Appendix A

Integrated Finance Monitoring Report January 2023

Contents

1. Executive Summary

1.1 This report sets out the main overall management accounts for the Council and presents financial and other information to assess the Council's financial position and delivery of the business plan.

The Council's financial accounts are produced annually and are available on our website.

The Council's total service budgets for 2022/23 are:

- Revenue: £456m net budget
- Capital: £153m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

Service	Revenue Budget Variance £000	Revenue Budget Variance %	Net Capital Budget Variance £000	Net Capital Budget Variance %
People Services	3,204	1.0%	-13,015	-19.8%
Place & Sustainability	214	0.3%	-3,354	-4.7%
Strategy & Partnerships	129	0.8%	-6,776[1]	-43.9%
Finance & Resources	2,369	20.5%		
Public Health	0	0.0%	-	-
Capital Financing	-3,020	-9.1%	-	-
Funding Items	-2,088	-18.9%	-	-
Net Spending Total	**810**	**0.2%**	**-23,145**	**-15.2%**

Notes on this table:

1. The capital variance of -£6,776 is the combined position across Strategy & Partnerships and Finance & Resources

Item	Change for 2022/23 £000
Inflation	9,991
Demand growth	9,615
Pressures	16,236
Investments	7,253

In setting this year's budget, this growth had to be met through additional taxation, savings and government funding. We also have significant budget gaps over the next few years, including at least £13m in 2023/24 after over £10m of mitigations have been found over October and November.

Detailed financial information about each service area is contained in the relevant Finance Monitoring Report. These can be found published at each scheduled committee meeting, and on the Council's website.

Summary financial information in this report is presented with the assumption that any accompanying recommendations to committees will be agreed.

1.2 Key Issues

We are currently forecasting a small, and reduced, revenue overspend of around 0.2% of budget this year. There have been budget pressures due to a combination of factors, with mitigations that then reduce the overspend projection. In particular, this year the effects of the local government pay award have caused an overspend, as have increased costs of inflation in home to school transport contracts and lower than expected income within Place & Sustainability as we establish the new normal following the pandemic. This is in the context of large budget increases that were planned in for this year as noted above, alongside uncertainty due to the impacts of inflation and patterns of demand.

In June, the Council allocated additional resources to meet expected inflationary pressures this year, mainly driven by energy prices and some of our large contracts that are linked to national inflation indices. It also created a reserve to meet unexpected inflationary pressures. Other than with pay inflation, we are so far expecting to mostly be able to meet the costs of inflation on our revenue budgets this financial year from available resources, and have a dedicated reserve to back this up. It remains a significant concern, however, in setting our medium-term financial plan for the next five years.

Inflation is also impacting on our capital programme, alongside international supply chain disruption, making deliverability less clear. This is having an in-year impact on capital schemes as well as affecting future years. But, offsetting this inflationary impact is slippage on expected delivery of capital schemes. We are seeing an underspends expected on the revenue cost of the Council's capital programme, mainly reflecting a lower than expected borrowing requirement as the Council's cash balances have been quite high this year.

Uncertainty has been caused this year by changes in national government, and changing priorities with major pieces of reform such as in adult social care. We have proceeded through much of the year on the basis that social care reform would take place next year, but this has now been pushed back. Instead, government is focussing on trying to reduce hospital discharge pressures and has allocated additional money to councils to help with that.

Our Just Transition Fund investments are continuing to make a difference this year, particularly in our Care Together programme which is improving local care services, and in the Net Zero programme which is moving forwards with planning to deliver the Council's and County's net zero targets.

Demand for our services so far this financial year appears to be within original projections in most cases, but remains an uncertainty over the coming months. In particular, the impact of Autumn and Winter on social care budgets is difficult to predict, and there is some indication of an uptick in costs in both adult and children's social care in the later months of the year.

We have been able to use new government funding announced in year to meet existing costs in some cases, and government funding particularly around business rates has been unpredictable. We have seen an unexpectedly high grant relating to business rates relief during the pandemic, and national business rates surpluses have unexpectedly been distributed to councils. The impact of the economic situation combined with the business rates revaluation exercise undertaken nationally has made business rates income hard to predict heading into 2023-24.

1.3 Key Issues by Service Area

1.3.1 People Services – Adults

The overall underspend position within Adults this masks considerable variances across the different service user groups. We are seeing financial pressures across Learning Disability, Physical Disability and Mental Health, but these are being offset by forecast underspends elsewhere, and particularly in the costs of services for Older People. Following on from the pandemic we are continuing to see demand for residential care for Older People at below pre pandemic levels and it is anticipated that this trend will continue for some time to come.

Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living rises. These are putting pressure on uplift budgets across all care types. The position of the care market, particularly related to workforce issues, is making some placements more difficult to source, particularly at the more complex end of provision.

Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively.

Work is ongoing to assess future demand, cost pressures and the financial implications of the government’s social care reforms which have now been postponed to October 2025.

Key activity data for Adult Services at the end of January 2023 is:

Older people aged 65+ receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual Jan 23**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	617	528	537	Decreasing	Increasing
Residential	947	853	837	Increasing	Increasing
Community	2,399	2,207	2,225	Increasing	Increasing

Working Age Adults receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual Jan 23**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	37	40	36	Stayed the same	Increasing

Working Age Adults receiving long term services	Budgeted no. of care packages 2022/23	Actual Jan 23	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Residential	342	334	334	Stayed the same	Increasing
Community	2,626	2,808	2,644	Increasing	Increasing

1.3.2 People Services – Children's & Education

There is some pressure emerging on the Children in Care placements budget as several high-cost placements have been made in recent months for children with exceptionally complex needs. The placement market is highly competitive with demand outstripping supply, this results in providers cherry picking when matching placements within their residential provision, this coupled with excessive demand means that placement costs are in some cases 30% + higher than pre-pandemic levels.

To address continuing difficulty in recruiting to Social Worker posts, a programme board has been established to focus on recruitment, retention, and development of the workforce offer. The next phase of implementation of the work of the programme board will see the launch of our international recruitment campaign as of February 2023.

Home to School Transport Special continues to forecast an overspend of £2.13m. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported to special schools. The lack of special school places available locally has necessitated longer and less efficient transport routes and has added to the pressure on this budget.

Uncertain market conditions have led to an unprecedented number of contract hand backs across the service. The expected position at the end of the autumn term will be a total of 200 hand backs. There is a lack of providers bidding on contracts for post 16 provision, many courses only require transport for 3 days a week which has made these routes less attractive to the market and has led to an increase in cost. Operators are not able to find the drivers and passenger assistants for these routes, preferring to bid on whole week contracts. There is also a lack of providers in the Cambridge South area, which means that contractors are coming in from Peterborough and Huntingdon to cover these routes at a high cost. The Stagecoach retendering exercise has also contributed to the additional pressure. Whilst all routes were covered this has led to an increased spend of around £543 per day.

Key activity data for Children in Care in January 2023 is:

Children in Care	Budgeted no. of care packages 2022/23	Actual Jan 23	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Children in Care placements	278	265	260	Increasing	Increasing
Fostering and Supervised Contact	242	205	249	Decreasing	Increasing
Adoption	461	402	424	Decreasing	Increasing

1.3.3 Place & Sustainability

The largest financial risk within P&S is within the Waste service, and work to ensure compliance with odour regulations. A large capital investment is being made, as well as revenue costs while waste is diverted. For this financial year, much of this risk is mitigated by budget provision made or reserves created last year, but it is a significant weekly revenue cost that is faced as works are undertaken. Further updates have been provided to Environment & Green Investment Committee throughout the year, including in March 2023. A summary of the update provided to that committee recently, containing key financial risks and spend projections, is attached as a confidential appendix E to this committee report, and S&R Committee is asked to note it.

We are seeing some delay in realisation of additional revenue expected from several of our renewable energy schemes. These programmes expect a significant net revenue return due to the selling of clean electricity, but delays to some capital works are pushing back the expected realisation of income. When income does commence, we expect it to be higher than in the original plan due to rising electricity prices.

Capital expenditure in a number of areas is low at present. This is due to a number of schemes being programmed for late in the year due to road space availability, as well as and staff resource pressures in the service causing design and costing to be later than expected. The service remains confident of delivery high with road space booked up to the full budget level and the works in the contractors’ programmes.

Projections for spend for the remaining months of the year for all schemes have been scrutinised. While there is confidence in deliver to current projections at a scheme by scheme level, a more global adjustment for some further slippage has been made, as there is a likelihood of some unforeseen events even if it isn’t known which schemes they will affect.

Income generating services within P&S are projected an improved position this month as activity has improved through the middle part of the year.

1.3.4 Finance & Resources, and Strategy & Partnerships

Finance & Resources is forecasting an overspend due to the expected level of staff pay inflation. The nationally and locally agreed pay awards are higher than the level budgeted. As services will be fully funded for the cost of pay inflation, the pressure is retained centrally and offset in the next year's business planning.

Work is commencing within the Customer and Digital service to look at implementing the longer-term strategy of moving to predominantly cloud based services away from physical IT assets. This will have a revenue cost impact as services cease to be able to be capitalised, something that is being closely reviewed over coming months.

The Council's investments, both financial and property, are continuing to perform well and delivering an annual revenue return to us higher than current budgets. We are, however, experiencing costs pressures within the Property Service from higher than expected maintenance costs.

Centrally, there are some residual pandemic-related risk provisions left over from previous business plans, but this is at a greatly reduced level compared to the last two years. It is increasingly clear that even this level of provision may not be needed this year.

We are forecasting an underspend on our capital financing budgets. While this is partly due to slippage on some capital schemes, reported below, it is predominantly due to the Council's cash position being better than expected for much of this year resulting in an overall lower level of borrowing than planned. We aim to retain a minimum cash balance and only borrow when this is projected to be breached. The cash position is better than expected partly due to additional government grants received but not yet fully spent, and generally for councils having more cash in the bank results in having to take out less borrowing thus saving on interest costs.

1.3.5 Public Health

The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The Directorate is now focussed on returning business as usual public health activity to full capacity as soon as possible and addressing issues arising from the pandemic which have impacted on the health of the County's population.

The service is forecasting an underspend due to reduced activity on some contracts, alongside difficulty recruiting to a number of posts earlier in the year.

Public Health services are key to wider preventative activity and can help reduce future costs both in social care and the health service.

The Public Health Grant increased in 2022/23 by £776k, which was fully invested into the service as follows:

- £350k investment into child weight management services; and

- £426k funding for internal and provider inflationary uplifts.

