service	31.8	8.1	33.0	1.2
Trading Standards	1.9	0.3	1.8	-0.1
Place Development & Waste	81.3	19.6	83.8	2.5
Highways & Transport	44.7	10.0	44.2	-0.5
Public Health	0.0	0.0	2.1	2.1
Communications	2.1	0.4	2.0	-0.1
Finance	2.8	0.7	2.8	0.0
Human Resources & Organisational Development	3.8	0.6	3.8	0.0
Information Management & Technology	12.5	2.7	12.5	0.0
Legal Services	4.0	0.9	4.0	0.0
Democratic Services	5.8	2.4	6.1	0.3
Strategy & Performance	1.6	0.4	1.6	0.0
Procurement	0.9	0.2	0.9	0.0
Property	21.3	3.9	21.3	0.0
Joint Operating Budget ORBIS	37.6	8.6	37.6	0.0
Business Operations	-0.1	0.0	-0.1	0.0
Central Income & Expenditure	54.2	12.1	54.2	0.0
Savings to be identified	-9.0		0.0	9.0
Services' total net revenue expenditure	**880.5**	**217.1**	**904.2**	**23.7**

Note: All numbers have been rounded - which might cause a casting difference

Significant net revenue budget variances

Children's Services - £9.1m overspend (£3.0m improvement since 31 May 2017)

7. Children's Services continues to experience exceptional demand for services continuing patterns seen in recent months and therefore forecasts a £9.1m overspend (£12.1m as at 31 May 2017, the variance has reduced following £3m budget virement agreed last month). There are pressures against staffing budgets of £3m, and significant demand pressures around the cost of placements for looked after children, care leavers and unaccompanied asylum seeker children (UASC) of £6m.

8. Increased demand from children requiring support has led to the need for additional social work capacity and the need to have 45.5 staff above establishment at this time. The Multi Agency Safeguarding Hub (MASH) was established in October 2016 and it

is now clear that the original staffing establishment is insufficient to manage the number of contacts and workflow currently being experienced. Work is underway to streamline processes within the MASH to reduce the number of staff required to operate the MASH efficiently.

9. Pressures from increases in the number of looked after children are mainly being seen in the external placement budget, particularly the highest cost residential placements (£219,000 a year). During business planning the service reasonably estimated at that stage a total of 216 external placements. As at 31 May 2017 there were 249 children in external placements, the majority having very complex needs. The forecast assumes that external placement numbers will continue to increase, however, this could be a volatile picture over the next few months.

10. As in previous years, the local authority is having to subsidise UASC costs, as the Government grant funding is insufficient to cover the total cost. In 2017/18 the service expects this to lead to a £1.5m overspend for direct placement costs. The government did increase the level of grant from July 2016 and the council now receives the higher rate of grant for 45% of the young people concerned. Nevertheless the new higher rate of grant is not sufficient to cover placement costs, e.g. for a 16/17 year old the short fall is £4,000 a year for those on the new rate and £11,000 a year for those on the legacy rate.

11. The number of UASC being supported as looked after children has reduced as a high number turn 18 and move on to the leaving care service. Again the rate of grant is insufficient to cover costs and contributes £0.8m to a £1.3m anticipated overspend for leaving care. The remaining £0.5m of this overspend arises from the need for more supportive packages for young people as they turn 18.

Schools & SEND - £1.6m underspend (£3.3m deterioration since 31 May 2017)

12. Overall Schools & SEND estimates £1.6m underspend at year end.

13. Recruitment difficulties mean that there are currently short term underspends against staffing budgets principally in the education psychology teams and SEND operations of £1.5m. These posts do need to be filled and the service is actively recruiting to ensure it meets its requirement around education, health and care plans (EHCPs), so the forecast is likely to change.

14. These underspends are in part offset by an emerging £1.2m overspend on SEN (special educational needs) transport. The number of children travelling increased towards the end of 2016/17 with overall numbers increasing by 105 across the year. If continued these trends will place pressure on the budget in 2017/18. The position will be clearer from September when travel patterns for the new academic year are established. Although volumes are increasing, work is underway to develop travel training for young people with SEN so they are able to travel more independently.

Commissioning & Prevention - £2.6m overspend (no change since 31 May 2017)

15. The Early Help service is developing a new operational model with partners for the early help system to provide a cohesive and coordinated support offer for families. The development phase has been extended to ensure the offer is ‘right’ for Surrey, in the context of increasing demand currently being experienced across the social care system in Surrey. The full savings anticipated as a result will not be delivered in

2017/18. However, the reconfiguration of support and commissioning services have delivered £2.3m savings for 2017/18.

Place Development & Waste - £2.5m overspend (no change since 31 May 2017)

16. Place Development & Waste forecasts £2.5m overspend, representing the net of a number of pressures and offsetting savings, primarily within the waste disposal service. Waste currently forecasts £2.6m overspend due to savings which are not expected to be achieved this year, or only partially achieved. These include savings from improved kerbside recycling performance, better management of recycled materials, and further changes at community recycling centres (which require public consultation and Cabinet approval). In addition a number of risks exist. The forecast assumes the service can save a total of £2m this year by making structural changes to the waste contract. Progress is ongoing, for example a £12m contract refinancing was approved by Cabinet in March 2017 and completed in June 2017. However this is a challenging project and delivery is not entirely within the council's control.

17. The service (and the wider Environment & Infrastructure (E&I) directorate) is reviewing planned income and expenditure to identify additional savings to compensate for overspends, including taking advantage of recent contract retender savings and holding vacant posts. Through these measures it is currently expected to reduce the pressure to £2.5m. Additional measures across the wider E&I directorate outlined in paragraph 18 are expected to reduce this further to £2.0m.

Highways & Transport - £0.5m underspend (no change since 31 May 2017)

18. Highways & Transport is reviewing planned income and expenditure to identify additional savings to compensate for overspends elsewhere in the E&I directorate. Potential measures include delaying planned works and maximising income. There are varying degrees of certainty over the delivery of these savings. At this stage, Highways & Transport expects to achieve a net underspend of £0.5m, which together with savings outlined in paragraph 17 would reduce the pressure across the E&I directorate to £2.0m.

19. A year-to-date £1m underspend exists in Highways & Transport because some costs and activities are expected to occur later in the year. The service will adjust budgets to match the expected expenditure profile.

