

# Integrated Finance Monitoring Report May 2022

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# 1. Executive Summary

1.1 This report presents financial information to assess progress in delivering the Council's Business Plan.

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

- Revenue: £456m net budget
- Capital: £155m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

<b>Service</b>	<b>Revenue Budget Variance £000</b>	<b>Revenue Budget Variance %</b>	<b>Net Capital Budget Variance £000</b>	<b>Net Capital Budget Variance %</b>
People & Communities	26	0.0%	0	0.0%
Place & Economy	172	0.3%	0	0.0%
Corporate Services	-58	0.2%	0	0.0%
Public Health	0	0.0%	-	-
Capital Financing	0	0.0%	-	-
Funding Items	0	0.0%	-	-
<b>Net Spending Total</b>	<b>140</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

Between 2021/22 and 2022/23, significant budget growth has been provided for:

<b>Item</b>	<b>Change for 2022/23 £000</b>
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 £17m in 2023/24.

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 are presented with the assumption that any accompanying recommendations to committees will be agreed.

## 1.2 Key Issues

Whilst we are currently forecasting a mostly balanced revenue position for 2022/23 at the end of May, this is in the context of large budget increases planned in as noted above. Those estimates are subject to uncertainty.

The Council faces a challenging budget position over the medium-term, with budget gaps from 2023/24. We have rising costs from high inflation impacting both prices and wages, and unpredictable levels of demand-led service activity. There is uncertainty about local NHS funding levels and activity that may impact on the Council's costs, particularly as national hospital discharge funding arrangements cease. There are also government reforms coming forward such as changes to Adult Social Care, and implementation of local priorities such as the climate change strategy that will require capacity for internal change.

Inflation remains a major concern for our budget in the short-term and is expected to be at a sustained high level through to 2023. This has a direct consequence on costs that we pay, both in terms of market costs and contracts with uplifts tied to inflation rates. It also has an indirect consequence through staffing costs and people's economic position, which can drive rising demand for social care (and diminished ability to pay care contributions) and more call on our community services.

We are also facing risk and uncertainty in delivering our capital programme. The international supply chains for materials are disrupted, which is driving up prices and making deliverability less clear. Inflation is affecting many aspects of the capital programme, which is expanded on later in this report.

The Council underspent in 2021/22, caused by several drivers many of which were either temporary, pandemic-related or have been addressed through business planning. This underspend does cause our general reserve to be higher than expected, and this report offers recommendations about using that to specifically mitigate against some of the risks set out here.

Over recent years we have generally succeeded in managing risks within budget, alongside delivering ambitious savings plans that are necessary to close our funding gap. We are also pro-actively managing our large contracts, ensuring value for money, and maximising grant funding where possible from government. Investment by the Council, such as in free school meal provision during holidays, should provide some further support to people.

## 1.3 Key Issues by Service Area

### 1.3.1 People & Communities – Adults

For many years, Adult Services in Cambridgeshire faced rising costs through increasing numbers of people receiving care and higher unit costs. The pandemic shifted the cost trends we have been seeing, particularly impacting demand for home care provision for Older People which has not been growing at pre pandemic rates. However, the cost of provision has continued to rise and the pandemic, followed by the current cost of living crisis, have placed further cost pressures on to providers and the Council.

Over recent years, we have delivered a programme of demand management and cost avoidance in Adult Social Care through additional reablement capacity, investment in Technology Enabled Care and embedding new ways of working in our

teams. Before the pandemic this work was successful in mitigating increased demand and likely put us in a better position to manage during the pandemic.

The financial position of this service in 2022/23 is hard to forecast. There is a growing number of people who have survived Covid, being left with significant needs, and many vulnerable adults have developed more complex needs as they have not accessed the usual community-based or early help services due to lockdown. The impact of delayed health care treatments such as operations will also impact individual needs and health inequalities negatively. It is anticipated that demand will increase as we complete more annual reviews, many of which are outstanding due to the pandemic, and budgets allow for demand growth.

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. In addition, 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. This puts further pressure on costs.

In line with the government's social care reform agenda the Council is currently undertaking 'fair cost of care' exercises with both homecare and care home providers. It is anticipated that the outcomes of these exercises nationwide will be a gap for some Councils between what is currently paid and the newly assessed "fair cost of care". Whilst we have some funding from government for 2022/23 to start to close this gap, there may well be a pressure to be addressed over the coming years to reach a point where care providers are paid the 'fair cost of care', and this remains a source of uncertainty. We have made investments in recent years and the current year in market support and workforce, which will help mitigate provider challenges and lead into this wider reform work.

Hospital Discharge systems continue to be pressured and NHS funding for discharge pathways ended in March 2022. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams and this will increase our costs.

Key activity data for Adult Services at the end of May 2022 is:

<b>Older people aged 65+ receiving long term services</b>	<b>Budgeted no. of care packages 2022/23</b>	<b>Actual May 22</b>	<b>Trend in service user numbers since May 22</b>	<b>Trend in average weekly unit cost since May 22 (budget expects an increase)</b>
Nursing	585	531	-	-
Residential	987	863	-	-
Community	2,387	1,937	-	-

<b>Working Age Adults receiving long term services</b>	<b>Budgeted no. of care packages 2022/23</b>	<b>Actual May 22</b>	<b>Trend in service user numbers since May 22</b>	<b>Trend in average weekly unit cost since May 22 (budget expects an increase)</b>
Nursing	59	65	-	-
Residential	350	350	-	-
Community	2,906	2,961	-	-

### 1.3.2 People & Communities – Children’s & Education

Recruitment remains a risk within Children’s Services following staffing underspends in 2021/22 and continues to be monitored closely. Having successfully worked to minimise rising numbers of looked after children, there is uncertainty heading out of the pandemic, compounded by the economic situation, as to what the future trend will be.

All transport budgets have been impacted by the underlying national issue of driver availability which is seeing less competition for tendered routes. This has also resulted in numerous contracts being handed back by operators as they are no longer able to fulfil their obligations and alternative, often higher cost, solutions are required. The increase in fuel costs is also placing further pressure on providers and as such the service are carefully monitoring the situation which is likely to result in higher future costs as and when we retender existing contracts.

Section 2.3 below sets out risks around the Dedicated Schools Grant position and the significant deficit on it. While this deficit is currently ringfenced, the rising numbers of children with Education Health & Care Plans has a knock on impact on other council budgets, particularly transport.

As noted above, there are risks of increased costs on our significant schools capital programme due to the availability of materials and labour. We do have one of the larger schools capital programmes nationally, and have typically delivered it within budget.

Key activity data for Children in Care in May 2022 is:

<b>Children in Care</b>	<b>Budgeted no. of care packages 2022/23</b>	<b>Actual May 22</b>	<b>Trend in service user numbers since May 22</b>	<b>Trend in average weekly unit cost since May 22 (budget expects an increase)</b>
Children in Care placements	278	260	-	-
Fostering and Supervised Contact	266	249	-	-
Adoption	461	424	-	-

### 1.3.3 Place & Economy

P&E revenue budgets are currently forecasting a balanced position. The main variable, demand-led service within the directorate is Waste, which is closely

monitored through the year. Generally, these budgets are delivered to the forecast level and mitigating savings found if overspending.

Covid continues to impact P&E to some degree as income collection in some services is not expected to return to a normal level until next year.

As noted above, there are also risks of increased costs within the P&E capital programme, and we continue to monitor spend and the future pipeline of works to be undertaken.

The work to bring the Waterbeach waste facility into compliance with odour regulations is a large capital scheme this year with knock-on revenue impacts as waste is diverted while work is carried out. Between funding allocated in the business plan and one-off funding recommended as part of this report, we believe sufficient funding is now set aside, though if works take longer than anticipated this may change.

#### 1.3.4 Corporate Services

Corporate Services are currently forecasting a largely balanced position, and with most services consisting predominantly of staffing budgets we would expect accurate forecasting through the year. These services are key enablers of the wider delivery of services and improvement plans, and recently have implemented such things as new IT systems, property investments and transformation work.

Work is commencing within the IT service to look at implementing the longer-term strategy of moving to predominantly cloud based services away from physical IT assets. This will likely 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.

Within CS 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. Our ability to deal with any cost shocks in the short-term through allocated revenue budget is therefore diminished and reserves would need to be relied upon to a greater extent.

#### 1.3.5 Public Health

Public Health budgets were impacted by the pandemic as a result of the redirection of many GPs and other health services towards Covid focussed activity. As a result, several of the more demand led budgets underspent.

There is a need to catch-up on Public Health activity missed over the pandemic which will require investment of the one-off grant reserves that the service holds. Some providers of Public Health services are also under pressure from influences such as inflation and workforce, and we have a role to play in managing that.