2 Revenue Budget

2.1 This table shows summary information for the Council's revenue budgets at the end of January 2023:

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
3,046	People Services	312,009	229,449	3,204	1.0%
675	Place & Sustainability	72,299	54,850	214	0.3%
52	Strategy & Partnerships	15,641	5,108	129	0.8%
1,982	Finance & Resources	11,580	14,451	2,369	20.5%
-326	Public Health	27,301	4,853	-353	-1.3%
-3,052	Capital Financing	33,275	6,856	-3,020	-9.1%
-1,357	Funding Items	11,047	11,047	-2,088	-18.9%
1,020	**Net Spending Total**	**483,153**	**326,613**	**457**	**0.1%**
326	Adjustments for Public Health ring-fence	-27,301	-20,746	353	-1.3%
1,346	**Overall Total**	**455,852**	**305,867**	**810**	**0.2%**
-	Schools	149,099	-	-	-

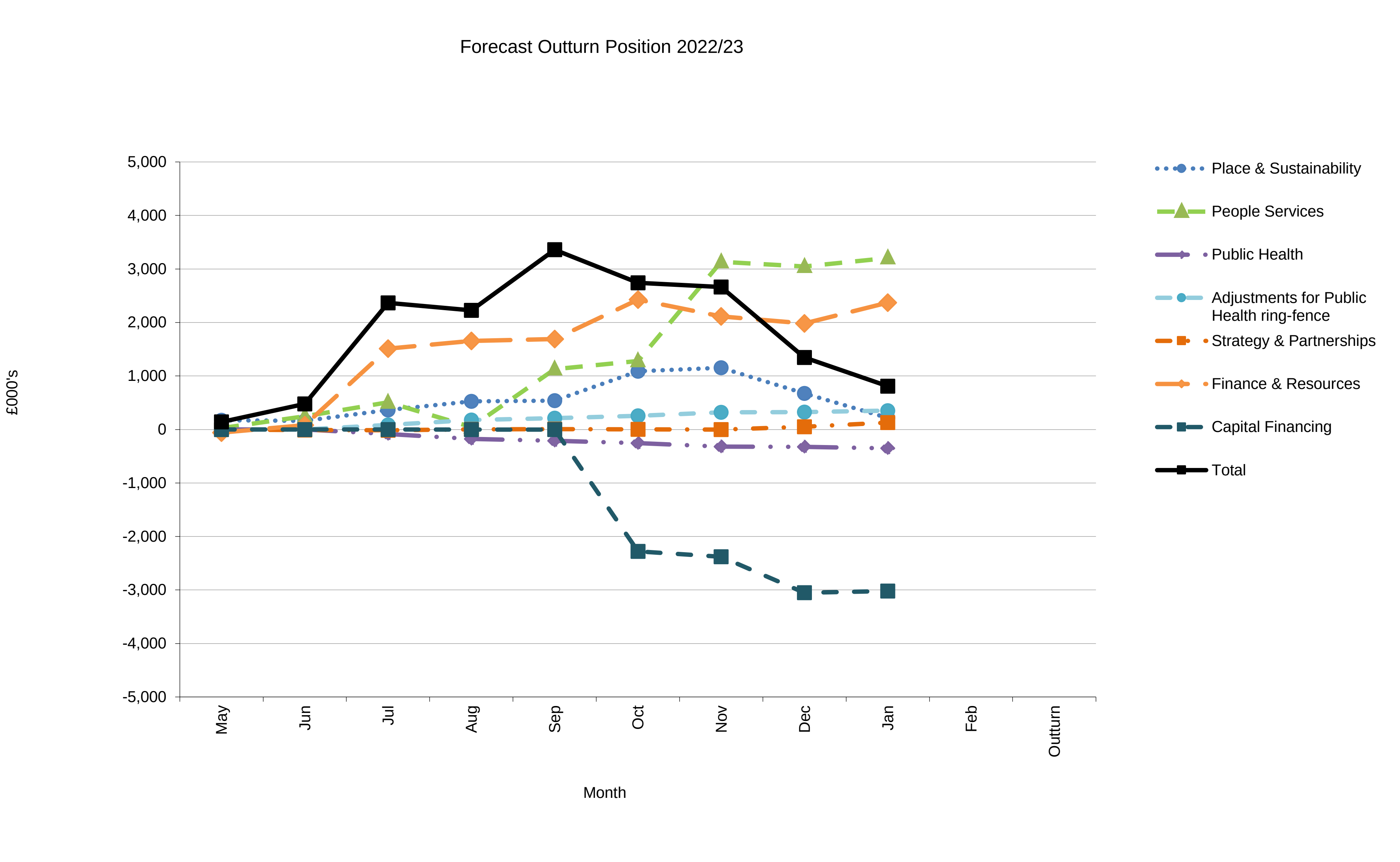
Notes on this table:

1. The budget and actual figures are net
2. The budget column shows the current budget. For virements between services throughout the year see appendix 3
3. The 'funding items' budget consists of the £9.7m Combined Authority Levy, the £433k Flood Authority Levy and £930k 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 positive forecast indicates an adverse variance, i.e. less income received than budgeted.
4. The Adjustments for Public Health ring-fence line shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend. The budget line currently only shows the grant element sat within the PH directorate. A small balance is allocated to other directorates and is netted off their totals.

2.2 Key budget variances are identified by exception and commented upon in appendix 1.

Key variances are those forecast to be in excess of +/-£250k

Cambridgeshire County Council



2.3 This table shows a summary of the position of the Council's Dedicated Schools Grant position:

Opening Deficit Balance 2022/23 £m	Forecast In-year Deficit £m	Forecast Closing Deficit Balance 2022/23 £m
39.3	11.8	51.1

2.3.1 A cumulative DSG deficit of £39.3m has been carried forward into 2022/23, and this is expected to grow in year by £11.8m at this stage. Under current regulations, this is a ringfenced deficit that cannot be addressed using Council funds.

2.3.2 In 2020-21 the Department for Education (DfE) introduced the safety valve intervention programme in recognition of the increasing pressures on high needs. A total of 14 local authorities have now signed up to agreements, and the programme is being expanded to a further 20 local authorities, including Cambridgeshire in 2022-23.

2.3.3 The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the DfE, to rapidly place them on a sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability and are effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the authority, subject to Ministerial approval.

2.3.4 When an agreement is reached, local authorities are held to account for the delivery of their plans and hitting the milestones in the plans via quarterly reporting to the DfE. If adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, generally spread over five financial years. If the conditions of the agreement are not being met, payments will be withheld. Senior Officers are continuing to meet with the DfE to discuss the current situation and plans for deficit recovery. This process remains a major financial risk in the medium-term due to the scale of the growing deficit and the uncertain extent to which we will need to contribute our own funding to eliminate it.

2.4 Savings Tracker

2.4.1 The Savings Tracker is a reporting tool for summarising delivery of planned revenue savings. Within the Tracker, the forecast delivery of savings is shown against the original saving approved in the 2022-27 Business Plan. The Tracker is completed at the end of each quarter and reported in the next IFMR going to S&R committee. It is important to note the relationship between the reported savings projections and the overall revenue financial position reported in this report. If pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

2.4.2 Currently, the Council is on track to deliver £6.9m of savings against its original plan. Blue rated savings total £0.3m, exceeding the target on those initiatives. Green rated savings total £4.9m. The Savings Tracker as at the end of quarter 3 is included as Appendix 5 to this report.

2.4.3 A summary of Business Plan savings achieved in previous years as per the savings tracker is shown below for comparison:

Financial Year	Business Plan Original Savings £m	Savings Delivered £m	Total Variance £m
2016-17	43.4	35.5	7.9
2017-18	33.4	27.1	6.3
2018-19	38.3	27.8	10.5
2019-20	15.8	13.2	2.6
2020-21	15.9	8.9	7.1
2021-22	11.4	8.3	3.1
TOTAL	158.2	120.8	37.4

2.4.4 A summary of 2022-23 Business Plan savings by RAG rating is shown below:

RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	Total Original Savings	Total Variance
Blue	1	-250	-71	Green	27	-4,936	0	Amber	6	-2,210	976	Red	2	-1,167	735	Black	10	-2,036	2,036	-10,599	3,676

3 Revenue Funding Changes

This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.

3.1 Business Rates Levy Account Surplus Grant

In February 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published unexpected allocations for the distribution of a surplus in the national Business Rates levy account relating to 2022-23. This account balances the amounts levied by central government from collected business rates against the required top-ups and Revenue Support Grant payments needed for councils. If there is a mis-match, the difference can be allocated to councils, which the government has done this year. We have therefore been allocated a £548k grant, which is factored into the Funding Items forecast.

3.2 Business Rates Relief Reconciliation Grant

The Council received an allocation of £4.148m on 31 January 2023 from central government for Business Rates Relief Reconciliation of Authorities' 2021/22 Tax Loss Payments, which is higher than the amount expected. This relates to the losses incurred by councils through government reliefs on business rates charges introduced in 2021/22. The Council is initially provided with an interim grant payment for these reliefs based on billing authority estimates provided ahead of the start of the relevant financial year – for 2021/22 this was estimated to be around £3m and we were funded on this basis. Following billing authorities providing final business rates collection returns to government in the summer following the end of 2021/22, final allocations are made reconciling actual reliefs with the estimates made. In this case, the actual entitlement to the grant was much higher than estimated by billing authorities. Based on indications earlier in the year we had estimated around £1m of additional funding, but the final confirmation was for a reconciliation payment of £4.148m.

This is one off funding, and was notified and paid too late to be factored into business planning for 2023-24. In line with standard procedures where funding arrives too late to be considered as part of the business plan, it is treated as an in-year budget or funding variation.

Linked to recommendation d below, it is proposed to earmark £2.891m of this one-off funding to enable necessary, unexpected capital works to take place in 2023-24 without requiring additional borrowing to fund them.

The £4.148m grant payment would therefore be accounted for as:
- £2.891m allocated to an earmarked reserve
- £1.162m meets the estimated increase in funding already factored into our financial planning

- £95k is further unexpected in-year funding and reported as such against the 'funding items' budget heading.

Recommendation A: Note the government grant allocations of £4.148m for Business Rates Relief Reconciliation Grant and of £548k for the Council's share of the Business rates levy account surplus for 2022-23.

Recommendation B: Transfer £2.891m of the Business Rates Relief Reconciliation Grant additional income to an earmarked reserve for Guided Busway path widening work in 2023-24.

3.3 Strengthening Children's Services

At the 8 March Children & Young People (CYP) committee meeting CYP reviewed a proposal to set up a Cambridgeshire Strengthening Services Board to bring focus and pace to improvements in Children's Services. As a result CYP committee is recommending that Strategy & Resources committee make a funding allocation of £1.070m to enable the first stages of this work. This will cover the highest priority needs for the improvement programme on a time critical and defined basis, which are estimated to be: Improvement expertise (£370k), Programme management (£105k), International social worker recruitment (£486k) and New social worker supporting assessors (£109k). Due to the developing nature of the required work, the specific expenditure needs may change. More detail was provided to CYP committee in this appendix that provided required assurance to enable the recommendation to be made.

Recommendation C: Allocate funding of up to £1.07m from the Business Change Reserve to enable the first stages of the Strengthening Services changes within Children's, Education & Families, and delegate authority to draw down this funding to the Executive Director of Finance & Resources in consultation with the Chair & Vice-Chair of S&R Committee.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Net Forecast Variance £000	Forecast Variance %	Total Scheme Budget £000	Total Scheme Forecast Variance £000
-1,430	Place & Sustainability	71,467	43,305	-3,354	-4.7%	598,924	5
-11,965	People Services	65,724	29,132	-13,015	-19.8%	574,760	453
-3,437	Corporate Services	15,426	5,103	-6,776	-43.9%	68,854	-927
-16,833	**Total**	**152,617**	**77,540**	**-23,145**	**-15.2%**	**1,242,538**	**-469**

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4
2. The Budget column also includes an assumed level of variations, called the 'capital variations budget' which is shown in section 4.2
3. The reported Place & Sustainability capital figures do not include the Greater Cambridge Partnership, which has a budget for 2022/23 of £40m and is currently forecasting a balanced position.
4. The columns setting out budgets and forecast variances for total schemes show financial information for all schemes in a service block across all financial years.

4.2 Capital variations budgets

4.2.1 A summary of the use of the 2022-23 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If 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 rephasing exceeds this budget. The capital variations budgets have been recalculated following the CLT restructure.

4.2.2 Capital variations summary

Service	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance
Place & Sustainability	-17,736	-21,090	17,736	100.0%	-3,354
People Services	-9,114	-22,129	9,114	100.0%	-13,015
Corporate Services	-3,811	-10,587	3,811	100.0%	-6,776
Total	**-30,661**	**-53,806**	**30,661**	**100.0%**	**-23,145**

4.2.3 As at the end of January, Place & Sustainability, People Services and Corporate Services have all exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£3.4m, -£13.0m and -£6.8m respectively. The current overall forecast position is therefore a -£23.1m underspend; the forecast will be updated as the year progresses.