Surrey Fire & Rescue Service - £1.2m overspend (£0.1m improvement since 31 May 2017)

20. Surrey Fire & Rescue Service forecasts £1.2m year end overspend. This is mainly due to not achieving £0.9m Fire cover reconfiguration saving in 2017/18 due to delaying closure of Staines fire station until the new Fordbridge fire station is expected to be completed June 2018. In addition, as no collaborative activity is expected to start this financial year, two collaborative blue light savings projects for fleet activities and mobilising of £0.2m each will not be achieved. However, in house reviews of these activities expect to save £0.1m. The service is reviewing its operational expenditure to determine if it can find alternative savings to help offset the overspend.

Public Health - £2.1m overspend (£0.4 m deterioration since 31 May 2017)

21. Public Health forecasts £2.1m year end overspend. £1.7m of this overspend is due to delays to implementing the new integrated sexual health service provider contract and having to extend the existing contract. As a priority Public Health leadership team is reviewing a series of mitigating actions to reduce the forecast overspend and will update the forecast monthly to reflect this. The remainder is £0.4m overspend forecast on public health services for children and young people (0-19).

Central Income & Expenditure – balanced outturn (no change since 31 May 2017)

22. Central Income & Expenditure forecasts a balanced year end position, after assuming Cabinet's approval of £6.9m transfer to reserves as recommended in paragraph 27.

Areas to be aware

23. At this point in the financial year, some services still face risks to their 2017/18 outturn positions.

Children, Schools & Families – (SEND services funded by Dedicated Schools Grant (DSG))

24. At 30 June 2017 pressures are emerging on SEND services budgets funded by DSG. However, there are some significant challenges in this budget with pressures for additional places for children with special needs in the council's special schools and units and in the Non Maintained and Independent (NMI) sector. There is also a challenging £13m savings plan being worked through with special schools and school partners.

25. As in previous years it is anticipated any overspend or underspend on the high needs services funded from DSG, will be managed across the financial years and within DSG funding. This will be subject to School Forum approval in January 2018, as in previous years.

Public Health – Genito Urinary Medicine (GUM) budget

26. Public Health has applied large savings to the GUM budget in 2017/ 18 as part of the move to the new integrated sexual health contract. However, as this is a demand led service achieving these savings is challenging, particularly for spend beyond Surrey's border (the council is responsible for Surrey residents no matter where they are tested). Demand management strategies are in place and the Lead for Sexual Health is monitoring these targets closely and will provide updates during the financial year.

Revenue budget virement requests

27. Cabinet is asked to approve the following virement requests.

    - Transfer £6.9m from Central Income & Expenditure to the Budget Equalisation Reserve for: £3.4m received from East Surrey CCG in May 2017 from the East Surrey Transformation Fund set up in 2015/16, to improve health and social care provision in east Surrey; and £3.5m Schools Forum has agreed to provide from Dedicated Schools Grant for contribution back to reserves to replenish the amount used at the end of 2016/17 to fund an overspend in 2016/17 in Children's, Schools & Families. Other council resources funded this overspend at year end on the

understanding it would be carried forward, as previous years' underspends had been.
- Transfer £0.12m from the Budget Equalisation Reserve for sums carried forward from 2016/17 to Human Resources & Organisational Development to support corporate apprenticeships.

Efficiencies

28. MTFP 2017-20 includes £104.0m efficiencies in 2017/18. Council services currently forecast to achieve £88.5m of this target. This represents a £15.5m shortfall, comprising £9.0m savings the council has yet to identify and £6.5m savings considered unachievable. As outlined in the summary to this report annex, services have increased the rigour with which they track progress with their savings plans. The tracker includes:

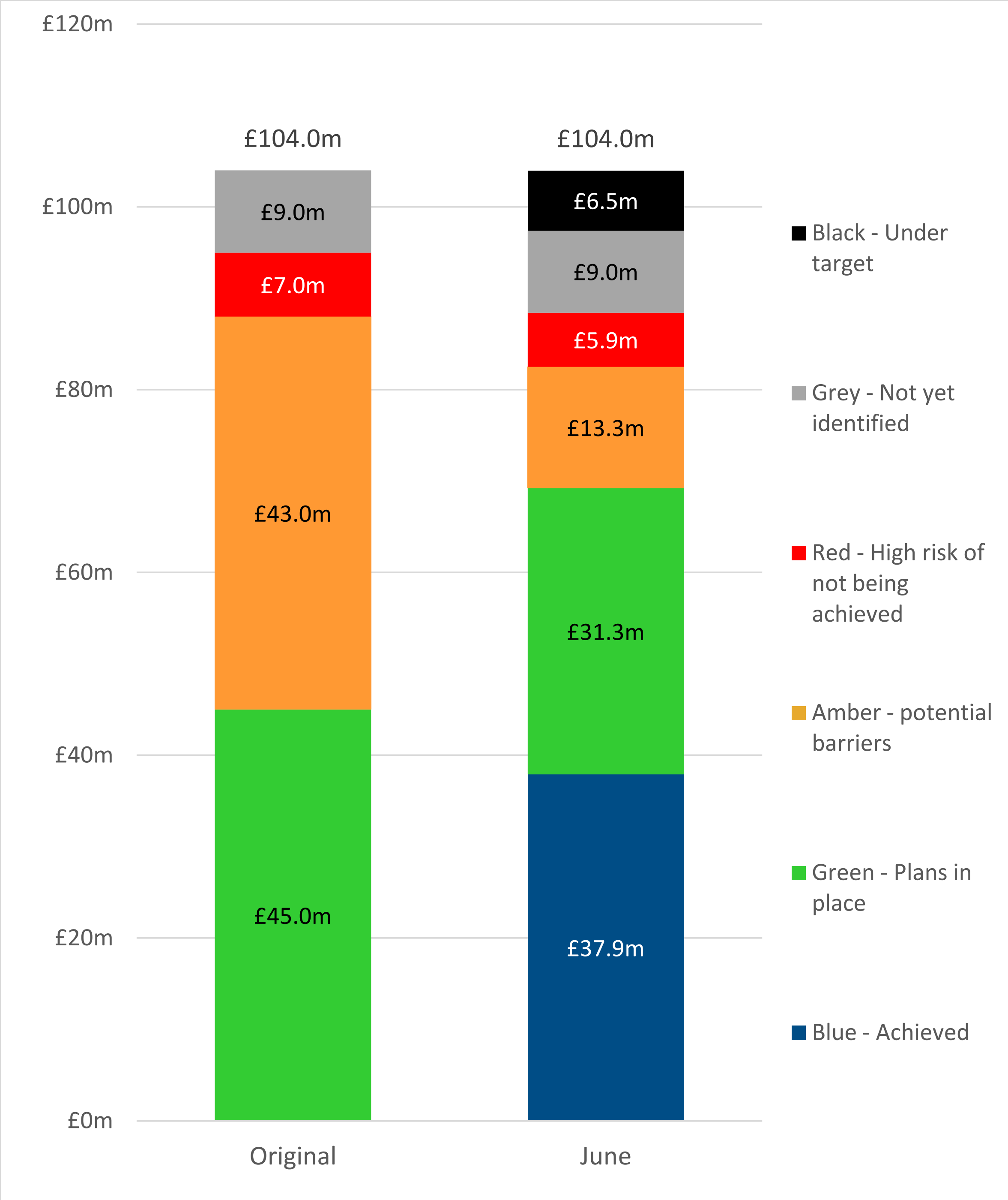
- achievement of savings to date;
- significant milestones and key actions;
- progress of required EIA or consultations;
- the extent of each efficiency plan's deliverability;
- the risks to delivery;
- the value of the savings the plans will achieve; and
- additional and offsetting savings to help meet the overall target.