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

## 2 Revenue Budget

2.1 This table shows summary information for the Council's revenue budgets at the end of May 2022:

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
-	People & Communities	321,043	31,460	26	0.3%
-	Place & Economy	68,174	3,553	172	0.0%
-	Corporate Services	27,716	6,953	-58	0.2%
-	Public Health	27,301	-9,072	0	0.0%
-	Capital Financing	33,275	-2,701	0	0.0%
-	Funding Items	6,431	6,430	0	0.0%
-	<b>Net Spending Total</b>	<b>483,940</b>	<b>36,623</b>	<b>140</b>	<b>0.0%</b>
-	Public Health Grant	-27,301	-6,825	0	0.0%
-	<b>Overall Total</b>	<b>456,639</b>	<b>29,798</b>	<b>140</b>	<b>0.0%</b>
-	Schools	149,099	-	-	-

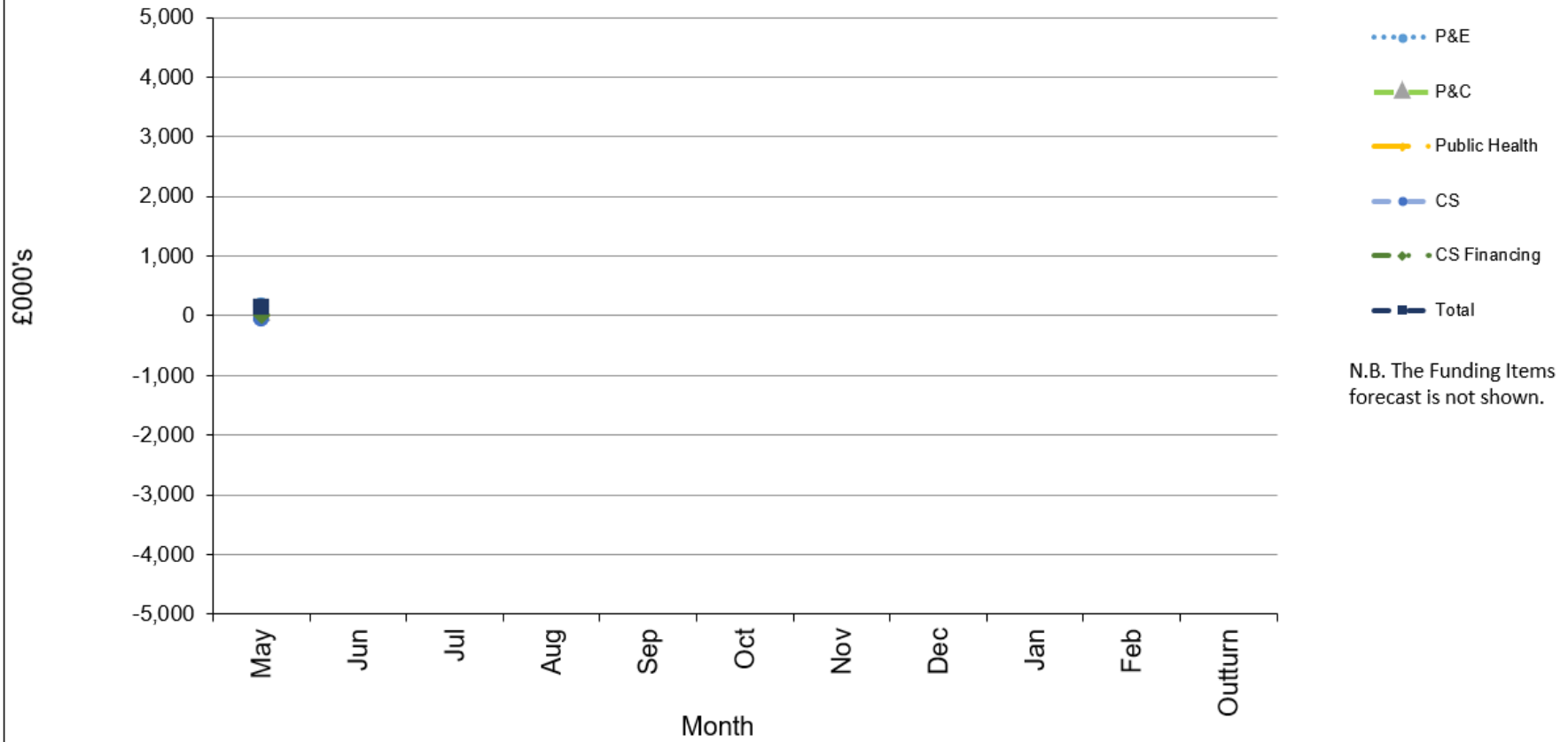
Notes on this table:

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 £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £3.8m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, ie more income received than budgeted.
4. The Public Health Grant 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 up in appendix 1.

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

### Forecast Outturn Position 2022/23





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

<b>Opening Deficit Balance 2022/23 £m</b>	<b>Forecast In-year Deficit £m</b>	<b>Forecast Closing Deficit Balance 2022/23 £m</b>
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 If 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. The agreement will include a plan to eliminate the in-year deficit through cost control and demand management, and will provide for eliminating the accumulated deficit through a combination of government funding and council funds. Senior Officers have met with the DfE in May to discuss the current situation and plans, and as such updates will be provided in due course. 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. 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 The first Savings Tracker of 2022/23 will be completed at the end of June.

## 3 Revenue Budget & Funding Changes

### 3.1 Budget Reset

In recent years, a review of budgets set has been conducted at the start of each financial year. Many of the key estimates for budgets, such as demand projections and inflation calculations, are made over the Autumn and early Winter of the previous financial year as part of the business planning process. A budget review is therefore required to check for significant expected opening budget variances as a result of development since those estimates were made. This reflects a dynamic approach to budgeting that acknowledges the complexity and uncertainty in making forward looking financial estimates, and supports an agile allocation of resources responding to the latest circumstances while ensuring budget manager accountability.

The aim of this review is to ensure budgets are appropriate as at the 1<sup>st</sup> of April, taking into account development since budgets were set, and allowing for growth in-year. Several budget redistributions are proposed below.

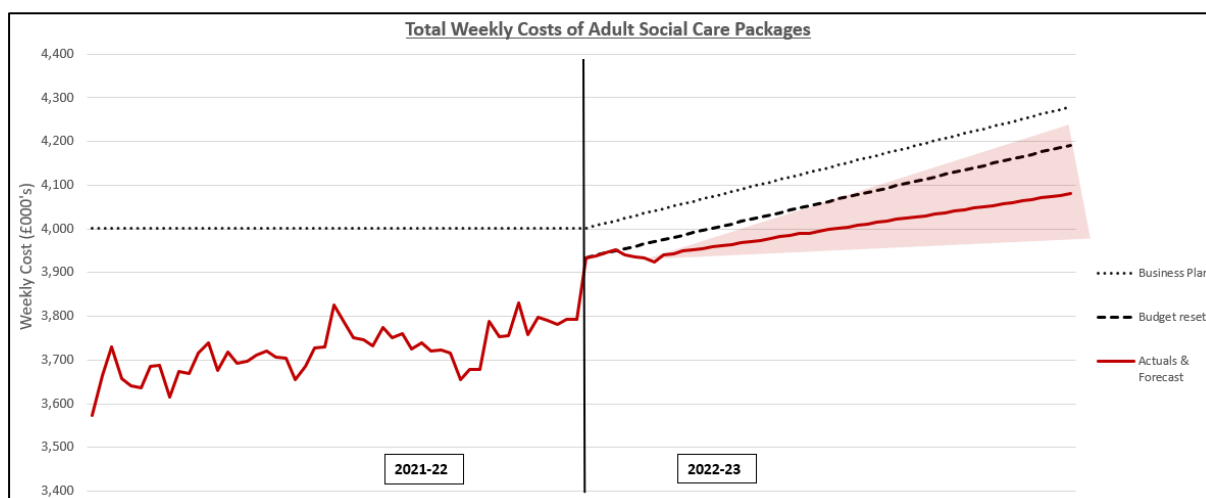
The proposals in this section are distinguished from other exceptions in this report due to their permanent nature. There are several pressures that have emerged due to the significant economic developments over the first half of this calendar year. The increasing level of inflation, both generally and on specific types of goods, have resulted in higher than expected contractual uplifts on several of our main large PFI contracts (Waste and Streetlighting). Similarly, we will see inflationary pressures in the price that we pay for gas and electricity across Council buildings and expect to see higher increases in pay for staff as national negotiations are concluded later in the year.

There are two investments also to factor into this process. There is a need to invest some additional revenue funding in transformation cyber security functionality in line with move to Cloud services – this is subject to a paper at June's S&R Committee meeting. There has also been a need identified for additional resource within Business Intelligence to bolster the ability to provide analytical and reporting functions mainly to our adult social care teams. This proposal has been scrutinised internally and received support of the Council's social care and corporate teams.

At the same time, we can reset the budget allocation for two of our service blocks. Firstly, Adult Social Care budgets have seen growth of nearly £20m planned in for 2022/23 for both demand and inflation based on best estimates made in Autumn 2021. When estimates were made, we assumed there would be a growth in the number of people receiving adult social care services in the second half of the year. In many cases, particularly in older people's services, this expected growth did not take place.

The graph below shows the trajectory of weekly spend on packages across 2021/22 and projected forward into 2022/23. Current and projected spend levels are clearly below the level allowed for in the business plan. Spend was

on a slight upward trajectory in 2021/22 (budgets allowed for substantial growth), and following the jump at the start of the year for annual uplifts, we project spend that remains below the business plan budget level.



We were able to account for part of the gap between spend and budget during business planning through a rebaselining adjustment, and this can be extended as growth assumed in the later part of the year did not take place at the level allowed for.

Other care types, such as domiciliary care, or care for working age adults, have not seen this effect and in some cases have seen increased costs. This is accounted for in the net adjustment proposed, along with allocating the whole ASC Market Sustainability Grant to new costs expected in 2022/23. After this adjustment, Older People budgets will still have provision for inflationary increases and around £2m for demand growth in-year. Adult Social Care also retains a service risk reserve of several million pounds to mitigate unexpected demand changes in-year.

Despite this proposed adjustment, there remains significant uncertainty in Adult Social Care budgets due to the economic situation, unknown medium-term impacts of Covid, NHS reforms, and national social care reforms. While we should budget based on best estimates of these costs, it is important to bear in mind the risk and it is appropriate that we maintain reserve funding to mitigate these risks both specifically in this service and centrally through our general reserves.

As a statutory service, this budget adjustment does not limit the amount of expenditure we will make for people with an assessed care need, but does reflect our best estimate of the level of budget provision that will be needed this year.

Secondly in terms of reduced budget allocation, we can reduce the allocation for capital financing costs. Over the last financial year we have borrowed less than we expected, and at a slightly lower average interest rate. This has partly been due to lower than budgeted capital spend, as well as much government grant income being front loaded in the last two financial years. We also expect

the ongoing annual charge for the minimum revenue provision to be lower than budgeted for similar reasons.