4.3 Key capital budget variances are identified by exception and commented upon in appendix 2.

Key variances are those forecast to be in excess of +/-£250k

4.4 Capital Funding

4.4.1 This table sets out changes to funding for capital schemes in-year.

Funding Source	Business Plan Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	23.9	-5.0	0.2	0.1	**19.2**	22.0	2.8
Basic Need Grant	14.7	0.0	0.0	1.0	**15.7**	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	**5.9**	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	**2.0**	2.0	0.0
Specific Grants	19.7	2.4	-2.6	0.7	**20.2**	12.1	-8.1
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.2	-0.4	**13.9**	14.8	0.9
Capital Receipts	1.5	0.0	-0.1	0.0	**1.3**	1.1	-0.2
Other Contributions	10.2	-0.4	-5.4	7.4	**11.7**	9.6	-2.1
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Prudential Borrowing	90.6	26.8	-47.3	-7.4	**62.8**	46.3	-16.4
TOTAL	**192.2**	**27.5**	**-69.4**	**2.3**	**152.6**	**129.5**	**-23.1**

Notes on this table:

1. The ‘rolled forward funding’ column reflects the difference between the anticipated 2021/22 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2022/23 Business Plan, and the actual 2021/22 year-end position.

4.5 Capital Funding Changes

4.5.1 The table below details changes for committee to note (where the change is greater than £250k).

Funding	Service	Amount £m	Reason for Change
Revised Phasing-prudential borrowing and other contributions	P&S	-2.1	A14 revised phasing of £2m prudential borrowing and £0.08m other contributions into future years. The Council committed to contribute a sum of £26m towards the A14 improvements over 25 years. It was previously agreed that payments would commence in 2020/21 and amounts were reserved to fulfil this commitment. However, the Department for Transport has now advised that the first payment will be collected in this financial year. To adjust for this, Strategy and Resources Committee is asked to approve an updated budget profile whereby £2.08m of budget is transferred from this financial year to the updated Years 23-24 and 24-25.

Recommendation F: To approve capital budget rephasing in relation to the A14 Improvement Scheme payments to the Department for Transport as set out in table 4.5.1.

4.6 Further proposed changes to capital schemes

4.6.1 Guided Busway Southern Section - Path Widening

At 7 March 2023 Highways & Transport (H&T) committee meeting H&T received a confidential report on a proposed project to widen the pathway adjacent to the southern section of the Cambridgeshire Guided Busway (CGB). H&T is recommending to Strategy & Resources committee that the scheme, budgeted to cost £2.891m be added to the Council's capital programme for 2023-24 for the reasons set out in the confidential appendix to H&T (which is confidential appendix C to this report).

As per section 3.2 the scheme is proposed to be funded from an earmarked reserve in 2023-24.

Recommendation D: Add the Guided Busway Southern Section - Path Widening scheme, £2.891m to the capital programme for 2023-24, to be funded from an earmarked reserve.

4.6.2 Schools capital grant additional allocation

Following discussions with government as part of the Safety Valve programme to address deficits in councils' high needs spend for children with special educational needs and disabilities (SEND), we have been awarded £11.3m of additional capital funding. This is to be spent on increasing SEND provision on mainstream school sites, and therefore some additions to the schools capital programme are proposed. Until reaching a certain milestone in scheme delivery, school capital scheme information is confidential to protect the Council's interests in commercial negotiations with suppliers, therefore the scheme by scheme information is included in the appendix.

Recommendation E: Add the capital schemes, as set out in confidential appendix D, to the capital programme for 2023-24 onwards.

5 Balance Sheet

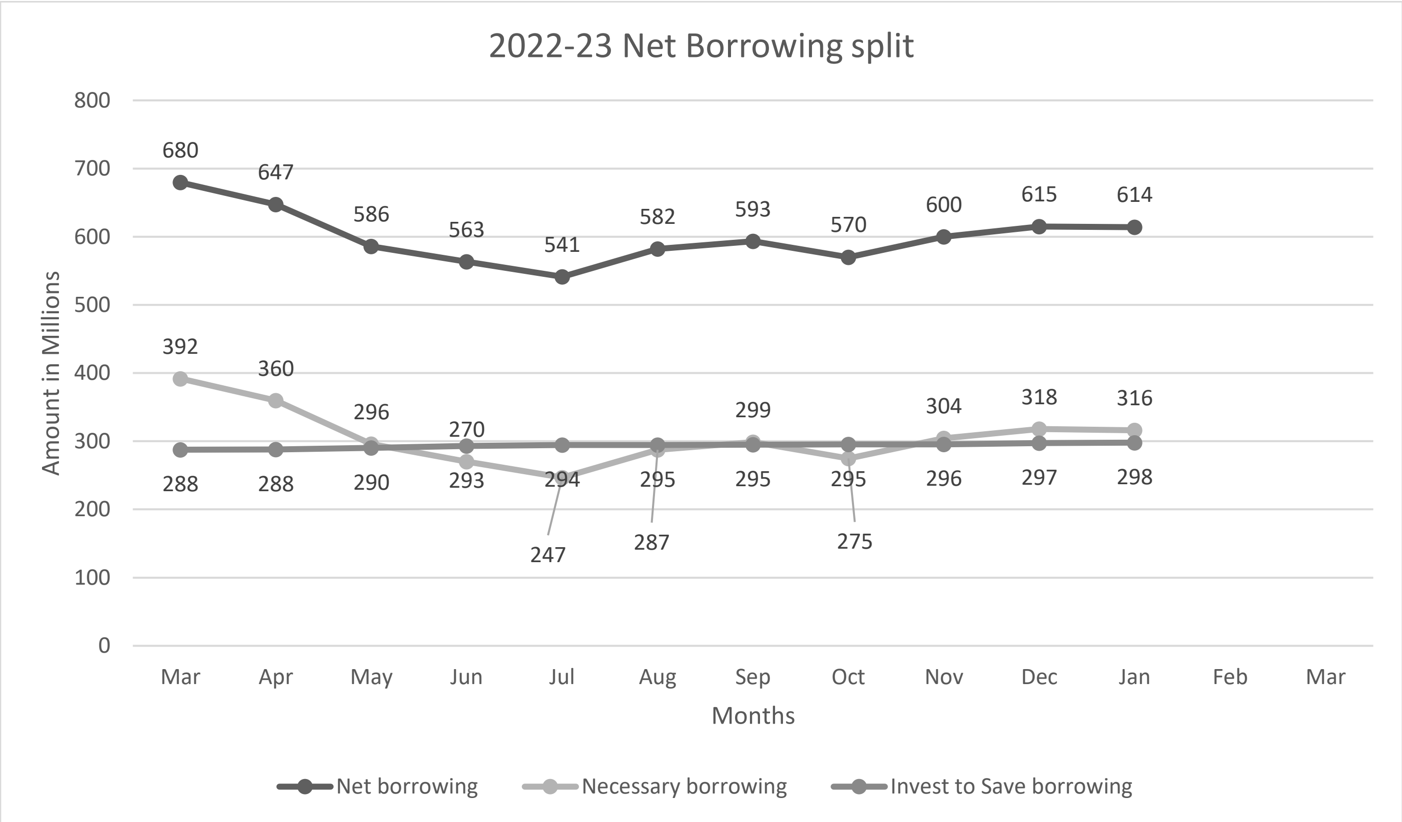
5.1 Reserves

At the end of January, the Council has revenue reserves totalling £155m. Most of these reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.

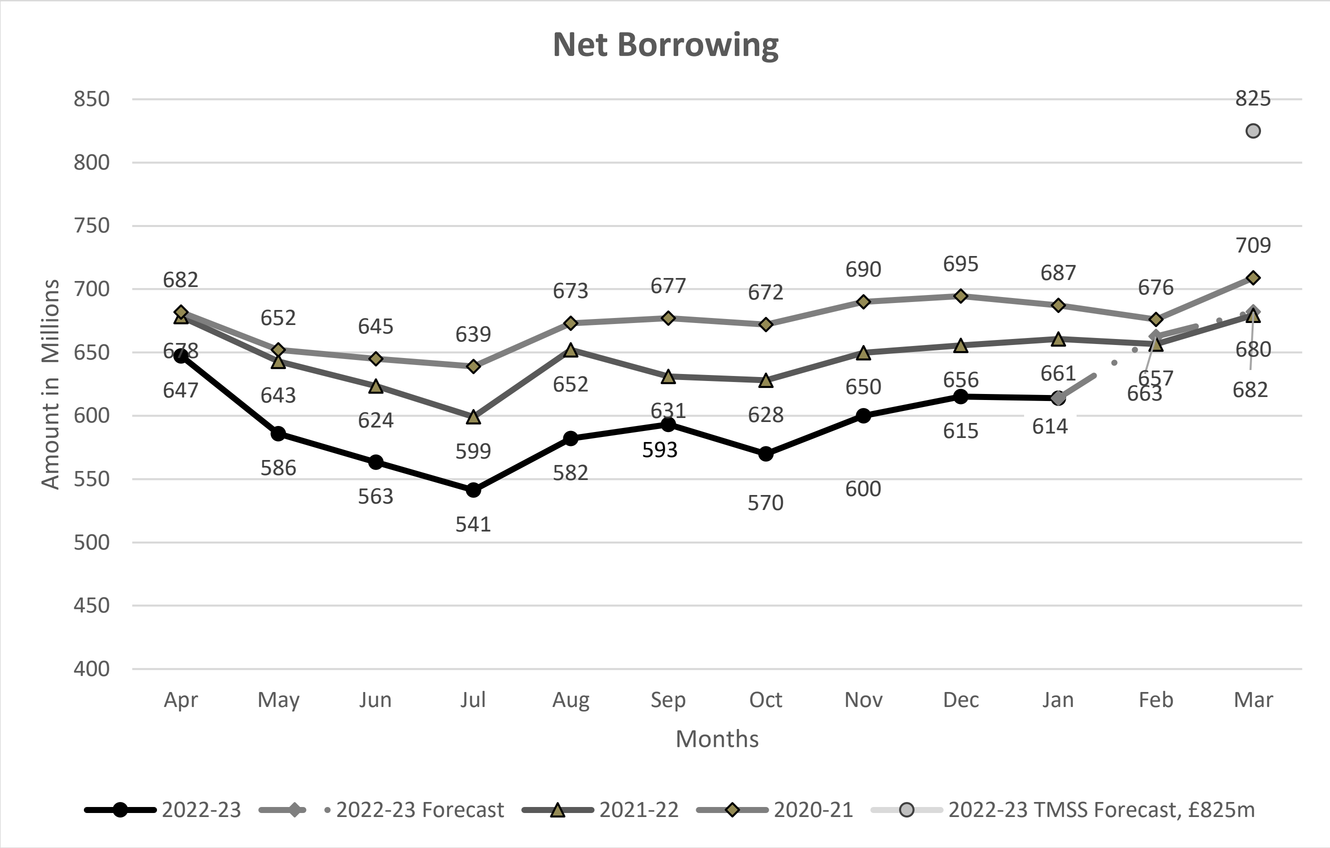
The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, much of which is already planned into medium-term budgets.

5.2 Borrowing

The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2022/23, it is estimated that £298m 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.



The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of January 2023, investments held totalled £124.0m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £738.0m, equating to a net borrowing position of £614.0m.



5.3 General Balance Sheet

An overview of other key balance sheet health issues is shown below:

Measure	Year End Target	Actual as at the end of Jan 2023
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	85%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£13.26m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£3.87m
% of invoices registered on ERP within 2 working days	98.0%	99.7%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.5%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	85.1%

6 Treasury Management

6.1 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2021-22 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2022-23 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

6.2 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 2022-23 TMSS was set in February 2022, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2021-22 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £682m by the end of this financial year.

