ANNEX A

Integrated Finance Monitoring Report
January 2024

Contents

1. Executive Summary

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

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

The Council's total service budgets for 2023-24 are:

- Revenue: £501m net budget
- Capital: £198m (with a total programme of over £1bn)

As well as this, the Council has a Dedicated Schools Grant (DSG) funded budget of £114m, which mainly relates to High Needs spend.

The table below shows the key forecast information by directorate:

Directorate/Area	Forecast Revenue Budget Variance £000	Forecast Revenue Budget Variance %	Forecast Net Capital Budget Variance £000	Forecast Net Capital Budget Variance %
Children, Education and Families – non-DSG	11,865	9%	0	0%
Adults, Health & Commissioning	-3,920	-2%	-285	-5%
Place and Sustainability	1,759	3%	-4,244	-6%
Strategy and Partnerships	866	4%	-1,344	-42%
Finance and Resources	-749	-5%	-4,331	-37%
Public Health	0	0%	-	-
Capital Financing	-1,586	-4%	-	-
Corporate and Funding Items	-6,413	-56%	-	-
Net Spending Total (+ overspend / - underspend)	**1,822**	**0%**	**-10,204**	**-5%**
Children, Education & Families – DSG	11,933	-	-	-

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

1.2 Key Issues

The Council is forecasting a £1.8m net revenue overspend across all services for 2023-24, an improved position compared to November (when the forecast overspend was £3.8m).

This report sets out in detail the key pressure areas of:

- income generation from renewable energy schemes and
- looked after children staffing and placement costs

As well as mitigations that have materialised in year from additional grant funding and development in adult social care budgets, the improvement in forecast is mainly the result of additional one-off mitigations, and the ongoing impact of concerted efforts to reduce financial pressure in key services through targeted action that has been previously reported. Despite the improved position, budgetary pressures remain and cause a risk to our long-term financial picture. The report sets out other pressures that are mitigated in-year but present a risk to the council's longer-term financial position.

The overspend position in the Children, Education and Families directorate is concerning and reflects the pressures being reported for these services by upper tier local authorities across the country. National issues around the cost of placements for looked after children with the most acute needs continue to negatively impact our financial position, with constrained market supply of such places driving costs up. As well as this, we are engaging a significant number of agency social workers covering vacant posts, which costs more than the staffing budget available. We are also seeing an overspend expected on home to school transport services. This likewise links to constrained supply and increased needs, particularly linked to the increasing number and complexity of children with special educational needs and disabilities.

Energy generation schemes are expected to deliver income later than forecast, that is now suggested in July 2024-25 and so is a one-off, in-year pressure but also impacts on the 2024-25 budget gap.

We remain in a position where our waste disposal budget is significantly overspent due to the need to landfill additional waste following the closure last year of the waste management plant at Waterbeach due to odour regulations. We are considering the options available to us regarding the long-term arrangement, but in the meantime additional costs of at least £100k per week are faced. These are mitigated in year by a recently signed agreement with the third party provider and planned use of reserves, the specific value of which will be confirmed at the end of the year.

Adult social care budgets are now reporting a projected underspend. Much of this relates to the utilisation of grant income to fund costs that had initially been expected to fall on general council resources, as well as additional income. There remains a general upward trend in cost despite these mitigations, with implications on budgets for next year.

The impact of a concerted approach to identifying mitigations to improve the initially larger forecast overspend this year is being felt through this improved forecast position. These mitigations have included constraining expenditure on non-essential items and controlling recruitment to non-essential posts, continuing to review spend considered to be essential, a sustained reduction in the use of agency staff and reviewing local schemes of delegation for spending decisions within directorates. We have also maximised, where possible, the use of grant funding to substitute existing budgeted spend where allowable by grant conditions. Many of these mitigations are one off, however, and so the forecast overspend still has implications for 2025-26, many of which were addressed in the business plan.