We can also recognise budget for income we get from retention of business rates from the Alconbury Weald enterprise zone

Alongside these changes, the Public Health Grant has been increased for 2022/23. Alongside funding expected inflationary costs in the Public Health directorate, it is proposed to reinvest this grant increase in additional child weight management services and provide discretionary uplifts to some contracts to bring us in line with rates paid by similar authorities.

A table of proposed permanent budget adjustments is shown below:

Item	Virement £000
Contractual inflationary increases linked on PFI contracts and linked energy inflation	2,251
Further 1% assumption in staff pay inflation	1,402
Energy costs inflation	341
IT – end user device connectivity and security	245
Additional business intelligence and reporting capacity to support adult social care	212
Various minor budget corrections under officer delegation	45
<b>Net budget increases</b>	<b>4,496</b>
Rebaselining of Adult Social Care budgets, including demand projections, use of IBCF grant and allocation of market sustainability grant	-3,525
Capital financing costs	-769
Alconbury Weald Enterprise Zone Business Rates	-202
<b>Net budget decreases</b>	<b>-4,496</b>
Public Health Grant increase	-776
Public Health inflation	276
Child weight management investment	350
Public Health provider sustainability	150
<b>Net Public Health budget changes</b>	<b>0</b>
<b>Overall net budget changes</b>	<b>0</b>

In addition to these permanent adjustments, some temporary changes to budgets are proposed for 2022/23 only, pending full consideration in the business planning process for ongoing impact. Firstly, we expect mileage spend to be lower than budgeted as hybrid working is continuing to take place. We will fully review mileage budgets in 2022/23 and make proposals for permanent budget changes if appropriate during business planning. Secondly, we make no provision for day-to-day staffing slippage within our central services. Some degree of slippage inevitably occurs and has been budgeted for in most services for many years. This would bring central services in line for 2022/23. An offsetting temporary budget adjustment is proposed for those impacts of changes to shared services arrangements with Peterborough City Council that are already agreed and in place, with permanent budget changes to be considered once the full review of the senior management structure has concluded. The net reduction of these temporary virements would be transferred to the general fund.

A table of proposed temporary budget adjustments is shown below:

Item	Virement £000
Reduction in staff mileage budget across whole council	-500
Staff vacancy factor in central services	-250
Impact of changes to shared services arrangements	251
Net budget increases	-499

Recommendation A: Approve the budget virements proposed in the tables at 3.1, redistributing £4.5m of budget permanently, reducing budgets temporarily by a net £499k, and allocating £775k of increase in the Public Health Grant into Public Health services.

## 3.2 Just Transition Fund

There are two proposals to draw down funding from the Just Transition Fund (JTF). The JTF was established in 2022/23 as a £14m fund for ensuring a fair transition to a sustainable future for Cambridgeshire. Around £3m was allocated in the 2022-27 business plan, and these proposals would allocate a further £3.9m.

An outline of each proposal is provided here, and it is proposed that S&R Committee agrees an envelope of funding for these key priorities, contingent on a detailed review of the business cases by the relevant service committee and receiving that committee's endorsement.

### 3.2.1 Enabling Net Zero

The criteria and process for securing Just Transition Funding was agreed at Committee in March 2022. Recent research by PwC ['Accelerating Net Zero Delivery: Unlocking the benefits of climate action in UK city-regions'](#) found that 'place-based' carbon reduction measures would produce far better environmental, economic and social results, at lower cost, than a national 'one size fits all' approach. However, this research also identified blockers and barriers to the delivery environment including lack of knowledge, high upfront costs, mistrust in technologies, inconvenience and supply skill deficits. For the Council to deliver a transition to a net zero carbon county by 2045, it will need to understand, upskill, plan and deliver carbon emissions reductions across everything it does including procurement, asset management, new funding models, construction, supporting communities and investing in place making. A business case 'Enabling net Zero' has been developed for the Council to address delivery barriers and get it into a position where it can drive down carbon emissions at scale through all services and staff doing their bit and aligning efforts for place making.

The 'Enabling Net Zero' business case is a £2.175m intervention programme requiring Just Transition Funds. The detailed business case will be presented to 7<sup>th</sup> July Environment and Green Investment Committee and if endorsed will start to address the blockers and barriers to delivery. It covers improving carbon literacy and technical competence; using data and intelligence smartly; aligning strategy, governance and decisions making; maximising finance

opportunities; communications and supporting services to deliver carbon reductions.

### 3.2.2 Floods Mitigation

These three proposals for activity funded by the JTF total £1.7m and fall under the JTF criteria of:

- Significantly improving the natural environment
- Flood mitigation and prevention
- Creation of infrastructure to support places

The three proposals are:

- (A) March Natural Flood Risk Management
- (B) Flood Mitigation Designs & Solutions
- (C) Community Led Nature Restoration

Natural flood risk management aims to address both the flooding issues and the lack of good quality green space in March. We will undertake an initial period of research, reviewing nature enhancing activities in other locations across the UK and Europe and will build on modelling already undertaken by Anglian Water to jointly identify where there are opportunities across the town to implement nature-based solutions. Working with the residents of March, we will focus primarily on publicly owned land (i.e. County, District and Town Council) such as parks and verges and solutions such as rain gardens, green streets, holding ponds, planters and the replacement of impermeable surfaces with permeable ones. This would be the first time we would have looked at natural flood risk management solutions across an entire town and will give us examples and experience in using these methods elsewhere across the county. This would also contribute to a key priority of biodiversity net gain.

Flood mitigation designs & solutions will allow us to proactively plan for flood risk and have a series of 'shovel ready' projects to enable us to seek out partner funding and other support. We have identified 13 locations across the county that have seen frequent surface water flooding in the past 3 years, and four more where we expect to see it in the next few years. This is a staged approach, allowing for surface flood water risk assessments to identify key areas and solutions, and then to implement alongside funding from other agencies (such as Anglian Water or the Environment Agency).

Community Led Nature Restoration will provide the catalyst for a County scale, community-led nature recovery approach, initially designing a scalable toolkit for local communities while contributing to the Nature Recovery Strategy for Cambridgeshire as a whole and improving biodiversity. This pilot programme will explore how CNR plans can be created, implemented locally and how these can then be integrated with the countywide Local Nature Recovery (LNR) Networks and overall Nature Recovery Strategy, being led by the LNP. It will also explore different means of delivering this process including options around developing a social enterprise approach. Stage 2 will roll this out across the county based on our CCES and developing biodiversity strategy and supported by a core team. It builds on the Local Nature

Partnerships (LNP) approach, and work of the Cambridgeshire and Peterborough Future Parks Accelerator (CPFPA), by developing Community Nature Recovery Plans (CNR) for open spaces, supporting the local populations which surround them, to identify restoration opportunities that deliver the greatest impact.

Recommendation B: Approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon and £1.7m for Flood Mitigation, subject to the endorsement of Energy & Green Investment Committee.

### 3.3 Household Support Fund

Throughout 2021/22, government provided funding for a Household Support Fund (HSF) via a ringfenced grant. The Fund was intended to provide support to households through free school meals for eligible children during school holidays, and for payments to people in need. No confirmation of this grant being extended was received when the business plan covering 2022/23 was set, and so locally Council agreed to allocate reserve funding for a similar free school meals scheme and for a direct support scheme if government did not extend the grant. Government has directed that a certain percentage of the grant is spent on pensioners, which is a new requirement.

Government has since confirmed that it is extending the HSF for six months of 2022/23 and has allocated £3.58m of grant funding to Cambridgeshire for this. In order to meet the policies agreed by Council in February, however, particularly the need to have free school meals covering the whole year, and to have a direct support scheme that is comprehensive, some reserves allocation would still be required.

Recommendation C: Note the government grant allocation of £3.58m to extend the Household Support Fund and agree the allocation of £1.87m from the Covid Grant Reserve to supplement this locally (as committed in the 2022-27 Business Plan).

### 3.4 Public Health Reserves

At the end of 2021/22 the Public Health Directorate had an underspend of £4m which was transferred to Public Health reserves. Following this transfer the Public Health reserve balance at the start of the current financial year stood at £8.5m of which £5.75m was committed to specific projects, and £2.75m was uncommitted. Two further amounts totalling £156k of reserve funding have been committed since that time with the approval of the Chief Finance Officer under approval rules allowed in the Constitution. These relate to:

- i) Training Programme Manager for eating disorders - £78k for spend over two years; and
- ii) Public Health Children's Manager - £78k for spend over 2 years.

This leaves a balance of uncommitted reserves of £2.6m. In order to ensure this can be best used for evidence-led public health interventions it is proposed to delegate management of this reserve balance to Adults and Health Committee.

Recommendation D: Delegate to Adults and Health committee the allocation of this £2.6m reserve balance to public health projects.

### 3.5 After School Club Transport

At its May meeting, Children and Young People's (CYP) Committee agreed to extend the policy of discretionary funding for after school club transport. The paper contained the recommendation that S&R committee approves additional funding. The cost of this provision is likely to be £17k. It has subsequently been ascertained that the service is likely to have sufficient budget for this provision, therefore no further budget allocation is required. If this changes, we will report further to this committee.

Recommendation E: To note the recommendation from Children & Young People's Committee regarding the continuation of discretionary after school club transport arrangements



## 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
-	Place & Economy	75,730	1,075	0	0.0%	553,387	0
-	People & Communities	68,644	963	0	0.0%	581,519	0
-	Corporate Services	9,943	661	0	0.0%	57,933	0
-	<b>Total</b>	<b>154,317</b>	<b>2,699</b>	<b>0</b>	<b>0.0%</b>	<b>1,192,839</b>	<b>0</b>

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 & Economy 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.