6.3 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer-term borrowing should underlying interest rates be forecast to rise in a sustained manner.

6.4 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

Appendix 1 – Revenue – commentaries on exceptions

1. People Services

- An overall pressure of £3.204m is forecast for year-end.

New commentaries

1a Redundancy & Teachers Pensions

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-7%

A -£0.254m underspend is forecast. This is due to a significant reduction in the number of individuals receiving pension payments. There has also been lower than anticipated activity in redundancies.

Previously reported commentaries, updated since last month:

1b Strategic Management - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.1	-2%

A -£0.134m underspend is forecast, which is a decrease of £0.321m on the underspend position previously reported last month. The key forecast variances contributing to this balance are:

i) The 2022-23 Business Plan assumed an increased contribution of £1.1m from the NHS to the Learning Disability Pooled budget as a result of joint work being undertaken to reassess the cost sharing agreement between the Council and Health. The review of packages required to agree a revised split of costs for the pool has not yet commenced, and there is an increasing risk as the year progresses that the revised contribution will not be agreed in the current financial year creating a budgetary pressure.

ii) Adult’s transport is expected to be overspent by £140k in the current financial year as a result of inflationary pressures on transport costs;

iii) Offsetting these pressures, income is expected to exceed target by £413k. This is principally due to the Better Care Fund contribution from Health increasing from 2021/22 to 2022/23 at a higher percentage rate than anticipated in the Business Plan. This funding increase is held centrally to contribute to demand pressures across Adult Social Care;

iv) There is a forecast underspend of £490k on the Council’s Learning Disability budget held outside of the Learning Disability Partnership which is partially offsetting the forecast pressure reported in note 1b below;

v) Underspends arising from vacant posts are exceeding budgeted levels by £200k due to difficulties in recruiting in some areas; and

vi) An element of the Social Care grant is held centrally within Strategic Management – Adults to fund services delivered within the Directorate. The levels of vacant posts within services mean that not all of this grant money will be applied as originally intended. The grant monies will instead be used to offset demographic growth and pressures across the Adults and Safeguarding Directorate.

1c Learning Disabilities

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.6	+2%

A £1.573m pressure is forecast, which is an increase of £0.102m on the pressure position previously reported last month. The pressure is largely due to demand on the budget for externally commissioned care placements. At the beginning of the year, it was proving incredibly challenging to find placements in the external provider market for service users transitioning from children's services, and for existing service users who needed placement moves. Over the last couple of months, we have seen more placements being made and the number of service users supported by the Young Adults team has exceeded the number of transitions anticipated from children's services. There are also new service users entering the locality teams directly. It remains incredibly challenging to source care placements and prices charged by the market have increased and continue to increase. This is in part due to providers struggling with staffing shortages, high agency costs and a high level of general inflation. Young people are also transitioning to adult services with more complex needs, so there are fewer suitable placements available and those that are available are higher cost in order to meet service user needs. The locality area budgets are seeing similar challenges when service users' needs increase, and they need new placements.

There is also a substantial risk around provider uplifts as the Council is still in negotiations with some providers over the level of inflationary uplift, they will be awarded in 2022-23. The budget for uplifts was set before the current inflationary pressures were known, so most providers are making uplift requests over and above the budgeted amount as they are facing cost pressures themselves, particularly around staffing.

The budget for service user transport is facing particular pressures with a forecast pressure of ~£600k. Driver shortages and fuel price inflation have increased transport costs, with fewer suppliers willing to cover routes. The transport retender has stabilised costs for the set routes, although the cost for these routes is in excess of the budget set for them, but there remains uncertainty around the cost of individual and ad hoc transport commissioned for service users.

The in-house provider services have a pressure due to absence levels requiring relief worker cover. Absence levels are higher than expected and require cover to enable the service to remain operational.

The Learning Disability Partnership (LDP) are working on strategies to control escalating demand and placement costs in the medium to long term, but there are limited short term solutions. A Transitions Panel has been set up to better plan young people's transitions from children's to adults' services with the aim that transitions planning will happen from a younger age and adults' services will have more time to plan care and source placements. However, currently most of the panel's work is focussed on young people approaching their 18th birthday.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for our service users, both now and looking to future needs. This should lead to more choice when placing service users with complex needs and consequently reduce costs in this area, but this is a long-term programme. The LDP social work teams and Adults Commissioning are also working on strategies to increase the uptake of direct payments, to deliver more choice for service users and decrease reliance on the existing care market.

1d Older People and Physical Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.3	-3%

A -£2.300m underspend is forecast, which is an increase of £0.300m on the underspend position previously reported last month. Older People's and Physical Disabilities Services have undergone a service redesign for the start of 2022-23 to realign the Long-Term care teams into single locality-based community care teams and a specialist care home team. As part of this redesign, a cohort of over-65 clients previously allocated to the Physical Disabilities care budget have been realigned to the Older People's care budget, which means that the Physical Disabilities care budgets relate to working-age adults only.

The service as a whole is forecasting a net underspend of -£2.3m. Demand patterns that emerged during 2021/22 are continuing into 2022/23, and these are reflected in the individual forecasts for the service.

Ongoing analysis will be carried out to review in detail activity information and other cost drivers to validate this forecast position. This remains subject to variation as circumstances change and more data comes through the system.

Older People's North & South
It was reported throughout 2021/22 that despite high levels of activity coming into service, driven largely by Hospital Discharge systems, net demand for bed-based care remained significantly below budgeted expectations, and there was no overall growth in the number of care home placements over the course of the year. This trend is continuing into 2022/23 and a high proportion of new placements are being made within the Council's existing block bed capacity, which is resulting in a significant underspend. This is being partially offset by a significant increase in demand for domiciliary care with the month-on-month increase in service users exceeding budgeted expectations. We are reporting a net underspend of -£3.615m.

Physical Disabilities North & South
There has been a significant increase in demand for community-based care above budgeted expectations. The increase in demand largely relates to home care, both in terms of numbers of clients in receipt of care and increasing need (i.e. average hours of care) across all clients. During 2021/22, this impact was offset by a reduction in demand in the over-65 cohort that have been realigned to the Older Peoples budget. This, in conjunction with a reduction in income due from clients contributing towards the cost of their care, is resulting in the reported forecast pressure of £1.315m.

1e Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.0	+6%

A £0.956m pressure is forecast within Mental Health Services, which is a decrease of £0.074m on the pressure position previously reported last month. The pressure reflects significant additional demand pressures within the Adult Mental Health service. This factors in a partial mitigation from an underspend of around £130k expected against the Section 75 Contract (which is predominantly staffing costs).

Adult Mental Health services are continuing to see significant additional demand within community-based care, particularly there has been a notable increase in the volume of new complex supported living placements made since the start of the year.

Older People's Mental Health services had previously seen a reduction in demand for community-based support. This is now returning to match budgeted expectations. Activity in bed-based care remains high, as reported last year. This, and a reduction in income expected from clients contributing towards the cost of their care, is contributing to the reported budget pressures this year.

1f Central Commissioning - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-5%

A -£0.681m underspend is forecast within Central Commissioning – Adults, which a decrease of £0.011m on the underspend position previously reported last month.

Savings of -£575k have been made through the decommissioning of six local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model. This offsets the pressure and delivers a net underspend on the budget. The long-term strategy is to decommission all the local authority funded cars, meeting the need for domiciliary care through other, more cost-effective means, such as:

- A sliding scale of rates with enhanced rates to support rural and hard to reach areas.
- Providers covering specific areas or zones of the county, including rural areas.
- Supporting the market in building capacity through recruitment and retention, as well as better rates of pay for care staff.

There are some additional small underspends on recommissioned contracts, with the additional £80k underspend forecast in November being due to additional underspends on contracts being identified, including on a budget for consultancy where it was possible to deliver some of the contract review work internally.

1g Children in Care Placements

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.2	+5%

A £1.200m pressure is forecast, which is an increase of £0.550m on the pressure position previously reported last month. The biggest impact on the Placement Budget has been three high-cost placements for children with exceptional behaviours and complex needs. These costs have been incurred since August. These children have been subject of multiple placement searches, two of whom moved to reduced cost provisions in November. Costs for one child remain excessive whilst endeavours are being made to find suitable alternative reduced cost provision capable of meeting need.

The placement market is highly competitive with demand outstripping supply, this results in providers cherry picking when matching placements within their residential provision, this coupled with excessive demand means that placement costs are in some cases 30% + higher than pre-pandemic levels.

A number of providers have justified fee uplift requests in response to the high inflation levels currently being experienced, this is in particular in regard to IFA placements where the cost-of-living increases are affecting fostering families. The last few months have seen a decrease in our ability to access in-house provision with a greater number of placements being made in the independent sector.

Previously reported commentaries, unchanged since last month:

1h Adoption

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-5%

A -£0.300m underspend is forecast. The underspend is primarily against Special Guardianship Orders, which is the continuation of savings realised from changes made to allowances following the introduction of a new means-testing tool, in line with DfE recommendations.

1i SEND Specialist Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+2%

A £0.251m pressure is forecast in the Education Psychology service. It was hoped that some of this could be offset by underspends in other areas, but this is now not the case. The service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for Education, Health and Care Needs Assessments (EHCNA) that continued over the summer. The locum spend has helped to get the numbers of advice unallocated or late down significantly (19% submitted on time to around 60%, above national average, on time by October). Without the use of locums this would not have been possible. This feeds into the DfE expectations of Cambridgeshire in terms of meeting deadlines.

1j Home to School Transport – Special

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.1	+12%

A £2.130m pressure is forecast. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported to special schools. The lack of special school places available locally has necessitated longer and less efficient transport routes and has added to the pressure on this budget.

Uncertain market conditions have led to an unprecedented number of contract hand backs across the service. The expected position at the end of the autumn term will be a total of 200 hand backs. There is a lack of providers bidding on contracts for post-16 provision, many courses only require transport for 3 days a week which has made these routes less attractive to the market and has led to an increase in cost. Operators are not able to find the drivers and passenger assistants for these routes, preferring to bid on whole week contracts. There is also a lack of providers in the Cambridge South area, which means that contractors are coming in from Peterborough and Huntingdon to cover these routes at a high cost. The Stagecoach retendering exercise has also contributed to the additional pressure. Whilst all routes were covered this has led to an increased spend of around £543 per day.

1k Children in Care Transport

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+18%

A £0.300m pressure is forecast. There has been an increase in transport demand arising from an increasing shortage in local placements, requiring children to be transported further. In addition, transport requests for Children In Care pupils as part of their care package have increased due to carers feeling unable to meet the increased fuel costs.

1l Home to School Transport – Mainstream

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	+7%

A £0.711m pressure is forecast. As with all the transport budgets, driver shortages and inflation have increased contract costs. In addition, several areas in the county have a lack of local places meaning that pupils must be transported further at higher cost.

There are the same issues with transport provision as stated above for the SEN budget. In addition, the lack of bus operator and drivers has resulted in one school needing to be covered with 5 taxis, as a 53-seater bus could not be procured, despite multiple tenders and market testing.

The lack of places continues to generate extra taxis provision. This has been higher in the Cambridge South area, where refugee guests are taking up places that had already been forecasted for, resulting in pupils being transported further afield.

1m SEND Financing – DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
+11.8	+121%

An £11.800m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). Due to the continuing increase in the number of children and young people with Education, Health and Care Plans (EHCPs), and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current in-year forecast reflects the initial latest identified shortfall between available funding and current budget requirements.