29. Figure 1 summarises the council's overall efficiency targets, the forecast for achieving them and the deliverability risks. By month three of 2017/18, services have made good progress to have already achieved over £38m savings and be on track to achieve another £31m. A further £13m savings plans potentially face barriers to achievement and £6m are at high risk of non-achievement.

30. Nearly £7m of savings planned in the MTFP are now considered not to be achievable, mainly in the areas of Early Help, Waste Disposal and Fire. In addition, a further £9m of savings are yet to be identified. Services continue to seek alternative savings for delivery in 2017/18, but as at 30 June 2017 these are not yet identified.

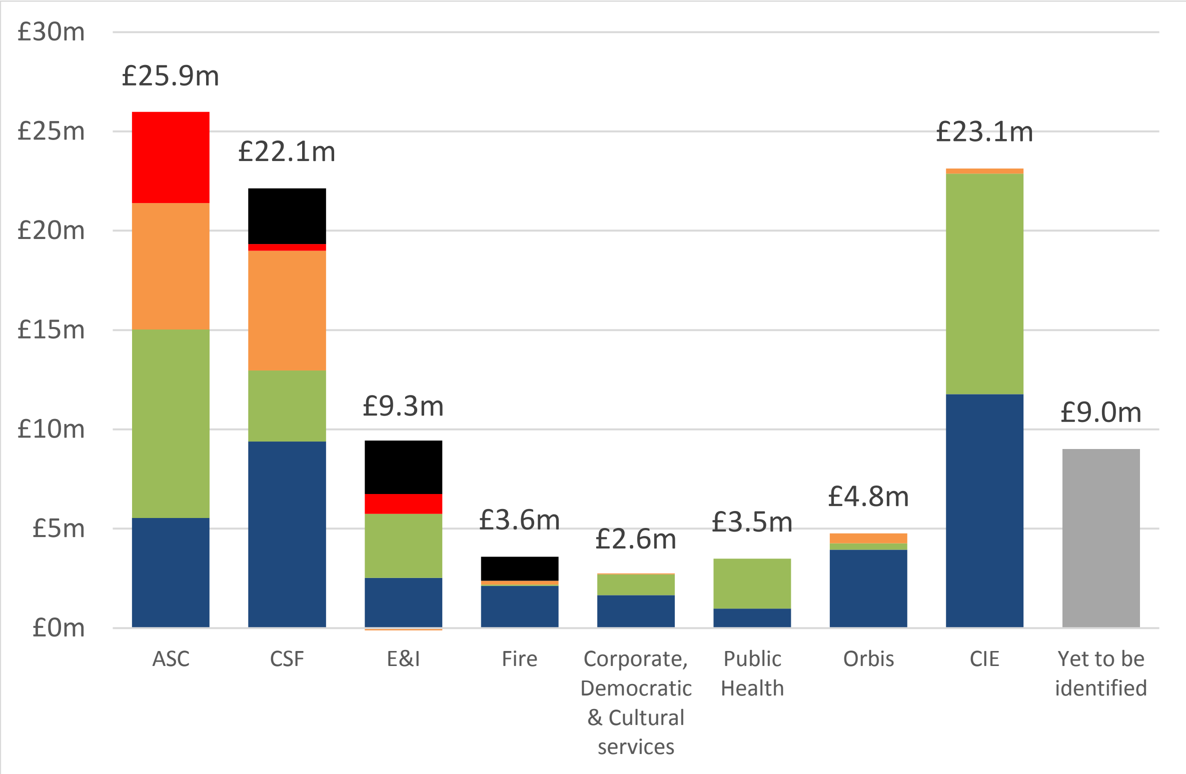
9

Figure 1: 2017/18 risk rated efficiencies as at 30 June 2017 compared to MTFP



31. Figure 2 shows service directorates' updated risk ratings for achieving their efficiencies this year. The main areas of concern are unachievable savings in CSF, E&I and Fire, with significant savings in ASC being at risk.

Figure 2: 2017/18 efficiencies risk ratings by service as at 30 June 2017



Achieved (Blue)	On track (Green)	Some issues (Amber)	High risk to delivery (Red)	To be identified (Grey)	Unachievable (Black)

32. As at 30 June 2017, the main significant variations in services' progress against their MTFP 2017-20 efficiencies and service reductions were as follows.

- £9.0m shortfall for savings yet to be identified.
- £2.6m shortfall in Early Help as outlined in paragraph 15;
- £2.6m shortfall in Waste as outlined in paragraph 16; and
- £1.2m shortfall in Fire & Rescue as outlined in paragraph 20.

Staffing costs

33. The council employs three categories of staff.

- Contracted staff employed on a permanent or fixed term basis and paid through the council's payroll. These staff are contracted to work full time, or part time.
- Bank staff are contracted to the council and paid through the payroll but have no guaranteed hours.
- Agency staff employed through an agency with which the council has a contract.