1.3 Key Issues by Directorate

1.3.1 Adults, Health and Commissioning (AHC)

The overall position for Adults, Health and Commissioning at the end of January 2024 is a forecast underspend of £3,920k (1.8% of budget). This masks significant underlying pressures on care and support costs, but in year this is being more than offset by grant funding, increased client contributions and forecast underspends elsewhere. This is an ongoing volatile position with some high-cost packages which can change the forecast quickly and increase costs both in year and into future years.

Going forward into 2024-25 the Adults, Health and Commissioning Directorate has a challenging set of savings targets to deliver against whilst still managing growing demand and pressures with the provider market, particularly related to increasing staffing costs along with higher acuity of those people who use services. As a result, close attention will continue to be paid to changes in demand and costs and income as the year progresses and forecasts will be adjusted accordingly.

The legacy of Covid pandemic is still being felt. Adult Social Care continues to see the consequences of paused work and healthcare backlogs, and of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor.

Whilst there has been significant investment into the care sector, primarily through Adult Social Care Market Sustainability and Improvement Fund, the whole adult social care market remains fragile to other factors that may impact on it. Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living crisis. The position of the care market, particularly around specific types of provision and location, is making some placements more difficult to source, particularly at the more complex end of provision.

Hospital Discharge systems continue to be pressured to manage flows and demand on their services, with a subsequent focus on timely, safe and effective discharges into the correct pathways; although additional funding has been provided to both the Council and wider partners to help address these issues. The long-term legacy of the impact of the pandemic remains unclear and the implications this has on future demand for services, greater need for community support due to backlogs in elective surgery, and the availability of a skilled and experienced workforce and the wider health inequalities on our communities.

The budget for 2022-23 assumed an increased contribution from the NHS towards Learning Disability packages reflecting a shift in the percentage of packages that should be funded from Health budgets. For the current financial year, we have made provision for this increased contribution, but the joint project between the Integrated Care Board (ICB) and the Council to review those packages required to agree a revised split of costs going forwards for the pool did not proceed as expected. The Council has now served notice to end the cost sharing arrangements of the pooled budget, during 2024/25. There is a risk of short term financial pressures from this decoupling as we move to separate budgets for health and social care.

Adult social care debt (excluding debt with Health partners) stood at £20.0m at the end of January, down slightly from £20.1m at the end of December. Improved performance in this area was the subject of a business plan proposal: project management governance and support has been put in place and additional managerial and operational capacity has been recruited to the Council's Debt Management team. Debt over 90 days old was £16.1m at the end of January also down from £16.2m at the end of December. The level of aged debt has a knock-on impact on the bad debt provision and likelihood of write offs and the in year position for the AHC Directorate reflects a contribution to the bad debt provision of £900k. However, concerted effort remains on addressing this position and the increased capacity and improvement to processes are expected to continue a reduction in the level of debt.

1.3.2 Children, Education and Families (CEF)

In line with national trends, we currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. The forecast overspend for Children in Care Placements has increased to £7.15m. This reflects the continuing complex needs of a small number of existing placements, where step-down arrangements have not been possible, or where placement moves / breakdowns have resulted in additional support to ensure the success of the transition and ensure the safeguarding of the young person / service provider. We still currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. It is proving extremely difficult to secure appropriate registered placements for these young people, due to a combination of complexity of need and a saturated external market. This has led to an increase in the length of some of the very high-cost placements being forecast, which has worsened the forecast overspend position. This position is being carefully monitored and the service is working hard to control cost where possible, including tracking of all packages at the weekly External Placement Panel and ensure all agencies are working towards more suitable, stable and cost-effective placements for these children. We are also continuing our market engagement with our providers to develop more cost-effective arrangements for current and future children needing placements.

A revised net forecast overspend of £1.090m is being reported across Children's Social Care and Targeted Support. Worsening forecast overspends in relation to Legal services, Integrated Front Door additional staffing arrangements, and Family Safeguarding have been offset by an underspend in the Targeted Support Service.