#### 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 & Economy	-18,660	0	0	0.0%	0
People & Communities	-9,502	0	0	0.0%	0
Corporate Services	-2,459	0	0	0.0%	0
<b>Total</b>	<b>-30,621</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>

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

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

#### 4.4 Capital Funding Changes Summary

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	0.0	0.0	<b>19.0</b>	19.2	0.2
Basic Need Grant	14.7	0.0	0.0	1.0	<b>15.7</b>	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	<b>5.9</b>	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	<b>2.0</b>	2.0	0.0
Specific Grants	19.7	1.1	-1.9	0.7	<b>19.5</b>	18.6	-0.9
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.1	0.0	<b>14.3</b>	14.0	-0.3
Capital Receipts	1.5	0.0	-0.1	0.0	<b>1.3</b>	1.3	0.0
Other Contributions	10.2	-0.4	-4.2	-1.8	<b>3.8</b>	5.2	1.4
Revenue Contributions	0.0	0.0	0.0	0.0	<b>0.0</b>	0.0	0.0
Prudential Borrowing	90.6	26.8	-35.7	-9.5	<b>72.8</b>	72.5	-0.3
<b>TOTAL</b>	<b>192.2</b>	<b>26.1</b>	<b>-55.3</b>	<b>-8.8</b>	<b>154.3</b>	<b>154.3</b>	<b>0.0</b>

Notes on this table:

- 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 Requiring Approval

4.5.1 The table below details changes that require committee approval (where the change is greater than £250k).

Funding	Service	Amount £m	Reason for Change
Rolled Forward Funding	All services	+26.1	<p>The Capital Programme Board has reviewed overspends and underspends at the end of 2021/22, and many of these are a result of changes to the timing of expenditure, rather than variations against total costs. As such, this funding is still required in 2022/23 to complete projects. Of the £26.1m funding to be carried forward, £26.8m relates to prudential borrowing with the remainder relating to adjustments to other funding sources.</p> <p>Further details are available in Appendix 5, which shows capital roll-forwards.</p>

Revised Phasing	All services	-59.3	<p>There have been some changes to schemes since the 2022/23 Business Plan was finalised. The following schemes have been rephased resulting in the following changes to their 2022/23 funding requirement:</p> <p><b>P&amp;E, -£17.4m:</b></p> <ul style="list-style-type: none"> <li>• Bar Hill to Northstowe Cycle Route (-£763k)</li> <li>• Boxworth to A14 cycle route (-£550k)</li> <li>• Hilton to Fenstanton cycle route (-£500k)</li> <li>• Buckden to Hinchingsbrooke cycle route (-£780k)</li> <li>• Guided Busway (-£3,868k)</li> <li>• King's Dyke (-£600k)</li> <li>• St Neots Future High Street Fund (-£619k)</li> <li>• March Future High Street Fund (-£1,286k)</li> <li>• Babraham Smart Energy Grid (-£644k)</li> <li>• North Angle Solar Farm, Soham (+£258k)</li> <li>• Decarbonisation Fund (-£5,048k)</li> <li>• Oil Dependency Fund (-£435k)</li> <li>• Investment in Connecting Cambridgeshire (-£2,284k)</li> </ul> <p><b>P&amp;C, -£40.2m</b></p> <ul style="list-style-type: none"> <li>• North West Cambridge (NIAB site) primary (-£7,499k)</li> <li>• Ermine Street Primary, Alconbury, Phase 2 (-£1,756k)</li> <li>• St Philips Primary School (-£1,046k)</li> <li>• Waterbeach New Town Primary (-£8,013k)</li> <li>• Alconbury Weald secondary and Special (-£609k)</li> <li>• Sir Harry Smith Community College (-£1,243k)</li> <li>• Cambourne Village College Phase 3b (-£4,997k)</li> <li>• Duxford Community C of E Primary School Rebuild (-£745k)</li> <li>• Townley Primary Permanent Accommodation (-£435k)</li> <li>• Samuel Pepys Special School (-£2,915k)</li> <li>• Acquisition of LNCH (-£900k)</li> <li>• Independent Living Service : East Cambridgeshire (-£9,222k)</li> </ul> <p><b>CS -£1.7m</b></p> <ul style="list-style-type: none"> <li>• IT Strategy (-£377k)</li> <li>• Community Hub- East Barnwell (-£1,364k)</li> </ul> <p>Other schemes below the de minimis make up the difference.</p>
Revised Phasing	All services	+4.0	<p>Capital programme variations budgets</p> <p>Since 2016/17, we have factored in a 'Capital Programme Variations' line for each Service, which effectively reduces the capital programme budget to reflect a certain level of variation that is anticipated. Capital programme variations budgets were included in the 2022/23 Business Plan, but</p>

			these have been revised for 2022/23 as a result of the rolled forward and revised phasing exercise carried out as noted above.
Additional/ Reduction in Funding (Grants and Prudential borrowing)	P&C	+8.6 (grants)  -8.4 (prudential borrowing)	<p><b>P&amp;C, +£8.6m</b></p> <p><b>School Conditions Allocation +£0.9m, prudential borrowing -£0.8m:</b> The School Conditions grant allocation from Central Government has increased by £866k. This will be utilised this year and prudential borrowing will reduce by £750k. It is anticipated that £500k will be used towards the Duxford Community C of E Primary School Rebuild scheme.</p> <p><b>Additional Special Educational Needs (SEN) funding +£6.8m, prudential borrowing -£6.8m</b> Additional High Needs Provision Capital Allocations funding of £6,778k was announced by central government for 2022/23. It is anticipated that this funding will be used toward the capital cost of the new area special school to be established in Alconbury Weald (£5.0m), the Samuel Pepys Special School (£778k) and the Additional Countywide SEN places scheme (£1.0m). The prudential borrowing requirement will reduce by £6,778k across these schemes.</p> <p><b>Basic Need Grant +£1.0m grant, -£0.9m prudential borrowing</b> Additional Basic Need Grant funding of £992k was announced by central government for 2022/23. It is anticipated that this funding will be used toward the capital cost of Littleport Community Primary (£649k) and Kennett Primary School (£343k). The prudential borrowing requirement will reduce by £913k across these schemes.</p>
Additional/ Reduction in Funding (Prudential borrowing)	P&C	+0.4  -0.6	Capital Programme Board (CPB) has considered a virement to move budget from the Northstowe Secondary scheme to the Northstowe Pathfinder Primary scheme to better reflect the 2022/23 requirements. The final account on the Northstowe Secondary scheme has been agreed and £571k of savings have been realised against the risk register. It is proposed to move £350k to the Northstowe Primary scheme for conversion of community space to classrooms. The prudential borrowing requirement across the capital programme will reduce by the remaining £221k saving. CPB is recommending the approval of this virement to S&R.
Additional/ Reduction in Funding (Prudential borrowing)	CS	+0.5  -0.8	Capital Programme Board (CPB) has considered a virement to move budget from the IT Data Centre Relocation scheme to the IT Education System Replacement and IT Strategy schemes to better reflect the 2022/23 requirements. The full scheme budget for the Data Centre Relocation scheme is anticipated to be underspent by £0.8m. It is proposed to move £0.4m to the IT Education System Replacement scheme and £0.1m to the IT Strategy scheme. The prudential borrowing requirement across the capital programme will reduce by the remaining £0.2m saving. CPB was provided with schedules of works for the IT budgets and is recommending the approval of this virement to S&R.

Additional/ Reduction in Funding (Grants, Other contributions)	P&E	-6.5 (grants)	<p>Changes in grants, contributions and prudential borrowing are anticipated in relation to the following schemes:</p> <ul style="list-style-type: none"> <li>• Wisbech Town Centre Access Study (-£4,481k) reduction of funding from the Cambridgeshire &amp; Peterborough Combined Authority (CPCA) due to a change in remit of scheme (changed to design only)</li> <li>• March Area Transport Study (+£2.367k) additional funding from the Cambridgeshire &amp; Peterborough Combined Authority (CPCA)</li> <li>• Investment in Connecting Cambridgeshire (-£4.413k) reduction in grants and contributions due to lower expenditure claims anticipated for 2022/23 than at the time the 22-23 Business Plan was set</li> </ul>
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Recommendation F: To note changes in grants, and to approve the budget movements set out in table 4.5.1

## 4.6 Further proposed changes to capital schemes

### 4.6.1 Northstowe Bus Only Link

In order to provide a bus link between the new development at Northstowe and Longstanton Park & Ride, CCC Transport Assessment negotiated an initial S106 payment of £128k in 2017/18. The link consists of approximately 100m of carriageway and 125m of foot- and cycleway. So far, £128k has been spent on staff costs, preliminary design and detailed design. The most recent cost estimate to complete the project stands at approximately £577k. In 2019/2020 additional DfT funding was made available, raising the total budget to £428k, against a total project cost of £708k. The project is as a result approximately £280k underfunded. Recently, however the Transport Assessment team confirmed additional £280k S106 funding agreements for the Northstowe development. Trigger points for the payment of these additional sums are due in 2-5 years' time. Prudential borrowing of £280k is therefore requested in advance of receiving the £280k S106 payment, to be repaid once the £280k S106 contribution is received.

Recommendation G: Approve £280k additional prudential borrowing for the Northstowe bus link, to be repaid once the £280k S106 contribution is received.

### 4.6.2 Waterbeach Waste Treatment Facilities

In the 2022-23 Business Plan a total budget of £12m was approved for the Waterbeach Waste Treatment Facilities scheme. This is a project to make changes to the In Vessel Composting facility (IVC) and the Mechanical and Biological Treatment facility (MBT) at Waterbeach Waste Management Park to allow the facilities to continue to operate within the framework of updated environmental permits from the Environmental Agency (EA). The EA have issued a Notice of Variation for both the IVC and the MBT at Waterbeach, following the EA's statutory review of permits across the biowaste treatment

industry sector. The variation to both permits requires the facilities to meet the sector specific Best Available Technique conclusions (BATc), as set out in the Waste Treatment BAT document, which have to be met by 17th August 2022. The updates have included new permit conditions which limit odour emissions. Previously, no absolute value for odour emissions was included in the permits and the facilities' odour emissions are significantly above the new limit.

Should either the IVC or the MBT fail to achieve BATc compliance by this date, then waste processing at these facilities will need to cease until they are compliant. If this were to happen then the waste that were to be processed would need to be diverted to a third-party facility or sent directly to landfill at significantly increased operational cost (potentially in excess of £10m per year).