34. Bank and agency staff enable managers to manage short term variations in service demand, or contracted staff vacancies. This is particularly the case in social care. Some flexibility in the staffing budget is sensible, as it allows the council to vary a portion of staffing costs.

35. The council sets its staffing budget on the estimated labour needed to deliver its services. It expresses this as budgeted full time equivalent (FTEs) staff and converts it to a cost for the budget. The budget includes spending on all three categories of staff and is the key control in managing staffing expenditure. The council's full year staffing budget for 2017/18 is £278.2m based on 7,039 budgeted FTEs.

36. The council has 614 vacancies (the difference between budgeted and occupied FTEs). It is recruiting for 292 of these vacancies (down from 421 as at 31 May 2017). 199 of these live vacancies are in social care (up from 330 as at 31 May 2017).

37. Table 2 shows staffing cost as at 30 June 2017 against service budgets and analysed among the three staff categories of contracted, bank and agency staff. Table 2 also shows services' budgeted FTEs. Budget variances can arise for several reasons including: the budget for some FTEs is held in a different service from where the postholder works in the organisation (for example the HR&OD budget covers apprentices' costs, but the occupied FTEs appear in the services where the apprentices work); secondees' budgeted posts appear in the seconding service, but the occupied FTE appears in the service they are seconded to (or not at all if the secondment is to an external body). The income from recharges for secondments is within services' other income.

38. Agency or bank staff often cover vacancies on a temporary basis. The number of temporary staff does not translate easily into an FTE number as these may be for a few hours only, part time etc. The easiest measure for monitoring staffing is cost, using the total expenditure and variance shown in Table 2 and the Staffing expenditure line in Table App3 in the appendix.

39. Table 2 shows the year to date budget as at 30 June 2017 is £69.4m and expenditure incurred is £68.1m. Table App 3 shows £7.2m forecast underspend on employment costs at year end. This position includes the impact of demand for increased social work and safeguarding capacity in Children's Services as outlined in paragraphs 7 and 8.

Table 2: Staffing costs and FTEs to 30 June 2017

		<------- Staffing spend by category -------->						
Service	YTD staff budget £m	Contracted £m	Agency £m	Bank & casual £m	Total £m	Variance £m	Amended Budgeted FTE	Occupied contracted FTEs
Strategic Leadership	0.2	0.2	0.0	0.0	0.2	0.0	*9*	*9*
Adult Social Care	15.4	14.1	0.5	0.4	15.0	-0.4	*1,754*	*1,498*
Children, Schools & Families [1]	29.7	26.5	1.9	1.1	29.5	-0.2	*3,013*	*2,819*
Community Partnership & Safety	0.3	0.3	0.0	0.0	0.3	0.0	*25*	*24*
Coroner	0.1	0.1	0.0	0.0	0.1	0.0	*2*	*2*
Cultural Services	4.8	4.2	0.0	0.4	4.6	-0.2	*529*	*522*
Communities Support Function	0.2	0.2	0.0	0.0	0.2	0.0	*26*	*21*
Emergency Management	0.1	0.1	0.0	0.0	0.1	0.0	*12*	*11*
Surrey Fire & Rescue Service	6.7	6.3	0.0	0.4	6.8	0.1	*608*	*579*
Trading Standards	0.8	0.7	0.0	0.0	0.7	-0.1	*74*	*62*
Place Development & Waste	2.4	2.4	0.0	0.1	2.5	0.1	*200*	*194*
Highways & Transport	3.9	3.2	0.2	0.0	3.4	-0.5	*371*	*300*
Public Health	0.6	0.6	0.0	0.0	0.6	0.0	*46*	*41*
Central Income & Expenditure	0.0	0.2	0.0	0.0	0.2	0.2	*0*	*0*
Communications	0.3	0.4	0.0	0.0	0.4	0.0	*31*	*33*
Customer Services	0.9	0.7	0.0	0.0	0.8	-0.1	*102*	*94*
Legal Services	0.9	0.8	0.0	0.0	0.8	-0.1	*79*	*62*
Democratic Services	0.5	0.5	0.0	0.0	0.5	0.0	*46*	*49*
Strategy & Performance	0.5	0.5	0.0	0.0	0.5	0.0	*27*	*25*
Managed ORBIS	1.1	0.9	0.1	0.0	1.0	-0.1	*85*	*80*
Service net budget	**69.4**	**62.8**	**2.9**	**2.5**	**68.1**	**-1.3**	***7,039***	***6,425***

Note: All numbers have been rounded - which might cause a casting difference

1 - Children, Schools & Families' FTEs include: Children's & Safeguarding, Commissioning & Prevention, Schools & SEND and Delegated Schools

2 - The Orbis Joint Operating Budget is formally delegated to the Joint Operating Committee for management (including staffing), as such the council's monitoring only reports its contribution to the joint budget. The cost of staff managed by the partnership but sit outside of the Joint Operating Budget is reported in the table above (for example staff delivering the Local Assistance Scheme).

Capital budget

40. The council demonstrated its firm long term commitment to supporting Surrey's economy by setting a £387m 2017-20 MTFP capital programme.

41. Cabinet approved the original capital expenditure budget for 2017/18 at £186.0m and carry forward of £17.0m scheme budgets requested in the 2016/17 Outturn report. In the three months to 30 June 2017, Cabinet approved £1.8m carry forwards from 2016/17 and -£2.6m capital virements. Paragraph App 6 and Table App 4 details the movements.

42. Table 3 shows the derivation of the current year capital expenditure budget from the MTFP budget.

Table 3: Capital expenditure budget 2017/18 as at 30 June 2017

	MTFP budget £m	2016/17 budget c/fwd £m	Budget virement £m	Reprofile £m	Current full year budget £m
School basic need	72.2				**72.2**
Highways recurring programme	49.3	1.5	-2.5		**48.3**
Property & IT recurring programme	52.2				**52.2**
Other capital projects	12.3	0.3			**12.6**
Service capital programme	**186.0**	**1.8**	**-2.5**	**0.0**	**185.3**
Long term investments					**0.0**
Overall capital programme	**186.0**	**1.8**	**-2.5**	**0.0**	**185.3**

Note: All numbers have been rounded - which might cause a casting difference

43. Table 4 compares the current full year overall capital programme budget of £185.3m to the current forecast expenditure for the service capital programme of £139.0m and the current forecast expenditure for the overall capital programme of £252.8m. The overall programme in 2017/18 includes £113.8m Approved Investment Strategy spending on long term investments (as outlined in paragraphs 47 to 50).