A net forecast overspend of £644k is now being reported across Education (excluding Home to School Transport). As a result of delays in implementing a new ICT system, the proposed efficiency savings of £223k are now unlikely to be delivered until the 2025/26 financial year. This is being reflected in the 2024-25 budget setting process. The Education ICT Service is now also reporting a pressure of £134k due to reduced investment from schools in ICT infrastructure. The service has a surplus income target of £300k which is being directly affected by this reduction in investment. SEND Specialist Services continues to report a forecast overspend of £500k. This pressure is from the Education Psychology (EP) service and SEND Head of Service. The EP service is experiencing a continuing increase in demand for Education Health and Care Needs Assessments (EHCNA) which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. We have seen a 24% increase in the number of requests for assessments for SEND. The SEND Head of Service pressure is a result of additional speech and language therapy costs and back care training costs. Both service areas are in discussion with relevant health organisations around performance and responsibility for payment.

A revised forecast of £3.598m is now being reported across the Home to School Transport budget lines. Following the summer procurement rounds, as a result of lack of supply in the market, there were between 7% and 8% uplifts on routes. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

1.3.3 Place and Sustainability

In summary, Place and Sustainability (P&S) is now forecasting an overspend of £1,759k which is an improvement of £767k since the last reporting period. The P&S directorate is a large and complex budget area that has a variety of services and significant income streams which require detailed monitoring and have the potential for variances. Highways development management is now billing in advance and so there is a one-off additional income being achieved. The Waste Management budget is also a high-risk budget area, and the service is working with the contractor to identify cost reductions which can be made, and an assumption for these cost reductions is within the Waste forecast. The Business Plan identified that the expected £1.845m pressure on waste would be addressed by a transfer from reserves and this is shown within the Mitigations line.

The key pressure in the directorate relates to the delivery of Energy Projects and associated income. The pressure in Energy Services of £4,065k is mainly due to the delayed grid connection for Noth Angle Solar Farm. Income has been re-forecast to reflect the new delivery programmes for this and other smaller projects. An update on the projects is provided in Appendix 2. Partly offsetting this pressure is one-off additional income from Highways Development Management, additional vacancy savings and Winter is now forecasting an underspend of £663K but given the nature of this demand-led budget this may change.

All budgets have been reviewed to identify further mitigations to reduce the net overspend position of the directorate and this has supported the reduction in the forecast overspend

1.3.4 Finance & Resources (F&R) and Strategy & Partnerships (S&P)

The national and local pay awards have been set within budget for this financial year, alleviating a key risk to our forecast position. We are seeing increased income from our treasury investments, and IT and Digital Services have delivered some scheduled 2024-25 savings early and only property services are reporting a material pressure this year as farms income is lower than the challenging budget set.

Within Strategy & Partnerships, there will be a pressure due to an inability to fully capitalise staff time to the budgeted degree due to insufficient specific funding – we are allowed to capitalise relevant staff time if funded by capital receipts, but this year there will not be sufficient capital receipts remaining to fully fund to the budgeted level. This is partly mitigated by underspends on staffing across some services.

1.3.5 Public Health

At the end of January 2024, the Public Health Directorate is forecasting an underspend of £49k (0.1%).

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 has now returned to business as usual following the pandemic but there are ongoing issues that continue to impact on activity and spend:

i) much of the Directorate's spend is contracts with, or payments to Primary Care (GP practices and community pharmacies) for specific work. Primary Care continues to be under pressure, and it may take some time for activity levels to return to pre pandemic levels; and

ii) the unprecedented demand for Public Health staff across the country meant recruitment became very difficult through the pandemic resulting in underspends on staffing budgets. The position within the Public Health team has improved with recruitment becoming easier, but recruitment challenges continue to be reflected in our provider services which has affected their ability to deliver consistently.

The Public Health Directorate is currently consulting upon changes to its organisational structure and separating these arrangements from the historic shared service with Peterborough City Council, following the approval of the Staffing and Appeals Committee. Therefore, Public Health has frozen recruitment to vacant posts until ready to implement a new structure post separation to minimise redundancy risks.