The latest estimated capital costs provided by Amey (our PFI Contractor who commissioned and manage these facilities for us) show an increase in total scheme costs of £5m-£8m depending on the project management solution. The increase is primarily around the costs of implementation of the works and supervision as well as a change in timescales from Amey meaning a longer period and higher revenue costs of diverting waste away from the Waste Treatment Facilities. The Waste team are proposing to carry out some soft market-testing before the procurement of the supervision, and plan to include 3 new posts to bring in some dedicated resource for managing this project.

At this stage additional borrowing of £847k is requested for 2022-23. The budget impact on future years of a further total scheme increase will be taken through the 2023-24 Business Planning process. The estimated annual cost of borrowing for this scheme will start in 2024/25 at £1,439k, and decreases each year thereafter.

Recommendation H: Approve £847k additional borrowing in 2022/23 for the Waterbeach Waste Treatment Facilities scheme.

## 4.7 Education schemes – market conditions

### 4.7.1 Current market conditions

At present, the Council's design and build framework contractors are currently producing MS4 (tenders) for a number of projects to commence on site this year, generally for completion for the start of the new academic years in September 2023 and 2024. They are now sending early warnings of escalating costs across construction work packages and the likelihood that previous estimates of cost for projects will be exceeded. These previous estimates were used as the basis of producing the budgets for projects in the 22-23 business plan.

The construction industry is still being impacted by the legacy of post Covid recovery and the rapid volatility of energy price rises. The recent conflict in the Ukraine and sanctions against Russia have compounded existing problems

with the supply of materials and inputs (energy) and therefore increased their costs in world markets even further. This is causing a sharp rise in the cost of construction works, as well as general inflation

#### 4.7.2 Key cost influencers

Headline factors contributing to increased costs:

- Rising energy and oil prices
- Material prices – Steel, cladding, brick, blocks, plastic products, and M&E services.
- On-going supply chain issues due to post coronavirus and Brexit.
- Russian invasion of Ukraine.
- National insurance increase.
- Duty on red diesel.
- Rising global inflation pressure. UK inflation expected to peak above 10% this year in latest Bank of England report.

For example, Steel pricing for sections is now up around £1500/tonne compared to £550/tonne in August 2020, following British steel adding an unprecedented £250/ tonne with immediate effect recently. Standard offer period for quotes is now 24 hours.

Commodity prices account for between 30% and 50% of the cost inputs into major school building projects.

It is impossible to predict when the situation will get back normal in the foreseeable future as there are too many external factors affecting availability and causing this surging price volatility. Contractors are pricing for this uncertainty/risk in their tenders and being more selective about the work they are prepared to bid for. This increases tender costs further.

There are analyses of the construction market that suggest a fall in overall economic activity as projects become unaffordable will lead to a stabilisation in supply chains late in 2022, with a return to more normal levels of tender price inflation post 2Q23 within the construction sector, (4% per annum).

There are no predictions of future falls in construction costs and any financial benefit to the delay of capital projects. However, there may be a benefit in terms of the level of risk being included in the contract.

#### 4.7.3 Current Education Capital Schemes

Prior to the review of the current 5-year capital programme which will commence in the Autumn of 2022, the following school capital projects need to proceed to tender award and contract stage to ensure delivery by agreed completion dates and meet the Council's statutory place planning sufficiency duty:

- Duxford Primary School – fire reinstatement works
- Cambourne Village College Phase 3b – expansion of the village college by 4 forms of entry (600 places) and a new 350 place sixth form
- Alconbury Weald Special School – new 150 place special school

- Sir Harry Smith Academy – expansion by a 2 forms of entry (FE) (300 places)

Pre-tender estimates or early warnings received on these four schemes suggest cost increases in the range of 20% to 30%. Cost

The current capital programme makes provision for tender inflation of between 4% and 7% on projects based upon the BCIS index. The most recent published indexed now records a figure of 8.5%. However, it is felt that the latest BCIS forecasts of all-in tender price indices may still not reflect the reality of what's happening currently in the world and marketplaces based on conversations with contractors that are compiling tenders. As more current tenders are produced, the cost data from these will feed into the BCIS and the forecasts for inflation subsequently adjusted.

The Education Capital Team continues to scrutinise and review costs at the individual project level and consider the scope of the project and any opportunities for phased development;

#### Duxford Primary School – Fire Reinstatement Works

Original MS4 project cost estimate £7.38m was £0.685m above the business plan budget. Reductions to the amount of work undertaken in the existing school building; a review of all costs and tender packages and a funding contribution for the condition works has enabled the scheme to now proceed within the overall adjusted project budget of £6.995m.

#### Cambourne Village College – Expansion by 4FE (600 places) and Provision of New Sixth Form

Original MS4 project cost estimate £35.82m was £6.67m above budget. A review of all costs has been undertaken and savings of approximately £0.75m have been identified. Of the tendered costs, three sub-contract quotes have been sought for each construction works package. A total of 90% of the value of the building works have complied with this requirement, so the scope for reductions is limited. The current cost reflects the market price. Options for reducing the scope or phasing development are also being considered. The only viable option that would deliver a scheme within the project budget would be to omit the 6th form element of the proposal and deliver it at a later date. An agreement has been reached already with the College and Office of the Regional Schools Commissioner to defer the opening date by one year delaying the opening of the sixth form from September 2023 to September 2024.

However, it is uncertain whether further deferrals would be approved by the Office of the Regional Schools Commissioner or be acceptable to the Trust that sponsors Cambourne Village College. Also, in an inflationary environment while some of the capital cost could be deferred (approx. £6m) once the sixth form is delivered the eventual cost will be higher.



## Alconbury Weald Special School – new 150 place special school

An MS4 (tender) cost is not anticipated until the end of June 2022. However in anticipation of rising prices and supply chain issues, design packages are being secured earlier than usual to seek to mitigate the cost increases that may come through at the end of June 2022. It is suggested that £5m of the recently allocated DfE capital grant for additional SEND places is earmarked to cover this risk.

## Sir Harry Smith Academy – Expansion by a 2FE (300 places)

An MS4 (tender) cost is not expected until September 2022. However, it is anticipated that inflationary impacts can be accommodated within the established project budget of £9.99m. This budget represents a generic cost based upon the accommodation required to deliver a typical 2FE expansion. An assessment of the current accommodation available at the school against DfE recommended areas suggests that the required number of places can be provided with a smaller build.

However, there remains a need to consider how these increased costs can be managed at programme level. A re-profiling of the schools capital programme has taken place in-year looking critically at the scope of projects (see above) and their phasing within it using the latest data on current pupil numbers, pupil forecasts and changes to housing build out rates within the major development areas within Cambridgeshire. That work is reflected in the table outlining the budget amendments that have taken place since approval of the 2022/23 business plan.

Recommendation I: To give approval to proceed to contract award on the projects listed above based upon the reprofiling of the programme that has taken place and the further review of the programme commencing in the Autumn as part of the annual business planning round

## 4.8 Highways Maintenance & Construction Programmes

### 4.8.1 Current Market Conditions

The road construction industry is along with all infrastructure delivery affected by the global economic conditions causing price rises and materials shortages. Workforce skills and capacity shortages post Covid and post Brexit are also impacting on capacity of our supply chain. In general prices in road construction are forecast to rise by around 20% to 25% this year. Price rises will affect all road and transport construction projects, maintenance and new builds. We are receiving warnings of supply pressures across a range of materials particularly bitumen and steel products.

### 4.8.2 Key cost influencers

Headline contributing factors

- Energy up 50% on 2021

- Oil – Bitumen products up 49% on 2021
- Steel up 25% on 2021, some fabricated structural steel up 70%
- Cement up 16% on 2021
- Timber products up between 20% and 40% on 2021
- Workforce capacity
- National Insurance increase
- Red Diesel duty rise
- Inflation
- Electronic components supply (streetlights and traffic signals)

Highways Maintenance makes significant use of bitumen products. At present supply is ok but prices are significantly increased since the start of the financial year. Bridge and Structures maintenance is being influenced by steel and cement prices rises. New road construction schemes will be affected by all areas of construction cost increases. Traffic signal and streetlighting components are having longer lead-in times due to supply pressures. For example, street lighting columns lead-in time is around 25 weeks up from 2 to 4 weeks in 2021. Current industry forecasts are that prices will continue to rise for the foreseeable future and are more likely to stabilise at a higher level rather than reduce back to pre-2022 levels.

#### 4.8.3 Impact on Highways and Transport Programmes 2022/23

Highway Maintenance is anticipating a forecast 20% increase in cost across all works. This is affecting revenue and capital funded works programmes. Highway Maintenance programmes do not hold a risk and contingency budget. All cost increases will result in either a reduction in the scale of works programmes or an overspend. To deliver the agreed maintenance programmes additional funding will be required or programmes will need to be reviewed later in the year and scales reduced to keep within current budgets. Funding may need to be moved between revenue works programmes to ensure urgent and safety works are carried out throughout the year.

#### 4.8.4 New Transport Schemes

Transport Projects include an inflationary risk allocation of 7 to 10%. This is not forecast to be sufficient to manage price rises within all projects. Projects are being monitored and price increases managed within project or escalated to Governance Boards for mitigation decisions which may include seeking additional funding to keep to scope or scope reduction.

Recommendation J: To note the update on Highways Maintenance and Construction Programmes market conditions as outlined above

## 5 Balance Sheet

### 5.1 Reserves

At the end of May, the Council has revenue reserves totalling £153m. 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.

Alongside the budget reset described above, there is a need to undertake a redistribution of reserves balances. This is due to several reserves, particularly the general fund, being above their policy target balances at the end of 2021/22.

The budget for 2022/23 was set assuming a certain level of underspend in 2021/22 that would revert to the general fund and was factored into planning around increasing the target balance of that reserve. The year-end underspend position was, however, higher.