1n Financing - DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
-11.8	-11%

This line relates to the £11.800m that will be required to be drawn down from the DSG reserve to meet the in-year pressure on DSG funded services (mainly the high needs block as noted above). This reserve is currently negative (a deficit on the DSG). Within People Services, spend of £103.1m is funded from the ring-fenced Dedicated Schools Grant. The DSG balance brought forward from 2021/22 was a deficit of £39.3m.

Senior Officers continue to meet with the DfE to discuss the current situation and plans, and as such updates will be provided in due course.

2. Place and Sustainability

- An overall pressure of £0.214m is forecast for year-end.

Previously reported commentaries, updated since last month:

2a Lost Sales, Fees & Charges Compensation

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-100%

Parking Enforcement

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.4	-%

Variance on these two budget lines is linked. Funding is held on the Lost Sales, Fees & Charges Compensation to offset the impact of Covid on parking enforcement income. The pressure on income collection is reported on the Parking Enforcement line. The amount of funding held in offset is greater than the pressure, resulting in a net underspend of £0.293m between the two lines, which is an increased underspend of £0.039m since last month.

2b Street Lighting

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.2	-2%

An in-year underspend of -£0.240m is forecast which is a decrease of £0.039m on the underspend position previously reported last month. This has been updated in line with the new energy rate for October 2022. The forecast has also been adjusted to reflect the discount that is being applied to the energy rates in the period October 2022 to March 2023 in line with the application of the Governments Energy Bill relief scheme.

2c Traffic Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.6	-1,137%

An in-year underspend of -£0.560m is forecast. This is an increase of £0.212m on the underspend position previously reported last month. Income from road opening and closure fees is currently higher than originally anticipated.

2d Park & Ride

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	-%

An in-year pressure of £0.665m is forecast on the Park & Ride budget, which is a reduction of £0.115m on the pressure position previously reported last month. There is a pressure on the Guided Bus Maintenance due to the installation of a temporary fence on the Southern Section of the Guided Busway, between the station and the Addenbrookes spur, and implementation of the safety measures as recommended in the Mott Macdonald safety report. A Health & Safety Executive (HSE) investigation continues regarding the busway.

Post Covid, busway services have still not recovered to pre-Covid levels. This means less access charge income coming into the busway budget. The access agreement allows increases each April to the access charges to cover full maintenance costs of the busway. This would allow for some increase in April 2023. However, unless patronage increases between now and then the capacity for the operators to absorb a large increase is questionable. Even then, the access charge increase could not be used to pay for the additional expenditure on the maintenance track (cycleway/bridleway), additional safety works required by HSE as this would be regarded by the Bus operators as non-maintenance/non-busway expenditure.

2e Waste Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	+2%

An in-year pressure of £0.802m is forecast on Waste Management, which is an increase of £0.015m on the pressure position previously reported last month. Whilst the previously reported landfill gate fee pressure of £700k remains, the forecast green waste pressure has reduced to around £240k following agreement with Thalia of an annual cap. Whilst it is expected that these pressures will be partially offset by cost reductions from reduced energy use etc, these are no longer expected to be agreed and delivered within 2022/23 financial year.

In addition to these major Best Available Techniques conclusions (BATc) related costs, there is also a pressure related to disposing of waste upholstered domestic seating (WUDS) containing Persistent Organic Pollutants (POPS) for the remainder of this financial year. Based on revised estimates of disposal costs, the forecast pressure has reduced to £190k.

In addition to these, we are also seeing forecasted variance in a number of different areas. There are increased costs due to backdated Thriplow rents and leases, RECAP partnership contributions and increased levels of ad hoc waste. These are being offset by increased volumes of trade waste being collected and a reduction in forecast recycling credit payments to the district and city councils.

The are potential financial implications for future years relating to costs of food waste disposal. A more detailed update on this is provided to committee as a confidential appendix.

All combined, we are currently forecasting a pressure of £0.802m.

Previously reported commentaries, unchanged since last month:

2f Highways Development Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-%

An in-year underspend of -£0.477m is forecast. A backlog of fees outstanding from previous years is being collected, due to having additional resource to clear this.

2g Energy Projects Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+100%

An in-year pressure of £0.300m is forecast on the Energy Project Director budget. Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2022/23. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.

Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme. This has added an additional 14 weeks to the construction programme pushing back income generation and maintenance costs to start by October 2023. The North Angle Solar Farm project will be energised by June 2023 and not December 2022 as originally forecast. This is due to the private wire not being in place by December 2022 as a result of extended third party easement negotiations. This has resulted in an income and maintenance cost delay.

3. Finance & Resources

- An overall pressure of £2.369m is forecast for year-end.

Previously reported commentaries, updated since last month:

3a Facilities Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.9	+16%

A +£0.949m pressure is forecast in Facilities Management, which is an increase of £0.059m on the pressure position previously reported last month. This is due to the continued cost of running the old Shire Hall site. Most of the expenditure is for business rates and progress is being made to reduce costs. The cost of maintaining the corporate buildings is expected to cause a further budget pressure.

3b Property Compliance

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.4	-190%

A -£0.424m underspend is forecast in Property Compliance, which is an increase of £0.002m on the underspend position previously reported last month. The underspend is due to unused reserves held for the demolition of an educational site on Arbury Road, Cambridge. This work is complete and did not cost as much as the amount reserved. There is also a pressure of £37k in the compliance budget, due to a reduction of income from external works and additional resources.

3c Central Services and Organisation-Wide Risks

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.1	+195%

A £2.097m pressure is forecast across Central Services and Organisation-Wide Risks, which is an increase of £0.579m on the pressure position previously reported last month. The increased forecast outturn now includes £0.600m for an increase to the bad debt provision. The majority of the pressure is required for the national pay award for local government, which was larger than the amount budgeted (3.5%); the forecast does include some mitigation through underspends on staffing across the Council.

Previously reported commentaries, unchanged since last month:

3d Contract Efficiencies & Other Income

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.4	+100%

A £0.365m pressure is forecast across Contract Efficiencies & Other Income.

Contract Efficiencies: This is due to ongoing difficulties with supply chains – relating to increasing inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. A procurement three-year pipeline is being created alongside a programme of contract review by the Head of Due Diligence and Best Value; it is anticipated savings will be identified through those processes once they commence fully.

External Income: This target originally focused on the achievement of surplus income generation from advertising and sponsorship. Activities in advertising and sponsorship have also been limited not only due to available revenues from businesses wishing to advertise but also the capacity to manage our assets for advertisement/sponsorship and our more exclusive intent for relevant policies to remove or reduce junk food, fossil fuels, etc. Further opportunities for other income are being explored.

4. Public Health

- An overall underspend of -£0.353m is forecast for year-end. (This will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall.)

Previously reported commentaries, updated since last month:

4a Public Health Directorate Staffing and Running Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-10%

A -£0.259m underspend is forecast on Public Health Directorate Staffing and Running Costs, which is a decrease of £0.020m on the underspend position previously reported last month. The underspend is due to vacant posts. In addition, an element of grant funding needed to fund inflationary increases for providers in future years is not required in 2022/23 due to vacant posts in those provider services, creating a further in-year underspend.

5. Capital Financing

- An overall underspend of -£3.020m is forecast for year-end.

Previously reported commentaries, updated since last month:

5a Capital Financing

Forecast Outturn Variance £m	Forecast Outturn Variance %
-3.0	-9%

A -£3.020m underspend is forecast across the Capital Financing budgets, which is a decrease of £0.032m on the underspend position previously reported last month. The position is primarily due to forecast underspends on interest payable, Minimum Revenue Provision (MRP) and interest receivable.

- Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a forecast £1,891k underspend. Whilst the cost of taking out PWLB borrowing has been significantly higher over this financial year due to rising interest rates, the Council has instead taken advantage of lower rates on shorter-term Local Authority borrowing when refinancing existing loans, as well as taking the opportunity to fix deals several months in advance to lock in lower rates. The cashflow position has been such that the Council is now forecasting to require less borrowing by the end of the financial year; as a result, some maturing loans will not need to be refinanced. The cashflow position will continue to be monitored closely over the remaining months of the year and levels of borrowing will be adjusted accordingly.
- The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the MRP). Following analysis of capital schemes completed in 2021/22 and how they were funded, the MRP payment for 2022/23 has been recalculated and the forecast year-end position is £760k lower than budgeted. This analysis takes some time following conclusion of the preceding financial year and production of statements of accounts.
- The forecast interest receivable is a £285k over achievement of income primarily due to the effect of increased interest rates on our short-term investment income.

6. Funding Items

- An overall underspend of -£2.088m is forecast for year-end.

Previously reported commentaries, updated since last month:

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.1	-19%

A -£2.088m underspend is forecast within Funding Items, which is an increase of £0.731m on the underspend position previously reported last month. The underspend relates primarily to forecasting the recognition of £1.5m Homes for Ukraine unringfenced grant centrally in Funding Items as a contribution to overall council costs of running this scheme. In addition there is a £548k grant allocation due from DLUHC for the Business Rates Levy surplus account grant (see also section 3.1).

Appendix 2 – Capital – commentaries on exceptions

1. People Services

- Overall in-year forecast outturn variance of -£13.015m underspend.

New commentaries:

1a Samuel Pepys Special School

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,200	-1,000	0	-1,000

An in-year underspend of -£1.000m is forecast on the Samuel Pepys Special School scheme. The expected land purchase has been delayed and is now not expected to complete until April 2023.

Schemes previously reported on, unchanged since last month:

1b Littleport Primary School

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
649	-549	0	-549

An in-year underspend of -£0.549m is forecast on the Littleport Primary School scheme. Rephasing is anticipated as it is unlikely that work will start on site this financial year; planning processes are yet to commence.

1c Northstowe 2nd Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
200	500	500	0

An in-year pressure of £0.500m is forecast on the Northstowe 2nd Primary scheme; this is also a total scheme pressure. This is due to increased scheme costs identified at MS2. The scheme delivery schedule has now also been confirmed. Revised costs were taken through the 2023-24 Business Planning process.

1d St Philip's Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
600	-580	0	-580

An in-year underspend of -£0.580m is forecast on the St Philip's Primary scheme. Rephasing is anticipated following the latest delivery programme received. Works will not now commence on site until next summer to avoid disruption to the school. Works will be to alterations and the main entrance.

1e Soham Primary Expansion

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
49	641	0	641

An in-year pressure of £0.641m is forecast on the Soham Primary Expansion scheme. Completion and delivery of works has been rephased one year from 2025-26 to 2026-27 but land purchase has completed ahead of expectation.

1f Waterbeach New Town Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
350	300	0	300

An in-year pressure of £0.300m is forecast on the Waterbeach New Town Primary scheme. This is due to expected accelerated spend to cover redesign fees which will be incurred this financial year.

1g Alconbury Weald Secondary and Special

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,500	-12,500	0	-12,500

An in-year underspend of -£12.500m is forecast on the Alconbury Weald Secondary and Special scheme. A new tendering approach is being taken for the procurement of this project following increases in the estimated cost for SEN works. The SEN School will now be delivered one year later in 2024. The secondary school is to be retendered; the completion date is estimated to be 2025.

1h Sir Harry Smith Community College

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,200	-1,600	0	-1,600

An in-year underspend of -£1.600m is forecast on the Sir Harry Smith Community College scheme. The start on site has been delayed from 24 October 2022 to 16 January 2023 due to delays with planning and highways decisions.

1i Cambourne Village College Phase 3b

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,000	-2,800	0	-2,800

An in-year underspend of -£2.800m is forecast on the Cambourne Village College Phase 3b scheme. Rephasing is expected as it has taken time to ensure the project can be delivered on budget. A slightly longer programme schedule is anticipated with project completion now expected in April 2024.