2 Revenue Budget

2.1.1 This table shows summary information for the Council's 2023-24 revenue budgets at the end of January 2024 (key variances are reported in appendix 1). The forecast is shown both gross and following mitigations (planned or unplanned); mitigations are listed in the tables at 2.1.2:

Line	Previous Forecast Variance £000	Directorate/Area	Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Unmitigated Forecast Variance £000	Forecast Variance £000	Forecast Variance %	Movement in Forecast £000s
1	11,384	Children, Education and Families (non DSG)	167,114	-34,958	132,156	92,636	12,498	11,865	9%	481
2	-1,440	Adults, Health and Commissioning	345,536	-130,109	215,428	170,706	-1,639	-3,920	-2%	-2,480
3	2,526	Place and Sustainability	105,046	-36,089	68,957	57,636	3,798	1,759	3%	-767
4	260	Strategy and Partnerships	27,637	-7,535	20,102	-12,468	866	866	4%	606
5	-575	Finance and Resources	48,671	-33,620	15,051	18,209	-749	-749	-5%	-174
6	-1,586	Capital Financing	58,884	-20,742	38,141	4,377	-1,586	-1,586	-4%	0
7	-6,543	Corporate and Funding Items	12,066	-710	11,356	-14,553	-4,088	-6,413	-56%	130
	4,027	**CCC Core Spending Total**	**764,953**	**-263,763**	**501,191**	**316,544**	**9,100**	**1,822**	**0%**	**-2,205**
8	10,726	Children, Education and Families (DSG)	155,530	-155,530	0	26,038	11,933	11,933	-	1,207
9	-24	Public Health	41,293	-41,293	0	-6,947	-49	-49	-	-25
	14,729	**Total including ring-fenced budgets**	**961,777**	**-460,586**	**501,191**	**335,635**	**20,984**	**13,706**	**3%**	**-998**
		Funding delegated to maintained schools	131,786	-131,786	0					
		Total Budget	**1,093,563**	**-592,371**	**501,191**					

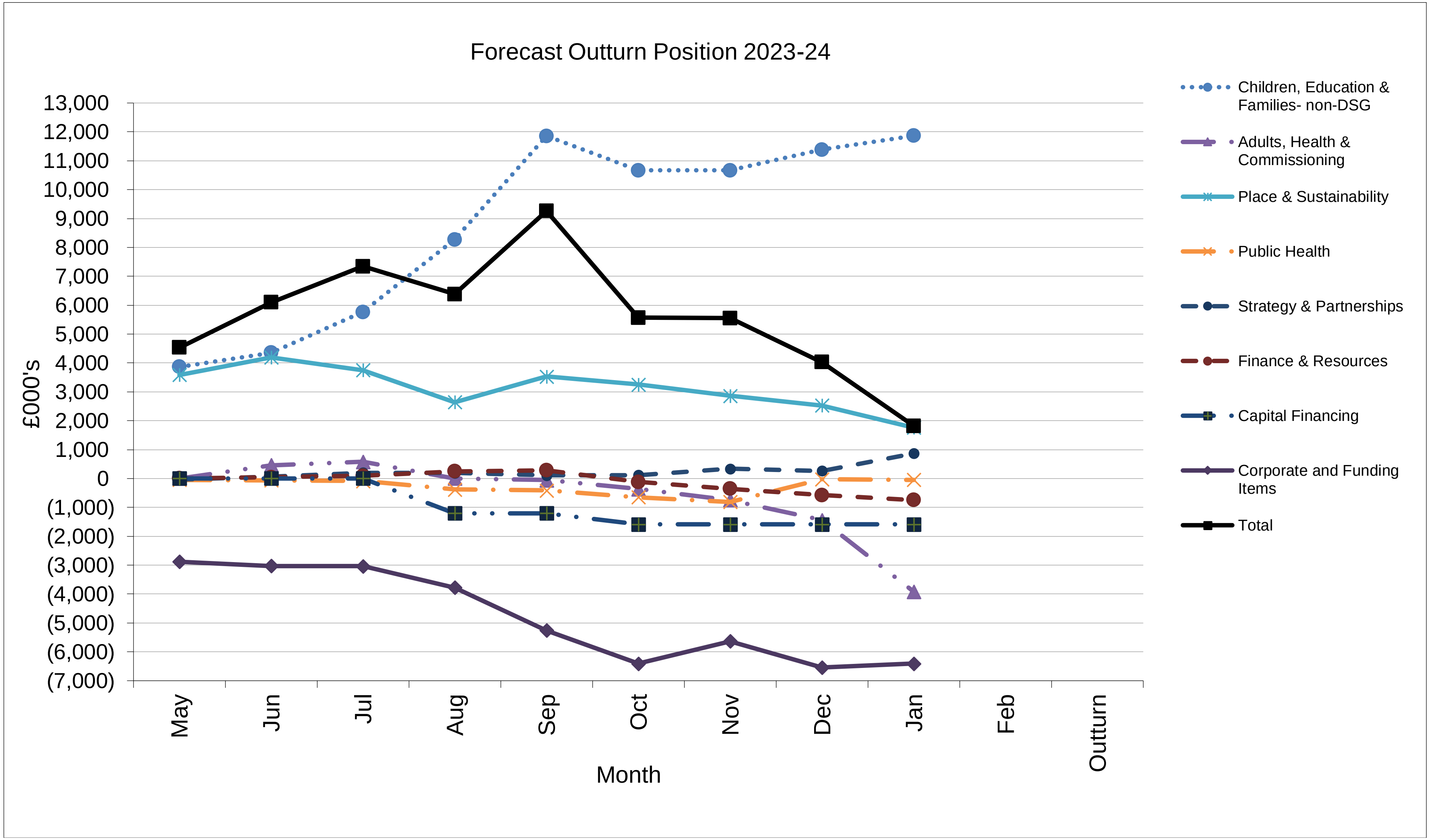
Notes on this table:

1. The actuals figures are net.
2. Numbers are presented based on current information, with adjustments for any recommendations proposed for Committee in this report.
3. Lines 8 and 9 show ring-fenced budgets, with any outturn variance treated separately to core council budgets. Any variance on Public Health goes to the PH grant reserve, and the balance for DSG is subject to separate accounting requirements. More information can be found on the DSG in section 2.2.
4. Negative actuals in lines 4, 6, 7 and 9 relate to grants and other income being received in advance of spend taking place, which helps the council's cashflow and reduces the need for borrowing

2.1.2 The tables below show the types of mitigations applied to service forecasts above, and the nature of those mitigations:

Directorate/Area	**Unmitigated Forecast Variance £000**	**Planned Reserves Use £000**	**Use of Grant Funding £000**	**Mitigated Forecast Variance £000**
Children, Education and Families (non-DSG)	12,498		-633	11,865
Adults, Health and Commissioning	-1,639		-2,281	-3,920
Place and Sustainability	3,798	-2,039		1,759
Strategy and Partnerships	866			866
Finance and Resources	-749			-749
Capital Financing	-1,586			-1,586
Corporate and funding items	-4,088		-2,325	-6,413
Total	**9,100**	**-2,039**	**-5,239**	**1,822**

Directorate/Area and assumed mitigation	**Planned Reserves Use £000**	**Use of Grant Funding £000**
CEF: use of grant funding to mitigate service pressures in line with grant conditions		-633
AHC: use of grant funding to mitigate service pressures in line with grant conditions		-2,281
P&S: potential use of service and corporate reserve to offset Waste pressure	-1,845	
P&S: use of service reserve to offset Registration & Citizenship Services pressure	-194	
Corporate: core budget available following use of grant funding across the council on eligible services		-2,325



Forecast Outturn Position 2023-24
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
(1,000)
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(3,000)
(4,000)
(5,000)
(6,000)
(7,000)
£000's
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
Children, Education & Families- non-DSG
Adults, Health & Commissioning
Place & Sustainability
Public Health
Strategy & Partnerships
Finance & Resources
Capital Financing
Corporate and Funding Items
Total