It is proposed to redistribute the excess balance of the general fund and high needs block offset reserves. The majority of this would be to a new 'post-pandemic recovery and budgeting account' to recognise the unprecedented uncertainty in the medium-term that we are facing through a combination of inflationary pressures, uncertainty of demand for services, government reforms (such as to adult social care) and interest rates. Emerging from the pandemic, and recovering from it, will present budget pressures and may require investment. While we do retain a general reserve intended to provide mitigation for risks, the scale of the uncertainty is such that further mitigation is required, and some further capacity for investment may be needed.

Secondly, it is proposed to create a 'business change reserve'. The recent Local Government Association peer challenge of Cambridgeshire identified the need for temporary funding to ensure that there is the necessary capability to develop and deliver the strategic priorities of the organisation. This complements the review of shared arrangements with Peterborough City Council and the review of senior management capacity.

Finally, additional short-term funding is required to further bolster the Council's commitments to meeting regulatory compliance in waste management.

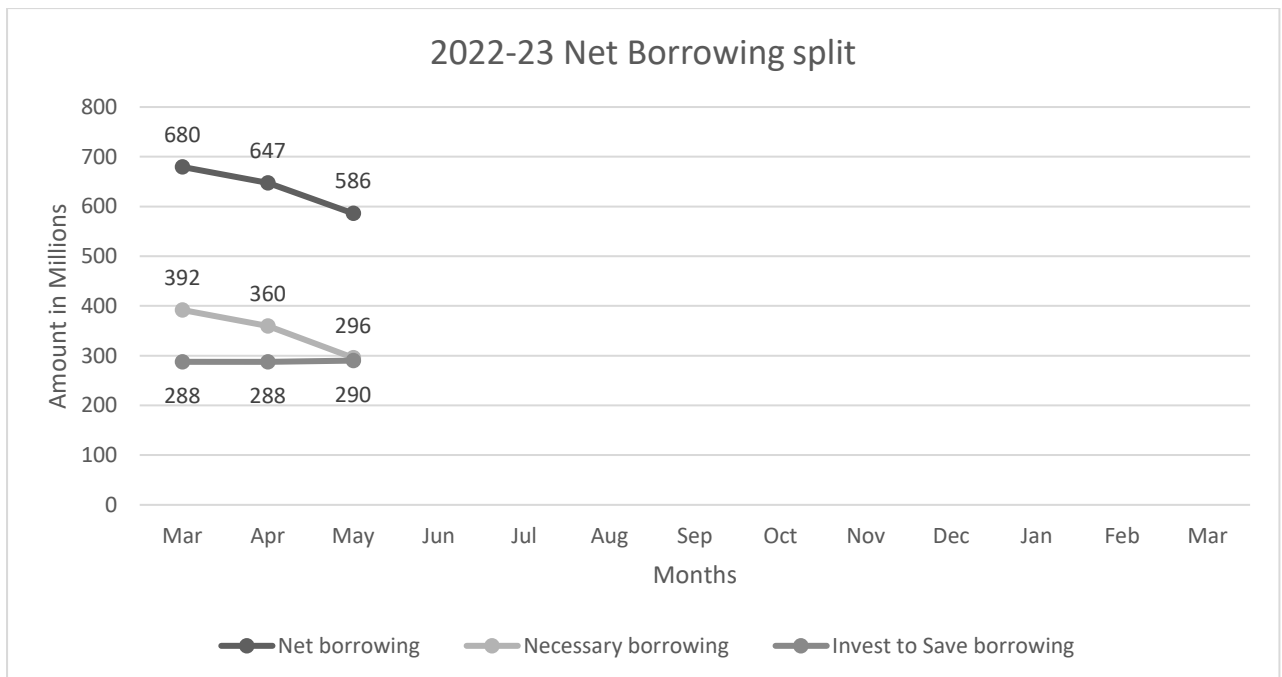
The table overleaf summarises the proposed redistribution of reserves.

Reserve	Movement	Notes
General Fund	-9,634	Brings balance back to 4% target
High Needs Block Offset	-1,965	Brings balance back to target – deficit growth in 2021/22
Legacy Transformation Fund	-649	Brings balance back to maximum of residual commitments for schemes agreed under former transformation fund
Post-pandemic recovery and budgeting account	7,017	
Business change reserve	4,000	
P&E Earmarked reserves	1,231	Relating to Waterbeach waste facility works – revenue impact of plant closure
<b>Total change</b>	<b>0</b>	

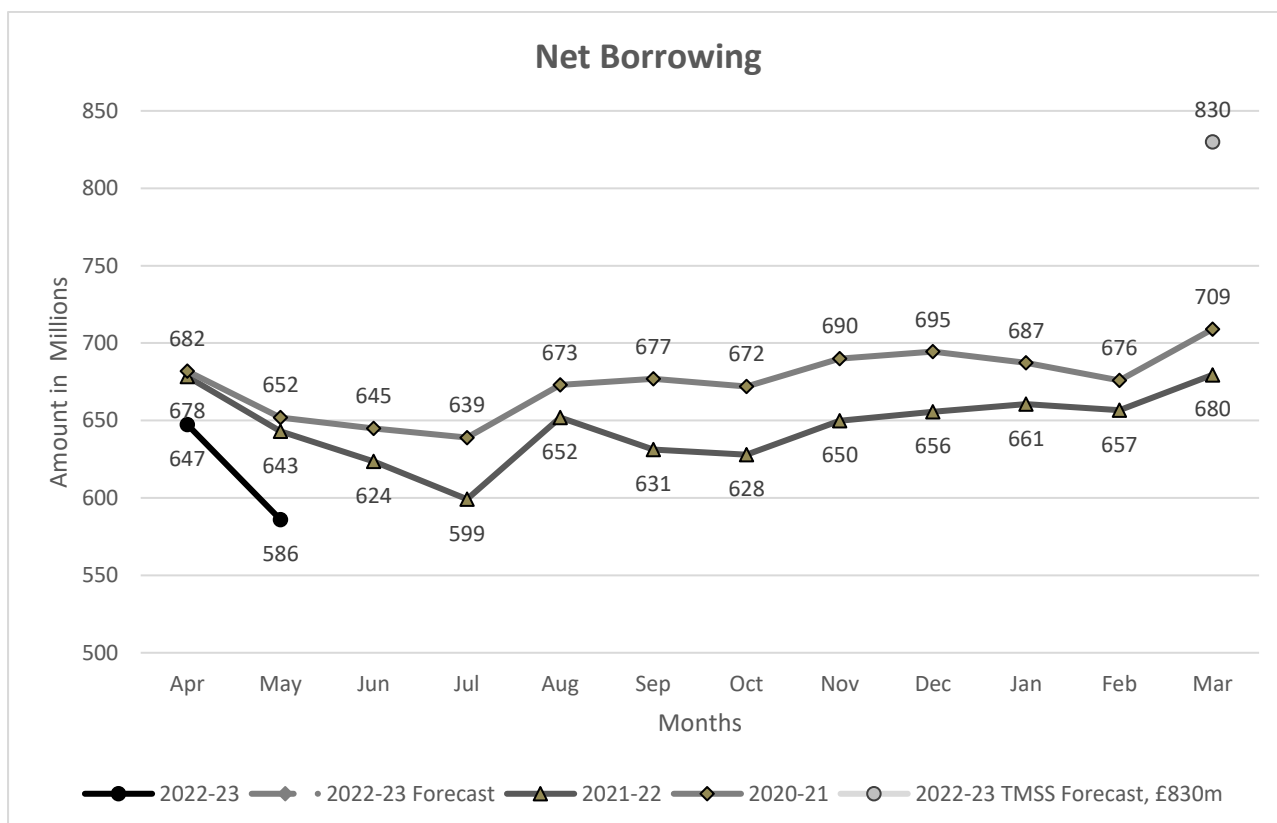
Recommendation K: To approve the net nil redistribution of reserves in the table at 5.1

## 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 £290m 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 May 2022, investments held totalled £163.2m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £749.3m, equating to a net borrowing position of £586.0m.



### 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 May 2022
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	83%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£12.20m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.58m
% of invoices registered on ERP within 2 working days	98.0%	99.3%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	84.9%

A commercial debt write-off of £138k was agreed by the Chief Finance Officer following delegation from S&R Committee.

## 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 (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). 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 £830.0m 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.
- 6.5 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).

## Appendix 1 – Revenue – commentaries on exceptions

### 1. People and Communities

- Overall forecast outturn variance is balanced.

#### 1a 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.

#### 1b 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 P&C, spend of £102.7m 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 have met with the DfE in May to discuss the current situation and plans, and as such updates will be provided in due course.

## Appendix 2 – Capital – commentaries on exceptions

There are no exceptions to report.