1j LA Early Years Provision

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,803	-1,603	0	-1,603

An in-year underspend of -£1.603m is forecast within LA Early Years Provision. Two priority schemes have been identified as requiring investment to ensure sufficiency but due to planning and design the schemes will not start construction until 2023/24.

1k Additional Countywide SEN places

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,350	-1,200	0	-1,200

An in-year underspend of -£1.200m is forecast on the Additional Countywide SEN places scheme. Alongside the DfE safety valve work, schemes for enhanced resource bases are being considered, which is taking slightly longer than anticipated.

1l Temporary Accommodation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
750	-299	-299	0

An in-year underspend of -£0.299m is forecast on the Temporary Accommodation scheme. There has been a significant reduction in the number of new temporary solutions required across the county, realising a £0.299m underspend in 2022/23.

1m Independent Living Service: East Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,084	-523	0	-523

An in-year underspend of -£0.523m is forecast on the Independent Living Service: East Cambridgeshire scheme. This is due to rephasing in the project, caused by a delay in the purchase of land. The NHS is not able to release the site until they have received approval for their own capital project, which has been delayed

1n People Services Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-9,114	9,114	0	9,114

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, £9.114m of the overall £22.129m underspend is balanced by use of the capital variations budget.

2. Place and Sustainability

- Overall in-year forecast outturn variance of -£3.354m underspend.

New commentaries

2a March Area Transport Study - Main schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,367	-298	0	-298

An in-year underspend of -£0.298m is forecast. This relates to utility costs not being due until the commencement of work which will not now be until next financial year.

Schemes previously reported on, updated since last month:

2b Local Infrastructure Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,319	-393	0	-393

An in-year underspend of -£0.393m is forecast. This is an increase of £0.053m on the underspend position previously reported last month. The majority of the work for these schemes has been committed but by the very nature of these schemes, it is expected that a certain amount of expenditure will fall into next financial year.

2c Delivering the Transport Strategy Aims: Highway schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,046	-814	0	-814

An in-year underspend of -£0.814m is forecast on Delivering the Transport Strategy Aims: Highway schemes. This is an increase of £0.239m on the underspend position previously reported last month. Although expenditure is low at present, detailed design work is currently ongoing, and it is expected that delivery will begin across several projects in quarter 4. However, the following projects in the programme will be delayed due to,

- a mixture of legal and landownership issues: A605 Elton NMU, Merivale Way Ely,
- roadspace requirements and having to work over the Easter holidays: Maids Causeway, A603 Barton Road, Ely City 20mph, PROW improvements in Brampton
- delays caused by third parties: 20mph Quick Win projects.

2d Delivering the Transport Strategy Aims- Other Cycling schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,092	-501	0	-501

An in-year underspend of £0.501m is forecast on the Delivering the Transport Strategy Aims-Other Cycling schemes. This is a decrease of £0.195m on the underspend position previously reported last month. The underspend relates to three schemes: B1049 A14 Histon junction, Eddington to Girton and Ditton Lane, Fen Ditton. For each of these schemes, feasibility and preliminary design work will be undertaken this financial year to establish likely construction costs. Any construction will take place in 2023/24 and the funding will be rephased for this. Other cycling schemes are expected to spend to budget.

2e Carriageway & Footway Maintenance incl Cycle Paths

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
9,298	-720	0	-720

An in-year underspend of -£0.720m is forecast on the Carriageway & Footway Maintenance incl Cycle Paths scheme. This is an increase of £0.220m on the underspend position previously reported last month. Although expenditure is low at present, work is committed (£6.8m) or underway and it is expected that expenditure will be in line with the total budget. A robust and realistically resourced forward delivery programme is in place and agreed with our contractor and their suppliers which takes us up to the end of this financial year. Due to network constraints a number of high value surfacing schemes had to be delivered in quarter 4, whilst others in the drainage programme are currently going through detailed design to end of November before being priced and delivered in February / March 2023. Network constraints also mean the A505 VRS budget (£950k) will likely only be around 50% spent in year, with work starting in February and running through to May 23, so £500k is projected to carry into quarter 1 23/24. A number of smaller schemes have been delayed from March to June 2023 (£200k).

2f £90m Highways Maintenance schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,365	440	440	0

An in-year pressure of £0.440m is forecast on £90m Highways Maintenance schemes, which is an increase of £0.127m on the pressure previously reported last month. The pressure relates to the scheme at Cromwell Road, Wisbech carriageway resurfacing. There was an extended duration on site due to unearthing further drainage issues and delays due to unidentified utilities including BT cables which had to be worked around. Cold and wet weather also caused several shifts on site to be cancelled which then delayed the overall delivery, (the work was all being delivered overnight due to the location). In addition, at Mildenhall Road, Littleport, extra defective areas have been identified which has increased costs above the original budget.

2g St Ives local Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,000	-927	0	-927

An in-year underspend of -£0.927m is forecast on the St Ives local Improvements scheme. This is an increase of £0.202m on the underspend position previously reported last month. Design work is currently being undertaken and it is not expected that any construction will take place until next financial year.

2h Scheme Development for Highways Initiatives

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
424	-374	0	-374

An in-year underspend of -£0.374m is forecast. This is an increase of £0.100m on the underspend position previously reported last month. Funding was allocated to enable scheme development for new schemes, however this year limited new schemes have been identified that require scheme development work. It is therefore expected that the balance of funding will be required to roll forward into next year.

2i Waste Infrastructure

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,808	-1,577	0	-1,577

An in-year underspend of -£1.577m is forecast on Waste Infrastructure, which is an increase of £0.040m on the underspend position previously reported last month. It was originally planned to carry out some of the early design and construction work for Milton Household Recycling Centre (HRC) in this financial year, but this has now been delayed for a period of 15 months and the decision supported by Capital Programme Board. Some of the design work for March HRC is still planned, with a more detailed forecast to be available in the new year. The Best Available Techniques conclusions (BATc) forecast reflects invoices to date and current estimates for progress on the FEED study and Thalia's additional staffing costs incurred in this financial year.

2j Swaffham Prior Community Heat Scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,943	-1,658	0	-1,658

An in-year underspend of -£1.658m is forecast on the Swaffham Prior Community Heat Scheme. This is a decrease of £0.741m on the underspend position previously reported last month. The split of costs for the Private Wire has been adjusted between the two projects (North Angle Solar Farm and Swaffham Prior Community Heat Project) to better reflect where the main benefits of the private wire will accrue and therefore how the costs should be apportioned. The North Angle Solar Farm as the generator of clean electricity will benefit more from energy sales as a result of the private wire.

2k St Ives Smart Energy Grid Demonstrator scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,978	142	0	142

An in-year pressure of £0.142m is forecast on the St Ives Smart Energy Grid Demonstrator scheme which is a change of £0.436m from the underspend position previously reported last month. This is the latest forecast position. The St Ives SEG forecast has increased based on updated capital spend forecasts provided by contractor Bouygues E&S Ltd. Furthermore, changes to the scope of the project have resulted in increased costs, mostly coming through in 2022-23, with the remainder spent in 2023-24.

2l Babraham Smart Energy Grid

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,630	-2,742	0	-2,742

An in-year underspend of -£2.742m is forecast on the Babraham Smart Energy Grid scheme. This is a decrease of £0.295m on the underspend position previously reported last month. The construction of this project is now being delivered in three phases. This has directly impacted on the timescales for delivery, extending the programme by 14 weeks. In addition, the complexities associated with altering the programme for construction delayed the start date of the works by 16 weeks.

2m Fordham Renewable Energy Network Demonstrator

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
609	-539	0	-539

An in-year underspend of -£0.539m is forecast on Fordham Renewable Energy Network Demonstrator scheme, which is an increase of £0.030m on the underspend position previously reported last month. Capacity constraints within the team meant that this project was unable to be progressed as quickly as had been intended. The forecast reflects the associated delay in expenditure on the development of this project.

2n Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	421	0	421

An in-year pressure of £0.421m is forecast on the Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme scheme, which is a decrease of £0.010m on the pressure position previously reported last month. Last year the schools low carbon heating programme sat together with the Council's office buildings low carbon heating programme but this is now separated out. This will allow closer monitoring of the additional Council's Environment Fund contributions for low carbon heating for maintained schools to match fund any Government Public Sector Decarbonisation Scheme funding. This change was implemented post March 2022 and will therefore be seen as a variance all year.

2o Place & Sustainability Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-17,736	-3,000	0	14,736

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. With two months of the financial year left there is likely to be further slippage on some schemes and so the Service is increasing its overall forecast underspend by £3m. Therefore, £14.736m of the net £21.090m underspend is balanced by use of the capital variations budget.

Schemes previously reported on, unchanged since last month:

2p Safety Schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,480	-1,230	0	-1,230

An in-year underspend of -£1.230m is forecast on Safety Schemes. The majority of the budget relates to two schemes, Puddock Road Ramsey and Swaffham Heath Crossroads. For both of these schemes it is expected that the majority of construction work will take place next financial year. For Swaffham Heath, discussions are currently being held with the landowner.

2q Girton to Oakington cycling scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
339	-301	0	-301

Completion of Phase 2 detailed design and the acquisition of third party land is to be undertaken during 2022/23. The remaining budget will not be adequate to complete construction, so other funding sources are being investigated. There may be additional funding which would move the project forward in 2022/23.

2r B1050 Shelfords Road

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
800	-800	0	-800

An in-year underspend of £0.800m is forecast on the B1050 Shelfords Road scheme. This project is currently going through detailed design. Indications are that the £6.8m budget identified for works will be inadequate to carry out the works required. The current estimate is £10m with low confidence in the longevity of the solution. This project is being put on hold pending a review of all soil damaged roads across the network to ascertain the scale of the issue and to seek alternative cost-effective options. User safety will be maintained through regular safety maintenance interventions.

2s Wisbech Town Centre Access Study

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
693	-359	0	-359

An in-year underspend of £0.359m is forecast on the Wisbech Town Centre Access Study scheme. The Forecast Spend Outturn is less than the Revised Budget for 2022/23 to take into account utility refunds yet to be received during this year.

2t St Neots Future High St Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
831	-502	0	-502

An in-year underspend of -£0.502m is forecast on the St Neots Future High St Fund scheme. The district council governance/approval process required has been accommodated and construction is now programmed to commence in May 2023 therefore no construction expenditure is expected during the current financial year, resulting in reduced forecasted figures.

2u Waterbeach Waste Treatment Facilities

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,047	453	0	453

An in-year pressure of £0.453m is forecast on the Waterbeach Waste Treatment Facilities scheme. The Strategy & Resources Committee approved a capital virement for the Waste

BATc works to move £11.8m of existing capital budget from 2022/23 to 2023/24 to reflect the updated timelines. Spend is now ahead of the expected budget profile.

2v North Angle Solar Farm, Soham

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
7,963	-3,981	0	-3,981

An in-year underspend of -£3.981m is forecast on the North Angle Solar Farm, Soham scheme. The North Angle Solar Farm project budget also includes the majority of the budget (£7.3m) for the Cambridgeshire Private Electricity Network, the cable connecting North Angle Solar Farm to Burwell Local and Swaffham Prior Community Energy Centre. It was anticipated that most of this budget would be spent in 2022-23, however, due to various delays in securing easements and planning there has been a slippage in spend of approximately £4m.

2w Connecting Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,628	-1,911	0	-1,911

An in-year underspend of -£1.911m is forecast on Connecting Cambridgeshire. The expenditure budget was originally set to include the full costs of the project whereas some of this will be incurred by our partners. As a result an underspend is forecast on the CCC budget; the funding will also reduce accordingly. In addition, there has been a small rephasing of the Cambridgeshire and Peterborough Combined Authority expenditure and contributions of £0.3m to next financial year.