2.2 Dedicated Schools Grant

2.2.1 The below table summarises the overall DSG position in terms of overall funding for Cambridgeshire schools, funding that flows through the council, and funding that forms part of our budget:

	£000
Gross DSG Income to be received	602,122
Less Academy Recoupment	-314,806
DSG within CCC's gross budget	**287,316**
of which spent or commissioned by CCC	*155,530*
of which delegated to maintained schools	*131,786*
Less High Needs Place Recoupment	-16,614
Total DSG estimated to be Received in 23-24	**270,702**

2.2.2 Within the DSG budgets spent and commissioned directly by the council, there is significant pressure particularly on high needs spend. This table shows a summary of the position of the Council’s Dedicated Schools Grant position before further action:

Opening Deficit Balance 2023-24	£29.2m
Forecast in-year movement (Excluding 2023-24 DfE Safety Valve payment and LA contribution)	£11.9m
Forecast Closing Deficit Balance 2023-24 (Excluding 2023-24 DfE Safety Valve payment and LA contribution)	£41.1m

2.2.3 A cumulative DSG deficit of £29.2m was carried forward into 2023-24.

2.2.4 In 2020-21 the Department for Education (DfE) introduced the safety valve intervention programme in recognition of the increasing pressures on high needs.

2.2.5 As a result of the Safety valve agreement with the Secretary of State for Education the local authority received an initial payment of £19.6m in March 2023 to reduce the overall DSG deficit. Alongside this, a local authority contribution of £2.5m has been applied, resulting in the cumulative deficit of £29.2m carried forward into 2023-24.

2.2.6 To the end of January the reported net DSG forecast is £11.9m in-year overspend, which is £8m off track of the agreed safety valve position. The challenges around the funding gap include increase growth and demand, inflation on placements, complexity of needs continue to increase, delays in opening new provision (including DfE initiated) and challenges around our data systems. As a result of these challenges, the DfE have written to the County Council outlining that we will be part of the Enhanced Monitoring and Support Programme with a view to submitting an updated Safety Value plan which is rebased to allow for these challenges. Officers are working on remodelling our demand and developing new approaches to manage costs whilst meeting the increase level of need. An update report will be brought to the CYP committee in the coming months on progress for the discussion with the DfE.

2.2.7 Being off track risks the safety valve funding committed by central government and increases the risk that council resources will be required to meet the high needs deficit. We are anticipating that Department for Education will annotate the published safety valve deal with Cambridgeshire during March to record the position is off track and that the planned national contribution will not be available to the Council during 2023-24 additional assurance has been provided.

2.3 Savings Tracker

2.3.1 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 2023-28 Business Plan. The Tracker is completed at the end of each quarter and reported in the next IFMR going to committee. It is important to note the relationship between the reported savings projections and the overall revenue financial position reported in this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

2.3.2 Currently, the Council is on track to deliver £9.3m of savings against its original plan. Blue rated savings (savings that will overachieve) total £2.7m. Green rated savings total £5.8m. Black savings (ones that will not achieve any of the original target) total £6.9m and require mitigations by relevant directorates. The Savings Tracker as at the end of quarter 3 is included as Appendix 5 to this report.

2.3.3 A summary of 2023-24 Business Plan savings by RAG rating is shown below:

RAG Status	Total Original Savings £000	Total Forecast Variance £000	RAG Status	Total Original Savings £000	Total Forecast Variance £000	RAG Status	Total Original Savings £000	Total Forecast Variance £000	RAG Status	Total Original Savings £000	Total Forecast Variance £000	RAG Status	Total Original Savings £000	Total Forecast Variance £000	Total Original Savings £000	Total Forecast Variance £000
Blue	**-2,012**	**-684**	**Green**	**-5,833**	**0**	**Amber**	**-1,721**	**963**	**Red**	**-1,177**	**1,071**	**Black**	**-6,852**	**6,852**	**--17,595**	**8,202**

2.3.4 The full description of each RAG status is included in the detailed appendix 5 – in summary, blue savings are forecast to over-achieve, green are forecast to fully achieve, amber and red are forecast to not fully achieve, and black are expected to not achieve at all.