Table 4: Forecast capital expenditure 2017/18 as at 30 June 2017

	Current full year budget £m	Apr - Jun actual £m	Jul - Mar projection £m	Full year forecast £m	Full year variance £m
Schools basic need	**72.2**	9.6	22.2	**31.8**	**-40.4**
Highways recurring programme	**48.3**	8.7	39.6	**48.3**	**0.0**
Property & IT recurring programme	**52.2**	7.3	40.4	**47.7**	**-4.5**
Other capital projects	**12.6**	0.9	10.3	**11.2**	**-1.4**
Service capital programme	**185.3**	**26.5**	**112.5**	**139.0**	**-46.3**
Long term investments	**0.0**	0.8	113.0	**113.8**	**113.8**
Overall capital programme	**185.3**	**27.3**	**225.5**	**252.8**	**67.5**

Note: All numbers have been rounded - which might cause a casting difference

Significant capital budget variances

44. The £46.3m forecast underspend on the 2017/18 capital programme is mainly due to the Schools Basic Need programme and the Property & IT recurring programme. The Schools Basic Need programme's annual review and reconsideration of the schedule of demand for school places included: a planned new free school, planning and highway issues and deferred schemes and consequently proposed re-profiling of £40.9m. Other significant variances include Surrey Fire & Rescue Service's joint transport project's forecast £4.5m underspend for 2017/18, due to project delays while: plans are developed, the transport function across partners is designed and workshop options explored.

Capital budget carry forward, funding adjustment and re-profile requests

45. Property Services proposes: carrying forward £10m, reducing schools maintenance scheme by £2.2m and re-profiling the 2017/18 adjusted capital budget by £55.2m into the remaining years of the capital programme. Schools condition maintenance is funded by government grant and as this has reduced so has the programme. The biggest element of the re-profiling is £40.9m for the schools basic need programme. A review of the scheme and reconsideration of the schedule of demand for school places identified need is later in the programme. Table 5 shows the proposed expenditure adjustments to the current capital programme.

Table 5: Proposed Property capital expenditure 2017-20

Property capital programme	2017/18 £m	2018/19 £m	2019/20 £m	2017-20 £m
2017-20 MTFP	120.5	84.7	32.1	237.3
Reduced grant for schools maintenance	-0.7	-0.7	-0.7	-2.2
2016/17 carry forward	10.0			10.0
Re-profile of Schools Basic Need	-40.9	1.1	39.8	0.0
Re-profile of other schemes	-14.3	13.6	0.7	0.0
Revised 2017-20 capital budget	**74.5**	**98.7**	**71.9**	**245.1**

Note: All numbers have been rounded - which might cause a casting difference

46. Information Technology & Digital (IT&D) proposes carrying forward £0.9m and bringing forward £0.1m to the 2017/18 adjusted capital budget from remaining years, mainly for equipment expenditure. Table 6 shows the proposed expenditure adjustments to the current capital programme.

Table 6: Proposed IT&D capital expenditure 2017-20

IT&D capital programme	2017/18 £m	2018/19 £m	2019/20 £m	2017-20 £m
2017-20 MTFP	3.9	3.9	4.9	12.7
2016/17 carry forward	0.9			0.9
Re-profile schemes	0.1	0.4	-0.5	0.0
Revised 2017-20 capital budget	**4.9**	**4.3**	**4.4**	**13.6**

Note: All numbers have been rounded - which might cause a casting difference

Revolving Infrastructure & Investment Fund

47. Table 7 shows that the council will generate £3.5m net income this year from various property acquisitions made by the council and the Halsey Garton Property group. The council anticipates transferring this net income to the Revolving Infrastructure & Investment Fund at the year-end.

48. The council portfolio comprises properties purchased for future service delivery or economic regeneration. The portfolio forecasts a net cost of £0.9m this year, largely due to the development underway at the former Thales site in Crawley. In 2017/18 this scheme will cost the council an estimated £1.6m. However once the second phase building becomes fully operational in 2019/20 the development will generate £1.3m net income a year.

49. The Halsey Garton portfolio will generate net income of £4.4m this year, comprised of an estimated dividend of £1.4m and £3.0m net interest margin on loans provided to the company by the council.

50. Net capital expenditure in 2017/18 of £113.8m includes additional equity investment and loans to the Halsey Garton Property group and the development of the former Thales site in Crawley. Forecast expenditure has increased by £79.4m in June 2017 due to the additional Halsey Garton investment approved by the Investment Board.

9

Table 7: Summary revenue and capital position as at 30 June 2017

Revenue statement	**YTD actual £m**	**Full year forecast £m**
Council portfolio		
Income	-1.0	-4.2
Expenditure	0.1	0.8
Funding	1.0	4.3
Net income/cost	0.1	0.9
Halsey Garton portfolio		
Dividend	0.0	-1.4
Net interest margin	-0.5	-3.0
Net income	-0.5	-4.4
Total net income	**-0.4**	**-3.5**
Capital expenditure	**0.8**	**113.8**

Note: All numbers have been rounded - which might cause a casting difference

Appendix to Annex

Updated budget - revenue

App 1. The council's original 2017/18 revenue expenditure budget was approved as £1,672.4m. Adding virement changes in the first three months of 2017/18 decreased the expenditure budget as at 30 June 2017 to £1,671.9m. Table App1 shows the original and updated income and expenditure budgets by service, including the overall net expenditure the council plans to meet from reserves.