3. Corporate Services

- Overall in-year forecast outturn variance of -£6.776m underspend.

New commentaries:

3a Capitalisation of Policy, Design and Delivery Team

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,682	-582	-582	0

An in-year underspend of £0.582m is forecast. This is also a total scheme underspend. The current programme of work is not focused solely on making savings as per the business plan, but includes other initiatives such as Net Zero, Adults, Strategy and Policy and Contain Outbreak Management Fund (COMF) programmes and therefore the total budget will not be required.

3b IT Strategy

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,122	-544	0	-544

An in-year underspend of £0.544m is forecast on IT Strategy schemes. The work will continue into 2023/24 and with the additional funding to enable the procurement of the core infrastructure for the network, to be undertaken by 2025/26. Projects within the IT Strategy scheme include the implementation of the digital engagement projects and the cloud CRM which have begun, later than expected due to extended procurement timescales, and will be completed next financial year.

3c IT Education System Replacement

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,832	-1,310	0	-1,310

An in-year underspend of £1.310m is forecast on the IT Education System Replacement scheme. Due to the Open Tender procurement processes for SEND and Transport (particularly the agreement of contracts) taking longer than anticipated, the programme was not able to make informed decisions about the wider Education system until several months later. While we still anticipate raising the purchase order for the Education System this financial year, we are not expecting a significant draw to be made on that purchase order until the financial year 2023/24, hence requiring the funds to be rephased.

3d Development Funding

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
294	-283	-283	0

An in-year and total scheme underspend of £0.283m is forecast on Development Funding. The budget has also been adjusted to move £56k to the Local Plans schemes. This is due to the focus of work at this stage moving towards the Local Plan schemes

3e Building Maintenance

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,092	-472	-85	-387

An underspend of £0.472m is forecast Building Maintenance of which £0.387m needs to be rephased into 2023-24 and £0.085m is a total scheme underspend. The in-year underspend is due to work yet to start for three large projects - a roof replacement, lift replacement and a heating & ventilation system.

Schemes previously reported on, updated since last month:

3f Community Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,429	-1,629	0	-1,629

An in-year underspend of £1.629m is forecast on the Community Fund scheme, which a £0.067m decrease on the underspend position previously reported last month. From the original £5m allocated to the Community Capital Fund some elements remain unallocated, some projects have failed to go forward as planned and some have been subject to delay. The C,S&I Committee has determined that returned/allocated money will be used to deliver a new fund (Cambridgeshire Priorities Capital Fund). Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

3g Data Centre Relocation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,530	-894	0	-894

An in-year underspend of £0.894m is forecast on the Data Centre Relocation scheme. This is a £0.022m increase on the underspend position previously reported last month. Post Data Centre migration we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a 'like for like' replacement approach has extended the overall timelines for the selection and implementation of some products and services which subsequently requires a rephasing of the budget.

3h Mill Farmhouse

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
450	-400	0	-400

An in-year underspend of £0.400m is forecast on the Mill Farmhouse scheme, which is an increase of £0.062m on the underspend position previously reported last month. There has been a delay with the planning process. Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

Schemes previously reported on, unchanged since last month:

3i Condition Survey Works

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,841	-909	0	-909

An in-year underspend of £0.909m is forecast on Condition Survey Works. The underspend is primarily due to work being delayed on the Hereward Hall heating system and also reprofiling of other smaller projects.

3j Hawthorns - Intensive Therapeutic Support Hub

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,227	-2,997	0	-2,997

An in-year underspend of £2.997m is forecast on the Hawthorns - Intensive Therapeutic Support Hub scheme. The forecast has been updated to reflect the new timescale for completion, which now includes an unexpected delay due to the discovery of bats.

3k CS Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Jan) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-3,811	3,811	0	-3,811

Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore, £3.811m of the overall £10.587m underspend is balanced by use of the capital variations budget.

Cambridgeshire County Council

Appendix 3 – Budget transfers between services in 2022/23

This table shows budget movements of at least £1k between service blocks in 2022/23

Budgets and Movements	People Services £'000	Place & Sustainability £'000	Public Health £'000	Strategy and Partnerships £'000	Finance and Resources £'000	Capital Financing £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	66,101	45	0	27,811	34,044	5,777
Post BP, pre initial budget load adjustments between CS and P&E-Energy Schemes		-336			336		
Allocation of unringfenced grant £1,143k Domestic Abuse Act Statutory Duty funding 22-23 to People & Communities as per S&R 29th March 2022	1,143						
Children's Homes Building Maintenance and Children & Safeguarding restructure transfer	-45				45		
Budget transfer for 1.75% pay award for 21-22	1,829	191			-2,020		
Transfer of Market sustainability full grant budget to P&C	-750						
Budget resetting movements as approved by S&R 27th June (May IFMR)	-3,454	2,251			1,520	-769	655
22-23 BP virements to replace expenditure budgets with reserve draw down lines	-3,606	-455	-45		-155		4,261
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant carry forward to Place & Economy		10					
Allocation of unringfenced grant £100k ASC Charging Implementation Support Grant to Adults Services	100						
Transfer of IT budget P&C to CS	-13				13		
Transfer of Qtr 1 Mileage Savings	-156	-5			161		
Transfer re postage P&C to CS	-20				20		
Place Planning transfer P&C to CS	-26				26		
Sept 2022 Directorate restructure	-8,467	3,798		14,629	-9,961		
Vacancy savings transfer Qtrs 1 and 2		-15		-367	381		

Budgets and Movements	People Services £'000	Place & Sustainability £'000	Public Health £'000	Strategy and Partnerships £'000	Finance and Resources £'000	Capital Financing £'000	Financing Items £'000
Correction of Public Health income budgets to match 2022/23 MoU	-68			68			
Transfer of Qtr 2 Mileage Savings	-130	-5		-18	153		
Transfer towards central savings target		-31		31			
CLT restructure virements	90	10		437	-493		-44
Transfer of Public Health reserve contribution budgets	-400						400
Pay Award 2022-23 transfers	4,722	790		912	-6,423		
Transfer to L&D re Best Interests Assessor Training	-5			5			
Allocation of ringfenced grant £211k School Improvement Monitoring and Brokering Grant allocations for 2022-23 to People Services	-211						
Vacancy savings transfer Qtr 3				-53	53		
Transfer of Qtr 3 Mileage Savings	-108	-4		-29	142		
Current budget	**312,007**	**72,299**	**0**	**15,641**	**11,581**	**33,275**	**11,048**
Rounding	-2	0	0	0	1	0	1

Appendix 4 – Reserves and provisions

This section shows the reserves available to the Council, which are one off funds held either for general or specific purposes.

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 (or in budgeting) £000s	Balance at 31 Jan 2023 £000s	Forecast Balance at 31 March 2023 £000s	Notes
General Reserves **- County Fund Balance**	46,475	-18,260	28,215	27,405	
General Reserves subtotal	46,475	-18,260	28,215	27,405	
1 Insurance	4,719	5	4,724	4,724	
2 People Services & Schools	15,247	-1,740	13,507	8,505	
3 PH	8,503	-738	7,765	4,661	
4 Place & Sustainability	10,852	1,203	12,055	7,639	Includes reserve for Waterbeach waste facility works- revenue impact of plant closure
5 Strategy & Partnerships	2,464	-292	2,173	2,295	
6 Finance & Resources	4,262	-742	3,520	2,279	
7 Just Transition Fund	0	13,204	13,204	11,454	Starting balance of £14m, with allocations made totalling £9.9m across medium-term
8 High Needs Block Offset Reserve	0	12,435	12,435	12,435	
9 Transformation Fund	25,012	-21,673	3,339	1,292	Balance for legacy Transformation projects
10 Cultivate Cambs Fund	442	-81	361	285	
11 Corporate- COVID	26,987	-4,573	22,414	21,164	Allocated over medium term
12 Specific Risks Reserve	2,140	1,429	3,569	3,569	
13 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
14 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
15 Collection Fund Volatility & Appeals Account	3,690	544	4,234	4,234	
16 Local Government Settlement phasing reserve	0	4,324	4,324	4,324	Applying the temporary elements of the 2022/23 finance settlement over multiple years
17 Post-pandemic recovery and budgeting account	0	7,017	7,017	7,017	
18 Business change reserve	0	3,724	3,724	3,674	
19 Grant carry forwards	14,031	-14,031	0	0	Carry forward of unspent ring-fenced grants
Earmarked Funds subtotal	127,139	16	127,155	108,341	
SUBTOTAL	**173,614**	**-18,244**	**155,370**	**135,746**	
20 People Services	6,116	0	6,116	0	
21 Place & Sustainability	4,063	0	4,063	0	
22 Finance and Resources	13,857	988	14,845	500	
23 Corporate	73,787	18,727	92,514	79,687	
Capital Reserves subtotal	111,016	19,715	117,538	80,187	
GRAND TOTAL	**284,630**	**1,471**	**272,908**	**215,933**	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 31 Jan 2023 £000s	Forecast Balance at 31 March 2023 £000s	Notes
1 Place & Sustainability	0	0	0	0	
2 People Services	16	0	16	16	
3 Finance & Resources	2,093	0	2,093	2,093	
Short Term Provisions subtotal	2,109	0	2,109	2,109	
4 Finance & Resources	4,746	0	4,746	4,746	
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,855**	**0**	**6,855**	**6,855**	

Just Transition Fund summary

The table below shows the status of investments allocated from the Just Transition Fund. In total, around £9.5m of investments have been agreed, and to the end of December 2022 £780k had been spent.

Investment title	Drawn down to date, £	Total approved overall, £	Notes
Care Together programme expansion	118,512	2,914,000	Recruiting to posts has taken some time, which has limited spend this year and also had a knock-on effect on delaying commencement of seed funding and micro-enterprise support work. Recruitment is now in place. Discussions are also in progress with the ICS to explore joint funding. Implementation work will take place in 23/24.
Enabling Net Zero	92,756	2,175,000	A number of roles have not yet started or have only recently started which have been earmarked for JTF funding. Majority of the reduction in drawdown is due to a number of WS1 activities being tendered in early January 2023 with the original plan for these activities to start earlier in the financial year. A number of the activities have also now slipped into the 2023/24 financial year.
Expansion of Direct Payments and Individual Service Funds	0	222,000	Recruitment to project management posts completed in Q3 22/23. Consequently, initial working covering scoping, vision, strategy, and roll-out planning has been completed. Further work to increase the supply of the personal assistants to support the expansion of DP's and ISF's will continue into 23/24.
Flood Mitigation Designs & Solutions	0	1,000,000	Spend delayed due to match funding from partners being made available from 2023/24 rather than 22/23. Funding now confirmed and procurement is progressing.
Floods Mitigation - March Natural Flood Risk Management	0	150,000	Preliminary work has progressed including site visits, survey work and engagement with various teams/organisations including the highway authority, Anglian Water and Lead Local Flood Authority. Preliminary concept drawings produced by Anglian