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 Waste PFI Next Steps: Enabling Revenue Funds

3.1.1 The business plan approved by Full Council in February 2024 and budget monitoring information received by this Committee recognises that significant additional waste disposal costs are expected to continue until 2026. Finalising the timeframes for this additional cost is contingent on major investment to reform our approach to waste treatment. It is to be noted capital provision is included within the business plan.

3.1.2 A detailed update was provided to the Environment and Green Investment (EGI) Committee at its special meeting on 30 November 2023, further to a special meeting of the Strategy and Resources Committee on 10 October 2023. The next full update is scheduled for a special meeting of the EGI Committee on 18 April 2024.

3.1.3 The programme of work to enable the investment and reforms envisaged is progressing and has identified the revenue sums necessary for enabling activities during the first half of 2024-25 in order to deliver the changes. In setting the business plan, it was envisaged that there would need to be a draw on earmarked revenue reserves to finance this enabling work, and it is now proposed to allocate £0.76m from the Specific Contract Risks Reserve to the waste disposal and treatment project.

3.1.4 The expenditure is predominantly for external technical and professional services to ensure the required advice is provided to the Council. This includes legal, financial, procurement, regulatory and environmental expertise and is expected to be expended by October 2024.

3.1.5 The detailed spending plan and business case for this allocation of revenue will be considered by a special meeting of the EGI Committee for a decision. This is planned to take place on 18 April 2024.

Recommendation B: To allocate £0.76m from the Specific Contract Risks Reserve to the waste disposal and treatment project, as set out in this section, and to delegate authority to the Environment and Green Investment Committee to approve expenditure for the project during 2024-25.

3.2 Household Support Fund and Anti-Poverty budgets

3.2.1 The Chancellor's spring budget announced a six-month extension to the national Household Support Fund after the Council had already set its budget. This additional funding will commence in April 2024, with funding continuing at the current rate. For Cambridgeshire, we anticipate this will result in additional income totalling £3,581,425. However, terms and conditions of the grant are yet to be received, although our expectation is they will remain the same as those applied to the current scheme.

3.2.2 The Household Support Fund 2023/24 grant provided funding for holiday food vouchers for children in receipt of free school meals and direct awards to residents meeting the relevant eligibility criteria. The committee is recommended to approve use of the six-month extension to continue funding the holiday food vouchers for these six months at the same rate as in 2023/24. Given the late announcement of this grant we will come back with further detail on funding for holiday food vouchers for the period from 1 October 2024.

3.2.3 The remainder of the Household Support Fund monies will be distributed as we have done in 2023/24, as direct awards to resident via the Household Advice and Support Team or as grants to agencies which support residents. The Household Advice and Support Team will be retained to administer the additional six-months of funding.

Recommendation C: To note the announcement of the six-month national extension of the Household Support Fund, authorise the modification of spending plans in accordance with section 3.2 of Annex A and delegate authority to the Executive Director for Finance and Resources to make resulting budgetary updates, in consultation with the Chair and Vice Chair of SRP Committee.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Directorate	Gross 2023-24 Budget £000	Capital Programme Variations 2023-24 Budget £000	Net 2023-24 Budget £000	Actuals £000	Net Forecast Outturn Variance £000	Forecast Outturn Variance %	Total Scheme Budget £000	Total Scheme Forecast Outturn Variance £000
0	Place and Sustainability	100,897	-24,489	76,408	35,965	-4,244	-5.6%	657,380	2,092
0	Children, Education and Families	118,352	-17,826	100,526	69,869	0	0.0%	407,514	-2,280
-285	Adults, Health and Commissioning	6,032	-57	5,975	5,027	-285	-4.8%	114,008	0
-445	Strategy and Partnerships	4,918	-1,677	3,241	235	-1,344	-41.5%	18,194	-2,701
-1,096	Finance and Resources	16,334	-4,689	11,645	4,266	-4,331	-37.2%	53,995	-5,089
-1,826	**Total**	**246,533**	**-48,738**	**197,795**	**115,362**	**-10,204**	**-5.2%**	**1,251,091**	**-7,978**