Table App1: 2017/18 updated revenue budget as at 30 June 2017

	MTFP income £m	Carry fwds & internal movements £m	Approved income £m	MTFP expenditure £m	Carry fwds & internal movements £m	Approved expenditure £m	Updated net expenditure budget £m
Economic Growth	0.0	0.0	0.0	1.0	0.0	1.0	1.0
Strategic Leadership	0.0	0.0	0.0	0.9	0.0	0.9	0.9
Adult Social Care	-99.1	-3.3	-102.4	460.8	3.6	464.3	361.9
Children's Services	-10.6	-0.1	-10.7	112.8	4.2	117.0	106.3
Commissioning & Prevention	-73.0	0.1	-72.9	107.7	-1.0	106.7	33.8
Schools & SEND	-170.1	-0.5	-170.6	234.3	-2.4	231.9	61.3
Delegated Schools	-345.1	4.8	-340.3	345.1	-4.8	340.3	0.0
Community Partnership & Safety	-0.2	0.0	-0.2	2.9	-0.1	2.8	2.6
Coroner	0.0	0.0	0.0	1.7	0.0	1.7	1.7
Cultural Services	-13.3	0.0	-13.3	22.6	0.0	22.6	9.3
Customer Services	-0.1	0.0	-0.1	3.5	0.0	3.5	3.4
Communities Support function	-0.2	0.0	-0.2	0.9	0.1	1.0	0.8
Surrey Fire & Rescue Service	-12.2	0.0	-12.2	44.0	0.0	44.0	31.8
Community Partnership & Safety	-0.2	0.0	-0.2	2.9	-0.1	2.8	2.6
Coroner	0.0	0.0	0.0	1.7	0.0	1.7	1.7
Place Development & Waste	-8.0	0.0	-8.0	89.3	0.0	89.3	81.3
Highways & Transport	-8.1	0.0	-8.1	52.8	0.0	52.8	44.7
Public Health [1]	-37.9	0.0	-37.9	37.9	0.0	37.9	0.0
Central Income & Expenditure	-0.4	-0.2	-0.6	54.5	0.4	54.9	54.2
Communications	0.0	0.0	0.0	2.1	0.0	2.1	2.1
Finance	-1.4	0.0	-1.4	4.2	0.0	4.2	2.8
Human Resources & Organisational Development	0.0	0.0	0.0	4.3	-0.5	3.8	3.8
Information Technology & Digital	-0.4	0.0	-0.4	12.9	0.0	12.9	12.5
Legal Services	-0.4	0.0	-0.4	4.4	0.0	4.4	4.0
Democratic Services	-0.2	0.0	-0.2	6.1	-0.1	6.0	5.8
Strategy & Performance	-0.8	0.0	-0.8	2.3	0.1	2.4	1.6
Procurement	0.0	0.0	0.0	0.9	0.0	0.9	0.9
Property	-8.5	-0.3	-8.8	30.1	0.0	30.1	21.3
Joint Operating Budget ORBIS	0.0	0.0	0.0	37.6	0.0	37.6	37.6
Business Operations	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.1
Service total	**-792.0**	**0.5**	**-791.5**	**1,681.4**	**-0.5**	**1,680.9**	**889.4**
Savings to be identified				**-9.0**		**-9.0**	**-9.0**
Total	**-792.0**	**0.5**	**-791.5**	**1,672.4**	**-0.5**	**1,671.9**	**880.4**
General funding sources							
Government grants	-150.1		-150.1			0.0	-150.1
Local taxation	-718.6		-718.6			0.0	-718.6
Grand total	**-1,660.6**	**0.5**	**-1,660.1**	**1,672.4**	**-0.5**	**1,671.9**	**11.8**

Note: All numbers have been rounded - which might cause a casting difference

1 - Public Health receives £37.9m grant funding, to which it matches its gross expenditure budget to give a net expenditure budget of £0.0m

9

App 2. When Full Council agreed the 2017-20 MTFP in February 2017, some government departments had not determined final amounts for some grants. Cabinet agreed the principle that services would estimate their likely grant and their revenue budgets would reflect any changes in the final amounts, whether higher or lower.

App 3. To control their budgets during the year, managers occasionally need to transfer, or vire budgets from one area to another. In most cases these are administrative or technical in nature, or of a value the Director of Finance can approve. Virements above £500,000 require the relevant Cabinet Member's approval. Cabinet approved one virement above £500,000 in the first three months of 2017/18 and one virement of £13,000 for funding carried forward.

App 4. Table App 2 summarises the movements to the revenue expenditure budget.

Table App 2: 2017/18 revenue expenditure budget movements as at 30 June 2017

	Income £m	**Expenditure £m**	**Earmarked reserves £m**	**General balances £m**	**Virement count**
MTFP	-1,660.6	1,672.4		11.8	
Carry forwards				0.0	0
	-1,660.6	1,672.4	0.0	11.8	0
Total April & May movements	-0.4	0.4		0.0	35
June movements					
Cabinet approvals	0.0	0.0		0.0	2
Internal service movements	0.9	-0.9		0.0	29
Total June movements	0.9	-0.9	0.0	0.0	31
June approved budget	**-1,660.1**	**1,671.9**	**0.0**	**11.8**	**66**

Note: All numbers have been rounded - which might cause a casting difference

App 5. Table App 3 shows the year to date and forecast year end gross revenue position supported by general balances.

Table App 3: 2017/18 Revenue budget forecast position as at 30 June 2017

	Year to date			**← Full year →**			
	Budget £m	**Actual £m**	**Variance £m**	**Budget £m**	**Remaining forecast £m**	**Projection £m**	**Variance £m**
Income:							
Local taxation	-223.8	-223.8	0.0	-718.6	-494.8	-718.6	0.0
Government grants	-169.0	-163.5	5.5	-753.9	-585.8	-749.3	4.6
Other income	-46.8	-54.0	-7.2	-187.7	-140.4	-194.4	-6.7
Income	-439.6	-441.3	-1.7	-1,660.2	-1,221.0	-1,662.3	-2.1
Expenditure:							
Staffing	69.4	68.1	-1.3	278.9	203.6	271.7	-7.2
Service provision	232.2	241.1	8.9	983.2	779.4	1,016.2	33.0
Non schools sub-total	301.6	309.2	7.6	1,262.1	983.0	1,287.9	25.8
Schools expenditure	104.0	104.0	0.0	409.9	305.9	409.9	0.0
Total expenditure	405.6	413.2	7.6	1,672.0	1,288.9	1,697.8	25.8
Movement in balances	**-34.0**	**-28.1**	**5.9**	**11.8**	**67.9**	**35.5**	**23.7**

Note: All numbers have been rounded - which might cause a casting difference

Updated budget – capital

App 6. Cabinet approved the original capital expenditure budget for 2016/17 at £186.0m and £17.0m carry forward of scheme budgets requested in 2016/17's Outturn report. In the period to 30 June 2017, Cabinet approved £1.8m reprofilings and carry forwards. Capital virements in the period to 30 June 2017 amount to -£2.6m. Table App 4 summarises the capital budget movements for the year.