Investment title	Drawn down to date, £	Total approved overall, £	Notes
			Water with a view to Cambridgeshire County Council contributing to their delivery/implementation during 2023.
Floods Mitigation- Community Led Nature Restoration	0	585,000	This programme is due to commence once work on developing our Biodiversity Audit and Trees Canopy audit have been commissioned. These have been delayed so commencement of the Community Led Nature Recovery has also been delayed. Additionally, this project is to complement the Local Nature Recovery Strategy, a new statutory obligation from the Environment Act. Further regulations and guidance on this have yet to be provided by DEFRA, thus holding work up.
Floods prevention Investment	0	75,000	Ongoing support for the Community Flood Action Programme longer term. Change In staffing has reduced the headcount and slowed delivery of some strands of work including: + Riparian Watercourse Tool (help parishes and flood groups determine ownership of problematic watercourses) + Water Course Enforcement Policy We would like to push these works and the funding into 2023/24.
Future Parks/ "Active Parks"	0	40,000	We were delayed in recruiting/seconding in a programme director, so the next phase of the project did not commence until September, and the roll out of projects has slipped further. Hence the work that this funding was intended to support, in particular a programme of pilot social prescribing projects, has not yet commenced and the roll out of our 'Blueprint for a Green Network' and 'Parks Stewardship' initiatives.
Independent Living Services- Huntingdonshire	0	250,000	Planning application was submitted in Dec 22 which means intended work with service users not yet commenced. This work is now expected to commence in April 23; this was only a part of the wider work on independent living services.
Managing Climate Risk	0	750,000	The £340k originally profiled for 2022-23 is funding contributions to a number of posts along with consultancy support for the Local Areas Energy plan and the Decarbonisation Fund. On Local Area Energy Planning, work is underway, the steering group is in place and the specification under development to analyse future energy demand to inform infrastructure planning. Some roles are now in place and others joining in April 2023. There will be spend against this financial year but the majority will be reprofiled into the following year as a result of recruitment taking longer than anticipated.
Special Educational Needs & Disability Capacity increase	105,410	325,000	This funding is expected to be spent over two years.
Think Communities	463,827	1,004,000	This team is funded from other funding sources where that is possible, such as Homes for Ukraine grant funding. Any residual funding will be used to smooth the transition to a fully base budget funded service in 2023-24.
Total	**780,505**	**9,490,000**	

Cambridgeshire County Council

Appendix 5 – Savings Tracker 2022-23 Quarter 3

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
Green	A/R.6.176	Adults Positive Challenge Programme - demand management	People	A&H	-154	-154	0	0%	↔	On track
Black	A/R.6.177	Cambridgeshire Lifeline Project	People	A&H	-10	0	10	100%	↓	Service expansion target not expected to be delivered and future income assumptions removed from Business Planning.
Green	A/R.6.179	Mental Health Commissioning	People	A&H	-24	-24	0	0%	↔	Delivered
Green	A/R.6.185	Additional block beds - inflation saving	People	A&H	-390	-390	0	0%	↔	On track
Amber	C/F 21-22 Saving	Adult Social Care Transport	People	A&H	-220	-72	148	67%	↓	All routes now retendered. Saving achieved is lower than expected due to the inflationary pressures on transport.
Amber	A/R.6.188	Micro-enterprises Support	People	A&H	-133	-30	103	77%	↔	At risk due to capacity in the market. Establishment of micro-enterprises has progressed well in East Cambridgeshire. Embedding this in the wider roll out of Care Together is needed to deliver on the scale of savings.
Green	A/R.6.190	iBCF	People	A&H	-240	-240	0	0%	↔	Delivered
Green	A/R.6.191	Extra care retendering	People	A&H	-87	-87	0	0%	↔	Delivered
Green	A/R.6.192	Shared lives	People	A&H	-50	-50	0	0%	↔	On track
Green	A/R.6.193	Expansion of Emergency Response Service	People	A&H	-210	-210	0	0%	↔	On track
Green	A/R.6.194	Interim Bed recommissioning	People	A&H	-412	-412	0	0%	↔	Delivered
Black	A/R.6.195	Increased support for carers	People	A&H	-219	0	219	100%	↓	Investment and related savings have been delayed to take account of the refreshed carers strategy.
Green	A/R.6.197	Community Equipment Service contract retender	People	A&H	-121	-121	0	0%	↔	Delivered
Green	A/R.6.198	Decommissioning of domiciliary care block provision	People	A&H	-236	-236	0	0%	↔	Delivered
Amber	A/R.6.200	Expansion of Direct Payments	People	A&H	-234	-100	134	57%	↓	Delivery of savings has been delayed, as has the level of investment. Direct Payment programme is reviewing the recommendations from the peer review to refine its focus, this has led to some delays in the expansion programme.
Red	A/R.7.111	Client Contributions Policy Change	People	A&H	-562	-264	298	53%	↓	Overall client contributions over-recovery is mitigating the shortfall and the financial assessments team are looking into options to progress the remaining reassessments that have been

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
										delayed by capacity issues within the service
Green	A/R.7.112	Community Equipment Pool	People	A&H	-155	-155	0	0%	↔	Delivered
Amber	A/R.7.113	Learning Disability Partnership Pooled Budget Rebaselining	People	A&H	-1,125	-965	160	14%	↑	Agreement has been reached in principle to an increased contribution for 22/23 and a focus on commencing detailed work with ICB to review the pool position. However, savings built into the Business Plan for future years remain at risk until the review work is completed.
Green	A/R.6.255	Children in Care - Placement composition and reduction in numbers	People	C&YP	-600	-600	0	0%	↔	This saving is on track, however, other pressures within the service mean that an overspend is being reported
Green	A/R.6.257	Special Guardianship Orders	People	C&YP	-250	-250	0	0%	↔	On track
Green	A/R.6.268	Transport - Children in Care	People	C&YP	-380	-380	0	0%	↔	This saving has been delivered, however, other pressures within the service mean that an overspend is being reported
Green	A/R.6.269	Virtual School	People	C&YP	-50	-50	0	0%	↔	On track
Green	A/R.6.271	Maximising use of existing grants	People	C&YP	-350	-350	0	0%	↔	On track
Green	A/R.6.213	Registrars	Place & Sustainability	H&T	-200	-200	0	0%	↔	On track for 2022-23
Green	A/R.6.214	C&P efficiencies	S&P	C,SM&I	-250	-250	0	0%	↔	Will be made in 2022-23 from one off savings. Being dealt with through 2023-24 business planning permanently.
Green	C/F 21-22 Saving	Communities and Partnership Review	S&P	C,SM&I	-200	-200	0	0%	↔	Will be made in 2022-23 from one off savings. Being dealt with through 2023-24 business planning permanently.
Green	B/R.6.215	Recycle asphalt, aggregates and gully waste	Place & Sustainability	H&T	-15	-15	0	0%	↔	On track
Green	B/R.6.216	Review Street Lighting Service requirements	Place & Sustainability	H&T	-10	-10	0	0%	↑	On track
Green	B/R.6.220	Highway Services Contract Efficiencies	Place & Sustainability	H&T	-110	-110	0	0%	↔	On track
Green	C/R.6.105	Members Allowances	S&P	S&R	-40	-40	0	0%	↔	On track
Amber	C/R.6.106	Contract Efficiencies	F&R	S&R	-200	-37	163	82%	↑	Inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. Improved in Q3 due to re-negotiation of the Insurance contract.
Black	C/F 21-22 Saving	External Income	F&R	S&R	-205	0	205	100%	↔	Due to a change in policy for advertising and sponsorship and no new options this will be harder to meet.
Black	C/R.6.107	Senior Management Staffing	S&P	S&R	-100	0	100	100%	↔	Full Council resolved to make an investment into senior management capacity

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
Black	C/R.7.101	BP 19/20 - Council Tax: Increasing Contributions	F&R	S&R	-650	0	650	100%	↓	Unlikely to meet. MOU is still being deliberated by authorities. Deadline for update and finalisation is ~14th February. Investment has not yet been spent. Recruitment will begin once MOU has been agreed and signed.
Black	B/R.7.127	Alconbury Solar Carport	F&R	S&R	-37	0	37	100%	↓	A reduction in the Alconbury building electricity costs has not been recognised this year.
Green	C/R.7.105	Renewable Energy Soham - Income Generation	F&R	S&R	-13	-13	0	0%	↔	On track
Black	B/R.7.128	St Ives Smart Energy Grid - Income Generation	Place & Sustainability	E&GI	-44	0	44	100%	↔	Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2023/24. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.
Black	B/R.7.129	Babraham Smart Energy Grid - Income Generation	Place & Sustainability	E&GI	-48	0	48	100%	↔	Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme. This has added an additional 14 weeks to the construction programme pushing back income generation and maintenance costs to start by October 2023.
Black	B/R.7.132	North Angle Solar Farm, Soham - Income Generation	Place & Sustainability	E&GI	-678	0	678	100%	↔	The North Angle Solar Farm project will be energised by July 2023 and not December 2022 as originally forecast. This is due to the private wire not being in place by December 2022 as a result of extended third party easement negotiations. This has resulted in an income and maintenance cost delay.
Amber	B/R.7.133	Swaffham Prior Community Heat Scheme - Income Generation	Place & Sustainability	E&GI	-298	-30	268	90%	↑	The customer connections to the Swaffham Prior Community Heat Project are just now starting. 5 homes have been connected but progress in slow with only 2/3 new connections being made every week. As customers connect, income will come forward from the Renewable Heat Incentive and from the heat charges to customers. Some income will come forward during 2022/23 and this will grow as customers are connected over the next five years.

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
Green	C/R.7.115	Brunswick House - Income Generation	F&R	S&R	-27	-27	0	0%	↔	On track
Green	C/R.7.117	Tesco - Income Generation	F&R	S&R	-34	-34	0	0%	↔	On track
Black	C/R.7.120	County Farms - Agricultural Rent	F&R	S&R	-45	0	45	100%	↓	The total rental increase is forecast below the new budget.
Blue	C/R.7.155	Investment Income	F&R	S&R	-250	-321	-71	-28%	↑	The income forecast from dividends has exceeded the budget
Red	C/F 21-22 Saving	Cambs 2020 Operational Savings	F&R	S&R	-605	-168	437	72%	↔	This saving will not be fully recognised until the site is handed over.
Green	E/R.6.034	Reduction in demand led Public Health budgets	PH	A&H	-328	-328	0	0%	↔	Delivered

Key to RAG ratings

Total saving	Over £500k	£100-500k	Below £100k
Black	100% non-achieving	100% non-achieving	100% non-achieving
Red	Percentage variance more than 19%	-	-
Amber	Under-achieving by 14% to 19%	Percentage variance more than 19%	Percentage variance more than 19%
Green	Percentage variance less than 14%	Percentage variance less than 19%	Percentage variance less than 19%
Blue	Over-achieving	Over-achieving	Over-achieving

Cambridgeshire County Council

Appendix 6 - Treasury Management Indicators Quarter 3

Treasury / Prudential Indicator	2022/23 Indicator	2022/23 Quarter 3
Authorised limit for external debt (Including 3rd party loans, equity and This Land)	£1,090.0m	-
Operational boundary for external debt (Including 3rd party loans, equity and This Land)	£1,060.0m	-
Total Net Borrowing – Quarter 3 (Including 3rd party loans, equity and This Land)	-	£615.1m
Capital Financing Requirement (CFR) *[Excluding PFI and Finance Lease Liabilities]*	£1,006.2m	£921.5m^
Ratio of financing costs to net revenue streams – yearly average	8.9%	5.67%^
Upper limit of fixed interest rates based on net debt*	150%	118%
Upper limit of variable interest rates based on net debt*	65%	-18%
Principal sums invested over 365 days (excluding Third-Party Loans)	£50.0m	£34.6m
Maturity structure of borrowing limits**: -		
Under 12 months	Max. 80% Min. 0%	14.0%
12 months to 2 years	Max. 50% Min. 0%	18.1%
2 years to 5 years	Max. 50% Min. 0%	9.6%
5 years to 10 years	Max. 50% Min. 0%	13.7%
10 years and above	Max. 100% Min. 0%	44.7%

^ Estimated

*The interest rate exposure is calculated a percentage of net debt. Due to the mathematical calculation exposures could be greater than 100% or below zero (i.e., negative) depending on the component parts of the formula.

**The Treasury Management Code of Practice guidance notes requires that maturity is determined by the earliest date on which the lender can trigger repayment, which in the case of LOBO loans is the next break/call point.