## Appendix 3 – Budget transfers between services in 2022/23

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

<b>Budgets and Movements</b>	<b>P&amp;C £'000</b>	<b>P&amp;E £'000</b>	<b>Capital Financing £'000</b>	<b>Corporate Services £'000</b>	<b>Financing Items £'000</b>
<b>Opening Cash Limits as per Business Plan</b>	321,579	66,101	34,044	27,811	5,777
Post BP, pre initial budget load adjustments between CS and P&E- Energy Schemes		-369		369	
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, from central provision	1,836	191		-2,027	
Proposed budget resetting movements as outlined in May IFMR	-3,454	2,251	-769	1,519	655
<b>Current budget</b>	<b>321,060</b>	<b>68,174</b>	<b>33,275</b>	<b>27,716</b>	<b>6,432</b>
Rounding	-2	0	0	1	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 as part of business planning) £000s	Balance at 31 May 2022 £000s	Notes
<b>General Reserves - County Fund Balance</b>	46,474	-9,281	37,193	
<b>General Reserves subtotal</b>	46,474	-9,281	37,193	
1 Insurance	4,719	3	4,722	Starting balance of £14m, with allocations made in business planning  Balance for legacy Transformation projects  Includes remainder of COVID-19 Support Grants. Allocated over medium-term.  Carry forward of unspent ring-fenced grants
2 P&C & Schools	18,518	-175	18,343	
3 PH	8,503	0	8,503	
4 P&E	6,717	0	6,717	
5 Corporate Services	4,554	0	4,554	
6 Just Transition Fund	0	11,110	11,110	
7 High Needs Block Offset Reserve	0	14,400	14,400	
8 Transformation Fund	25,012	-20,861	4,151	
9 Innovate & Cultivate Fund	442	350	792	
10 Corporate- COVID	26,987	-4,573	22,414	
11 Specific Risks Reserve	2,140	1,429	3,569	
12 This Land Credit Loss & Equity Offset	5,850	0	5,850	
13 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	
14 Collection Fund Volatility & Appeals Account	3,690	0	3,690	
15 Local Government Settlement phasing reserve	0	4,324	4,324	
16 Grant carry forwards	14,031	-14,031	0	
<b>Other Earmarked Funds subtotal</b>	124,103	-8,024	116,079	
<b>SUBTOTAL</b>	<b>170,577</b>	<b>-17,305</b>	<b>153,272</b>	
17 P&C	6,116	0	6,116	
18 P&E	4,063	0	4,063	
19 Corporate Services	13,857	0	13,857	
20 Corporate	73,787	11,642	85,429	
<b>Capital Reserves subtotal</b>	111,016	11,642	109,465	
<b>GRAND TOTAL</b>	<b>281,593</b>	<b>-5,663</b>	<b>262,736</b>	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 31 May 2022 £000s	Notes
1 P&E	0	0	0	
2 P&C	659	0	659	
3 Corporate Services	2,093	0	2,093	
<b>Short Term Provisions subtotal</b>	2,752	0	2,752	
4 Corporate Services	4,746	0	4,746	
<b>Long Term Provisions subtotal</b>	4,746	0	4,746	
<b>GRAND TOTAL</b>	<b>7,498</b>	<b>0</b>	<b>7,498</b>	

## Appendix 5 – Capital Rephasing compared to 2022-23 Business Plan

### CHANGE IN FIGURES

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)		
A/C.01.021	North West Cambridge (NIAB site) primary	1	-7,500	3,199	4,152	148	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.034	St Neots, Wintringham Park primary	-21	-118	-	-	-	-	-	-139	-	-	-	-	-139	Final account savings	
A/C.01.040	Confidential Scheme	-56	-1,700	356	1,306	94	-	-	-	-	-	-	-	-	Slippage of schemes to September 2024	
A/C.01.043	Confidential Scheme	-49	49	-	-	-	-	-	0	649	-	-	-	-649	Slippage of scheme from 21/22. Additional Basic Need grant from increase in the 2022/23 grant	
A/C.01.044	Confidential Scheme	-50	-	50	-	-	-	-	-	-	-	-	-	-	Slippage of scheme	
A/C.01.062	Waterbeach Primary School	-50	-132	-	-	-	-	-	-182	-	-	-	-	-182	Final account savings	
A/C.01.067	Marleigh Primary - Cambridge (WING)	107	-107	-	-	-	-	-	-0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.068	St Philips Primary School	-46	-1,000	1,003	43	-	-	-	0	-	-	-	-	-	Slippage of scheme scope not yet agreed	
A/C.01.070	St Ives, Eastfield / Westfield	-55	-	-	-	-	-	-	-55	-	-	-	-	-55	Final account savings	
A/C.01.071	Confidential Scheme	-21	100	-	-	-	-	-	79	343	-	-	-	-264	Change in scope and increasing market costs. Additional Basic Need from grant increase in 2022/23	
A/C.01.073	Confidential Scheme	-8	8	-	-	-	-	-	0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.074	Confidential Scheme	1	-1	-	-	-	-	-	-0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.01.075	Confidential Scheme	-20	-200	-2,780	1,110	1,840	50	-	-	-	-	-	-	-	Works to slip two years from 2024 to 2026	
A/C.01.076	Confidential Scheme	-	-200	-2,500	1,400	1,265	35	-	-	-	-	-	-	-	Works to slip one year from 2024 to 2025	
A/C.01.077	Waterbeach New Town Primary	-63	-7,950	4,013	3,825	175	-	-	-0	-	-	-	-	-	Slippage from 2023 to 2024 due to re-design as will be built as straight 3FE + 3EY, not phased.	
A/C.01.078	Confidential Scheme	-38	-170	-1,992	1,350	780	70	-	0	-	-	-	-	-	Slipped from 2024 to 2025 completion as dependent on housing.	
A/C.01.079	Confidential Scheme	-10	-80	-410	-8,000	5,100	3,240	160	-	-	-	-	-	-	Project to slip from 2025 to 2026 earliest. Project may drop out of BP if developer does not progress planning for housing.	
A/C.01.080	Confidential Scheme	-15	-	15	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.02.006	Northstowe secondary	-137	-434	-	-	-	-	-	-571	-	-	-	-	-571	Final account agreed. Savings against risk register realised. A £350k virement is requested from this scheme to Pathfinder Primary (New scheme).	
A/C.02.009	Alconbury Weald secondary and Special	591	-1,200	5,609	-	-	-	-	5,000	5,000	-	-	-	-	Slippage of scheme, additional inflation costs and High Needs Grant funding adjustment	
A/C.02.012	Cromwell Community College	-5	5	-	-	-	-	-	0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.02.015	Sir Harry Smith Community College	57	-1,300	1,243	-	-	-	-	0	-	-	-	-	-	Slippage of scheme Contract period slightly longer with December 23 completion, therefore will be spread over a longer period than anticipated.	
A/C.02.016	Cambourne Village College Phase 3b	203	-5,200	10,917	-	-	-	-	5,920	-	-	-	-	5,920	Slippage of scheme and additional inflation costs anticipated for MS4 award	
A/C.02.017	NCA secondary Cambridge Expansion	-20	20	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.03.003	LA Early Years Provision	-538	538	-	-	-	-	-	0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.03.004	Cottenham Early Years	-15	15	-	-	-	-	-	-0	-	-	-	-	-	Slippage of scheme from 21/22	

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)		
A/C.04.007	Confidential Scheme	-2	2	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.04.008	Duxford Community C of E Primary School Rebuild	52	-797	1,610	-	-	-	-	865	500	-	-	-	365	Slippage of scheme due to judicial review of planning. £500k of School Conditions Allocations (SCA) C/F to be used to reduce borrowing. £865k additional inflation costs for MS4 award.	
A/C.04.009	Confidential Scheme	41	-	-	-	-	-	-	41	-	-	-	-	41	Overspend last year	
A/C.04.010	Confidential Scheme	-20	-415	435	-	-	-	-	-	-	-	-	-	-	Slippage as forecast start on site later, now February 23 for summer 23 completion.	
A/C.04.011	Confidential Scheme	-15	15	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.05.001	School Condition, Maintenance & Suitability	-2,011	2,127	-	-	-	-	-	116	366	-	-	-	-250	Additional School Conditions Grant from the 22-23 BP assumption and grant c/f.	
A/C.07.001	School Devolved Formula Capital	-1,202	1,198	-	-	-	-	-	-4	-4	-	-	-	-	Adjustment for grant settlement	
A/C.08.005	Spring Common Special School	-202	25	-	-	-	-	-	-177	-	-	-	-	-177	Savings realised in risk register and contingency.	
A/C.08.007	Samuel Pepys Special School	-1,115	-1,800	-	2,715	200	-	-	-0	778	-	-	-	-778	Slippage due to land acquisition, completion will now be August 24, in lieu December 23. So now construction works now on site in 22-23. High needs grant funding adjustment	
A/C.08.009	Confidential Scheme	-1	1	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.08.010	Confidential Scheme	-100	100	-	-	-	-	-	-	1,000	-	-	-	-1,000	Slippage - Detailed works to be confirmed as part of DFE Safety Volve schedule. High Needs Grant funding adjustment	
A/C.08.011	New SEMH Provision Wisbech	300	-300	-	-	-	-	-	-0	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.09.004	Confidential Scheme	-	-900	-	-	-	900	-	-	-	-	-	-	-	Land not required until year 5 of BP earliest now based on forecasts.	
A/C.12.007	Independent Living Service : East Cambridgeshire	-553	-8,669	6,475	4,007	-	-	-	1,260	-	-	-	-	1,260	Rephasing and additional costs as taken to CPB	
A/C.13.004	Community Fund	-1,486	1,486	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.13.005	Histon Library Rebuild	-36	36	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
A/C.13.006	Confidential Scheme	-314	314	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
C/C.1.006	Confidential Scheme	-296	-470	-	-	-	-	-	-766	-	-	-	-	-766	The full scheme budget will be underspent, since the estimate to finish the current scheme of work in 22-23 is lower.	
C/C.1.007	IT Strategy	457	-377	-	-	-	-	-	80	-	-	-	-	80	Additional costs are estimated for the current scheme of work required in 22-23	
C/C.1.008	IT Infrastructure Refresh	-113	-	-	-	-	-	-	-113	-	-	-	-	-113	The full budget was not required in 21-22	
C/C.1.009	Capitalisation of Policy, Design and Delivery Team	-19	-	-	-	-	-	-	-19	-	-	-	-19	-	The capital staff expenditure in 21-22 was lower than the budget.	
C/C.1.010	Confidential Scheme	-	447	-	-	-	-	-	447	-	-	-	-	447	The scheme of work has been revised with projects initially part of the IT Strategy now coming under here.	
C/C.2.002	Development Funding	-163	-	-	-	-	-	-	-163	-	-	-	-	-163	The full budget was not required in 21-22	
C/C.3.003	Building Maintenance	-492	492	-	-	-	-	-	-	-	-	-	-	-	Work to be completed in 22-23 for 2 large schemes and smaller works committed to be carried over.	
C/C.4.001	Lower Portland Farm	-73	-	-	-	-	-	-	-73	-	-	-	-	-73	The full budget was not required in 21-22	
C/C.4.006	County Farms investment (Viability)	-119	119	-	-	-	-	-	-	-	-	-	-	-	The farms expenditure is expected to be higher in 22-23, request to carry over.	