Table App 4: 2017/18 capital budget movements as at 30 June 2017

	1 Apr 2017 £m	31 May 2017 £m
MTFP (2017-20) (opening position)	186.0	186.0
In year changes		
Carry forwards from 2016/17		1.8
Reprofiling & carry forwards		1.8
Virements - In year changes		
Local Growth deal configured in March 2017		-2.6
In year budget changes		-2.6
2017/18 updated capital budget		**185.3**

Note: All numbers have been rounded - which might cause a casting difference

Balance sheet

App 7. Table App 5 shows a summary of the council's balance sheet as at 30 June 2017.

Table App 5: Balance sheet

As at 31 Mar 2016 £m	As at 31 Mar 2017 £m		As at 30 June 2017 £m
1,793.0	1,752.3	Property, plant & equipment	1,732.7
1.0	1.0	Heritage assets	1.0
62.9	54.1	Investment property	54.1
5.5	7.0	Intangible assets	6.7
3.2	46.7	Long term investments	46.7
28.7	124.5	Long term debtors	124.5
1,894.3	**1,985.7**	**LONG TERM ASSETS**	**1,965.7**
65.0	0.0	Short term investments	6.3
0.8	0.8	Intangible assets	1.0
24.2	10.9	Assets held for sale	10.9
1.4	1.4	Inventories	0.8
152.1	144.7	Short term debtors	135.4
0.0	56.1	Cash & cash equivalents	99.1
243.4	**213.9**	**CURRENT ASSETS**	**253.4**
-19.6	0.0	Short term cash & cash equivalents	0.0
-30.9	-140.7	Short term borrowing	-141.1
-182.1	-190.8	Creditors	-173.4
-3.1	-4.3	Provisions	-3.7
-0.1	-0.1	Revenue grants receipts in advance	0.0
-0.3	-9.2	Capital grants receipts in advance	0.0
-7.6	-13.3	Other short term liabilities	-13.3
-243.7	**-358.3**	**CURRENT LIABILITIES**	**-331.5**
-30.6	-25.2	Provisions	-25.7
-397.8	-397.8	Long term borrowing	-397.8
-1,383.5	-1,696.2	Other long term liabilities	-1,681.1
-1,811.9	**-2,119.1**	**LONG TERM LIABILITIES**	**-2,104.6**
82.1	**-277.9**	**NET ASSETS**	**-217.0**
-317.1	-341.1	Usable reserves	-449.1
235.0	619.0	Unusable reserves	666.1
-82.1	**277.9**		**217.0**

Note: All numbers have been rounded - which might cause a casting difference

Earmarked reserves

Table App 6: Earmarked revenue reserves as at 30 June 2017

	Opening balance 1 Apr 2017 £m	Balance at 30 Jun 2017 £m	Forecast 31 Mar 2018 £m
Revolving Infrastructure & Investment Fund	11.1	11.1	11.1
Budget Equalisation Reserve *	12.5	17.8	14.9
Eco Park Sinking Fund	4.4	4.4	4.4
Insurance Reserve	7.7	7.7	7.7
Investment Renewals Reserve	5.0	3.7	4.5
General Capital Reserve	5.3	5.4	4.0
Street lighting PFI Reserve	4.4	3.7	3.7
Vehicle Replacement Reserve	9.2	9.2	9.2
Economic Downturn Reserve	2.5	2.5	2.5
Public Health Reserve	0.7	1.1	1.0
Economic Prosperity Reserve	1.3	3.6	3.6
Equipment Replacement Reserve	1.0	1.0	1.0
Child Protection Reserve	11.1	11.1	11.1
Business Rate Appeals Reserve	12.5	17.8	14.9
Interest Rate Reserve	7.7	7.7	7.7
Total earmarked revenue reserves	**65.1**	**71.2**	**67.6**
General Fund Balance	**21.3**		**21.3**

Note: All numbers have been rounded - which might cause a casting difference

Debt

App 8. During the three months to 30 June 2017, the Accounts Payable team raised invoices totalling £81.4m (compared to £299.2m during the whole of 2016/17). The amount overdue on these invoices was £20.4m of gross debt as at 30 June 2017 (similar to £20.2m at 31 March 2017). Table App 7 shows the age profile of the council's debts. The overdue debt is the gross debt less those balances not immediately due (i.e. less than 30 days old). Non care related debt includes £1.5m with clinical commissioning groups and £1.3m with other local authorities

Table App 7: Age profile of the council's debts as at 30 June 2017

Account group	<1 month £m	2-12 months £m	1-2 years £m	+2 years £m	Gross debt £m	Overdue debt £m
Care debt – unsecured	5.5	3.0	2.1	3.0	13.5	8.0
Care debt – secured	0.2	2.7	1.7	4.1	8.7	8.4
Total care debt	5.7	5.7	3.7	7.1	22.1	16.5
Schools, colleges and nurseries	6.3	0.1	0.0	0.0	6.4	0.1
Clinical commissioning groups	10.5	1.2	0.2	0.1	12.0	1.5
Other local authorities	1.2	0.8	0.2	0.3	2.5	1.3
General debt	2.1	0.8	0.2	0.1	3.1	1.0
Total non-care debt	20.0	2.8	0.6	0.5	24.0	3.9
Total debt	**25.7**	**8.5**	**4.4**	**7.6**	**46.1**	**20.4**

Note: All numbers have been rounded - which might cause a casting difference

App 9. Adjusting the overdue debt to take into account those balances not secured (on property) produces the overdue, unsecured debt figures shown in Table App 8.

App 10. Changes introduced under the Care Act mean it is no longer possible to place a charge on an individual's property resulting in a rise in the level of unsecured debt (as this debt would previously have been reported as secured). Over the quarter, overdue, unsecured debt has fallen by £0.8m. Within this, the level of unsecured care related debt has reduced by £0.9m (10%) through Adult Social Care and Business Operations continuing to work together to review how to process more care related debt through legal channels.

Table App 8: Overdue, unsecured debt summary as at 30 June 2017

	2017/18 Q1 £m	2016/17 Q4 £m	2015/16 Q4 £m	2014/15 Q4 £m
Care related debt	8.0	8.9	10.8	8.9
Non care related debt	3.9	3.8	7.6	4.2
Total	**11.9**	**12.7**	**18.4**	**13.1**

Note: All numbers have been rounded - which might cause a casting difference

App 11. The council's debt policy includes a target of 30 days to collect non-care debt. The average number of debtor days for the period 1 April 2017 to 30 June 2017 was 28 days (the same as at 31 March 2016).

App 12. The Director of Finance has delegated authority to write off irrecoverable debts in line with financial regulations. During the quarter to 30 June 2017, the Director of Finance has written off 277 such debts with a total value of £350,118, of which £313,541 is care related and £36,577 is non care related debt.

Treasury management

Borrowing

App 13. The council borrows money to finance the amount of our capital spending that exceeds receipts from grants, third party contributions, capital receipts and reserves. The council must also demonstrate the costs of borrowing are affordable, prudent and sustainable under the Prudential Code. Table App 9 shows movements in the council's long term borrowing.

Table App 9: Long term borrowing as at 30 June 2017

	£m
Debt outstanding as at 1 April 2017	397.2
Loans raised	0.0
Loans repaid	0.0
Current balance as at 30 June 2017	**397.2**

Note: All numbers have been rounded - which might cause a casting difference

App 14. The weighted average interest rate of the council's entire long term debt portfolio is 4.1% as at 30 June 2017.

App 15. The revised Treasury Strategy, approved on 12 July 2016, set out the continuation of the policy of internal borrowing and where necessary to borrow short term to meet the capital programme liquidity requirements.

Table App 10: Short term borrowing as at 30 June 2017

	£m
Debt outstanding as at 31 March 2017	115.0
Loans raised	115.0
Loans repaid	115.0
Current balance as at 30 June 2017 (Excluding Surrey Police Authority)	**115.0**

Note: All numbers have been rounded - which might cause a casting difference

9

App 16. The weighted average interest rate of the council's short term external debt is 0.3% as at 30 June 2017.

App 17. The council also manages cash on behalf of Surrey Police Authority (£26.1m as at 30 June 2017) which is classed as temporary borrowing.

Authorised limit and operational boundary

App 18. The following prudential indicators control the overall level of borrowing:

- The authorised limit represents the limit beyond which borrowing is prohibited. The limit reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing needed with headroom for unexpected cash flow. This is a statutory limit determined under section 3(1) of the Local Government Act 2003.
- The operational boundary is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It acts as an indicator to ensure the authorised limit is not breached.

Table App 11: Borrowing against the authorised limit and operational boundary as at 30 June 2017

	Authorised limit £m	**Operational boundary £m**
Gross borrowing	512.2	512.2
Limit / boundary	928.1	676.9
Headroom	**415.9**	**164.7**

Note: All numbers have been rounded - which might cause a casting difference

Capital Financing Requirement

App 19. The Capital Financing Requirement (CFR) represents the council's underlying need to borrow for a capital purpose. The council must ensure that, in any one year, net external borrowing does not, except in the short-term, exceed the estimated CFR for the next three years. Table App 12 shows the council's position against the estimated CFR, as reported to the County Council in February 2017. The current borrowing position shows a net position of £490.4m more in borrowing than the council holds in short term deposits.

Table App 12: The council's position against the estimated CFR

Capital Financing Requirement			**Net borrowing**
2016/17	**2017/18**	**2018/19**	
£1,084.0m	£1,143.7m	£1,154.7m	£490.4m

Note: All numbers have been rounded - which might cause a casting difference

Maturity profile

App 20. The council sets limits for the maturity structure of borrowing in accordance with the Prudential Code, as shown in Table App 13. The actual amounts as at 30 June 2017 exclude balances invested on behalf of Surrey Police Authority.

Table App 13: Maturity structure of the council's borrowing as at 30 June 2017

	Upper limit	Lower limit	Actual
Repayable in 1 year*	50%	0%	27.6%
Repayable in 1-2 years	50%	0%	0%
Repayable in 2-5 years	50%	0%	0%
Repayable in 5-10 years	75%	0%	1.7%
Repayable in 10-15 years	75%	0%	0%
Repayable in 15-25 years	75%	0%	1.3%
Repayable in 25-50 years	100%	25%	69.4%

Note: All numbers have been rounded - which might cause a casting difference

Early debt repayment and rescheduling

App 21. The council has not made early repayments or rescheduled debt in 2017/18.

Investments

App 22. The council has had an average daily level of investments of £59.9m so far in 2017/18 and an average of £79.1m during 2016/17. The council's total investments includes schools' balances. The balance of schools' accounts was £55.5m at 30 June 2017.

App 23. The council invests cash on the money markets through one of five brokers, directly with counterparties through the use of call accounts, money market funds or direct deal facilities, or with the Debt Management Office (DMO). No new fixed term deposits have been agreed during 2017/2018. Table App 14 shows activity during the financial year to 30 June 2017.

Table App 14: Deposit activity for the three months up to 30 June 2017

Timed deposits	Number	Average value £m	
Deals using a broker	0	0	
Direct deal facilities	0	0	
Deals with DMO	0	0	
Instant access	**Number**	**Individual limit £m**	**Total limit £m**
Active call accounts	1	20.0	20.0
Active money market funds	5	25.0	125.0

Note: All numbers have been rounded - which might cause a casting difference

App 24. The weighted average return on all investments received in the quarter to 30 June 2017 is 0.21%. This compares to the average 7-day London Interbank Bid Rate (LIBID) of 0.11% for the same period. During the whole of 2016/17, the weighted average return on all investments was 0.38%, compared to the equivalent average 7-day London Interbank Bid Rate (LIBID) of 0.20%. Table App 15 shows the comparisons.

Table App 15: Weighted average return on investments compared to 7-day LIBID

	Average 7-day LIBID	Weighted return on investments
2017/18, quarter 1	0.11%	0.21%
2016/17 total	**0.20%**	**0.38%**
2015/16 total	0.36%	0.54%

Note: All numbers have been rounded - which may cause a casting difference.

This page is intentionally left blank