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)		
C/C.4.009	Shire Hall Relocation	-709	157	-	-	-	-	-	-552	-	-	-	-	-552	Although the main work is complete, there are a few unfinished items to be completed in 22-23 and the defect payment is held back until July 22	
C/C.4.010	Mill Farmhouse, Somersham	-58	58	-	-	-	-	-	-	-	-	-	-	-	Work has not started yet, carried over into 22-23	
B/C.1.002	Air Quality Monitoring	-	2	2	2	2	2	-	10	10	-	-	-	-	Additional Integrated Transport block (ITB) funding	
B/C.1.009	Major Scheme Development & Delivery	-	240	-	-	-	-	-	240	-	240	-	-	-	Additional S106 funding towards Northstowe Bus link	
B/C.1.011	Local Infrastructure improvements	131	-118	13	13	13	13	-	65	65	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22. Plus additional Integrated Transport block (ITB) grant	
B/C.1.012	Safety Schemes	20	-14	6	6	6	6	-	30	30	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22. Plus additional Integrated Transport block (ITB) grant	
B/C.1.015	Strategy and Scheme Development work	-17	17	-	-	-	-	-	-	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.1.019	Delivering the Transport Strategy Aims	-690	484	4	4	4	4	-	-190	-190	-	-	-	-	Slippage of schemes from 21/22. Plus additional Integrated Transport block (ITB) grant. Virement of £100k to B/C.1.021, £110k to B/C3.012 (cycling schemes).	
B/C.1.020	Bar Hill to Northstowe cycle route	41	-779	1,035	-	-	-	-	297	-9	306	-	-	-	Reprofile of scheme. Increase of S106 contribution available to scheme. Scheme build most likely to take place in 23/24.	
B/C.1.021	Girton to Oakington Cycle Route	-124	224	-	-	-	-	-	100	100	-	-	-	-	Slippage of schemes from 21/22, virement of £100k from B/C.1.019.	
B/C.1.023	Boxworth to A14 Cycle Route	-	-550	550	-	-	-	-	-	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.024	Dry Drayton to NMU link cycle route	-	-201	201	-	-	-	-	-	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.026	Hilton to Fenstanton Cycle Route	-	-500	500	-	-	-	-	-	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.027	Buckden to Hinchingsbrooke cycle route	-	-780	780	-	-	-	-	-	-	-	-	-	-	Grant funding still to be agreed with National Highways	
B/C.1.050	A14	-	-	-	-	-	-	-	-	-	-	-	-	-		
B/C.2.001	Carriageway & Footway Maintenance including Cycle Paths	177	-177	-	-	-	-	-	-	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.2.004	Bridge strengthening	-889	889	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.001	Highways Maintenance (carriageways only from 2015/16 onwards)	-1,556	1,556	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.002	Footpaths and Pavements	-425	425	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.005	Ely Bypass	-12	12	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.006	Guided Busway	11	-3,879	3,868	-	-	-	-	-	-	-	-	-	-	Rephasing to match likelihood of settlement	
B/C.3.007	Confidential Scheme	-3,168	2,568	600	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.3.008	Wisbech Town Centre Access Study	-4,829	-3,788	-	-	-	-	-	-8,617	-8,617	-	-	-	-	Revised budget to match project remit changed to design only and not delivery.	
B/C.3.009	Wheatsheaf Crossroads	-58	58	-	-	-	-	-	-	-	-	-	-	-	Adjustment of Slippage figure for schemes from 21/22	
B/C.3.010	St Neots Future High Street Fund	-45	-619	907	-995	-	-	-	-752	-	-	-752	-	-	Rephasing of scheme. Overall reduction as HDC procuring the services of design consultants plus internal management costs.	

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)		
B/C.3.011	March Future High Street Fund	-94	-1,286	656	-315	-	-	-	-1,039	-	-	-1,039	-	-	Rephasing of scheme. Overall reduction as FDC procuring the services of design consultants plus internal management costs.	
B/C.3.012	Cambridge Cycling Infrastructure	-307	417	-	-	-	-	-	110	110	-	-	-	-	Slippage of schemes from 21/22, virement of £110k from B/C.1.019.	
B/C.4.002	Confidential Scheme	-68	68	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.4.003	Confidential Scheme	-	847	7,520	-	-	-	-	8,367	-	-	-	-	8,367	Additional cost of scheme	
B/C.5.013	Swaffham Prior Community Heat Scheme	-3,251	728	-	-	-	-	-	-2,523	-2,912	-	-	-	389	Adjustment by £2.5m as the Heat Network element has been removed from reporting in the Capital Monitoring Report.	
B/C.5.014	Smart Energy Grid Demonstrator scheme at the St Ives Park and Ride	-357	357	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.015	Babraham Smart Energy Grid	-195	-449	644	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.016	Trumpington Smart Energy Grid	1	-	-	-	-	-	-1	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.017	Stanground Closed Landfill Energy Project	-	150	-150	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.018	Woodston Closed Landfill Energy Project	138	-	-	-	-	-	-138	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.019	North Angle Solar Farm, Soham	-796	1,054	-258	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.020	Fordham Renewable Energy Network Demonstrator	-609	609	-	-	-	-	-	-	-	-	-	-	-	Slippage of schemes from 21/22	
B/C.5.021	Decarbonisation Fund	671	-5,048	-2,014	3,196	3,195	-	-	-	-	-	-	-	-	22-23 forecasts relate to projects that were originally expected to be complete in 21-22 but have over-run or been delayed for various reasons.	
B/C.5.023	Oil Dependency Fund	-65	-435	167	167	166	-	-	-	-	-	-	-	-	Funding £500k of £570k staffing expenditure	
B/C.5.024	Climate Action Fund	-	-230	230	-	-	-	-	-	-	-	-	-	-	Funding £70k of £570k staffing expenditure	
B/C.6.002	Investment in Connecting Cambridgeshire - Fixed Connectivity	-2,791	-6,680	450	780	-	-	-	-8,241	-3,331	-	-6,690	-	1,780	£2.8m budgeted in 2021/22 will be delivered in 2022/23 as Ph 3 & 4 of the Openreach SFBB slipped due to Covid & contractual delays. A further £1m no longer to be incurred due to lower cost base and therefore a saving in the overall cost of the work being delivered for the Openreach SFBB. The £1.8m adjustment to borrowing relates to a correction to show prior year borrowing expenditure that has already been incurred.	Y
B/C.6.003	Investment in Connecting Cambridgeshire - Mobile Connectivity	-225	100	630	150	-	-	-	655	655	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.004	Investment in Connecting Cambridgeshire - Public Access WiFi	-443	80	120	100	-	-	-	-143	-143	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.005	Investment in Connecting Cambridgeshire - Smart Work Streams	-1,305	-462	110	40	-	-	-	-1,617	-1,617	-	-	-	-	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y
B/C.6.006	Investment in Connecting Cambridgeshire - Programme Delivery	-2,865	265	550	560	-	-	-	-1,490	1,275	-	-2,165	-	-600	Change in budget & funding due to work being broken down into work packages as requested for greater granularity & nuance	Y

Scheme Ref.	Scheme Name	EXPENDITURE							TOTAL (£k)	FUNDING					Reason for Change in Spend / Rephasing	Is there a detailed plan for spend in place? Y/N
		Up to 2021-22 (£k)	2022-23 (£k)	2023-24 (£k)	2024-25 (£k)	2025-26 (£k)	2026-27 (£k)	Later Yrs (£k)		Grants (£k)	Dvp Cont. (£k)	Other Cont. (£k)	Capital Receipts (£k)	Borrowing (£k)		
F/C.3.119	Cambs 2020 Spokes Asset Review	-1,138	1,138	-	-	-	-	-	-	-	-	-	-	-	Timescales for the scheme of work has changed, the full budget is required in 22-23 to complete.	
C/C.1.001	Essential CCC Business Systems Upgrade	-94	94	-	-	-	-	-	-	-	-	-	-	-	Budget requested in 22-23 for smaller upgrades to ensure activity continues to operate effectively.	
C/C.4.008	Community Hub- East Barnwell	-1,524	160	350	1,014	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
Lancaster	Lancaster Way	-287	287	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.1.019	Arbury Road	-12	12	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.1.019	Swavesey Park & Ride	-25	25	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
Pathfinder	Northstowe First Primary - Pathfinder	-	350	-	-	-	-	-	350	-	-	-	-	350	A £350k virement is requested from scheme A/C.02.006 Northstowe secondary to this Northstowe Pathfinder Primary scheme for conversion of community space to classrooms.	
0	Treescape Fund	-	36	-	-	-	-	-	36	36	-	-	-	-	2021/22 project, grant funded.	
0	School Ground Source Heat Pump Projects	-926	926	-	-	-	-	-	-	-	-	-	-	-	Comberton is the only school GSHP project that progressed to installation works. Work there is ongoing and scheduled to complete in October 2022.	
0	Cambridge Electric Vehicle Chargepoints	-139	139	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
0	Electric Vehicle Chargers	-194	194	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
0	March Area Transport Study	-	2,367	-	-	-	-	-	2,367	2,367	-	-	-	-	Scheme fully funded by CPCA	
0	Northstowe Heritage Centre	-375	375	-	-	-	-	-	-	-	-	-	-	-	Carry forward of grant funding to 22/23	
0	Spencer Drove, Soham	-97	97	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
B/C.4.032	Scheme Development for Highways Initiatives	-424	424	-	-	-	-	-	-	-	-	-	-	-	Slippage of scheme from 21/22	
		<b>-37,736</b>	<b>-41,929</b>	<b>44,714</b>	<b>16,630</b>	<b>12,988</b>	<b>4,320</b>	<b>21</b>	<b>-992</b>	<b>-3,539</b>	<b>546</b>	<b>-10,646</b>	<b>-19</b>	<b>12,667</b>		