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 2023-24 of £44.4m.
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 2023-24 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

Directorate	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance £000
Place and Sustainability	-24,489	-28,733	-24,489	100.0%	-4,244
Children, Education and Families	-17,826	-12,523	-12,523	70.3%	0
Adults, Health and Commissioning	-57	-342	-57	100.0%	-285
Strategy and Partnerships	-1,677	-3,021	-1,677	100.0%	-1,344
Finance and Resources	-4,689	-9,020	-4,689	100.0%	-4,331
Outturn adjustment	-	-	-5,303	-	-
Total	**-48,738**	**-53,639**	**-48,738**	**100.0%**	**-10,204**

4.2.3 As at the end of January, Place and Sustainability, Adults, Health and Commissioning, Strategy and Partnerships and Finance and Resources have exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£4.2m, -£0.3m, -£1.3m and £4.3m respectively. The current overall forecast position is therefore a -£10.2m underspend.

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	Forecast Outturn Funding £m	Funding Variance £m	Total Scheme Budget £000	Total Scheme Forecast Outturn Variance £000
Department for Transport (DfT) Grant	26.3	0.1	2.8	5.8	**35.0**	29.6	-5.3	239.6	0.0
Basic Need Grant	2.3	2.6	0.0	0.0	**4.9**	4.9	0.0	39.2	0.0
Capital Maintenance Grant	3.8	0.8	0.0	0.1	**4.7**	4.7	0.0	26.9	0.0
Devolved Formula Capital	0.8	2.5	0.0	-0.0	**3.2**	3.2	0.0	7.8	0.0
Specific Grants	30.7	-0.3	-2.9	5.3	**32.8**	30.4	-2.4	145.5	0.0
S106 Contributions & Community Infrastructure Levy	66.7	0.9	-15.5	0.6	**52.6**	49.8	-2.7	157.5	-0.1
Capital Receipts	1.3	0.0	-0.3	0.0	**1.1**	0.3	-0.8	11.7	-1.4
Other Contributions	9.8	1.5	-8.5	6.2	**9.0**	10.1	1.1	63.7	0.0
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0
Prudential Borrowing	117.8	24.5	-89.2	1.4	**54.5**	54.5	-0.0	559.3	-6.5
TOTAL	**259.4**	**32.7**	**-113.6**	**19.3**	**197.8**	**187.6**	**-10.2**	**1,251.1**	**-8.0**

Notes: The ‘rolled forward funding’ column reflects the difference between the anticipated 2022-23 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2023-24 Business Plan, and the actual 2022-23 year-end position.

4.5 North Angle Solar Farm

Additional prudential borrowing of £1.8m is requested for the North Angle Solar Farm scheme for 2024-25. A forecast capital pressure of £1.8m is being reported for 2024-25 on the North Angle Solar Farm, for costs associated with the connection to the grid. Risks have arisen which have increased the forecast expenditure in this period around construction, access and conditions. This was reported to Energy & Green Investment (E&GI) committee on 14 March 2024. E&GI committee is recommending to SRP committee the approval of this additional prudential borrowing.

Recommendation D: To approve additional prudential borrowing of £1.8m for the North Angle Solar Farm scheme for 2024-25.

4.6 Communities Capital Fund

A scheme at Fenstanton which is a carryover from the original allocation in 2020 has recently received planning permission to progress, and thus meets the terms of an original grant. It had been thought that this grant would not be drawn down due to the protracted period. The need to now fund this £500,000, alongside the Corporate Priorities £1 million fund is an additional draw on the Fund, and the Capital Programme will need adjusting to reflect this. As such the £500,000 underspend shown in Appendix 2, Item 4c which had been assumed to be capable of release will need to be funded. This will be capable of funding from slippage across 2023/24 and 2024/25.

Recommendation E: To approve an additional £0.5m of Communities Capital Fund for 2024/25 from the slippage in the Communities Capital Fund.

5 Balance Sheet

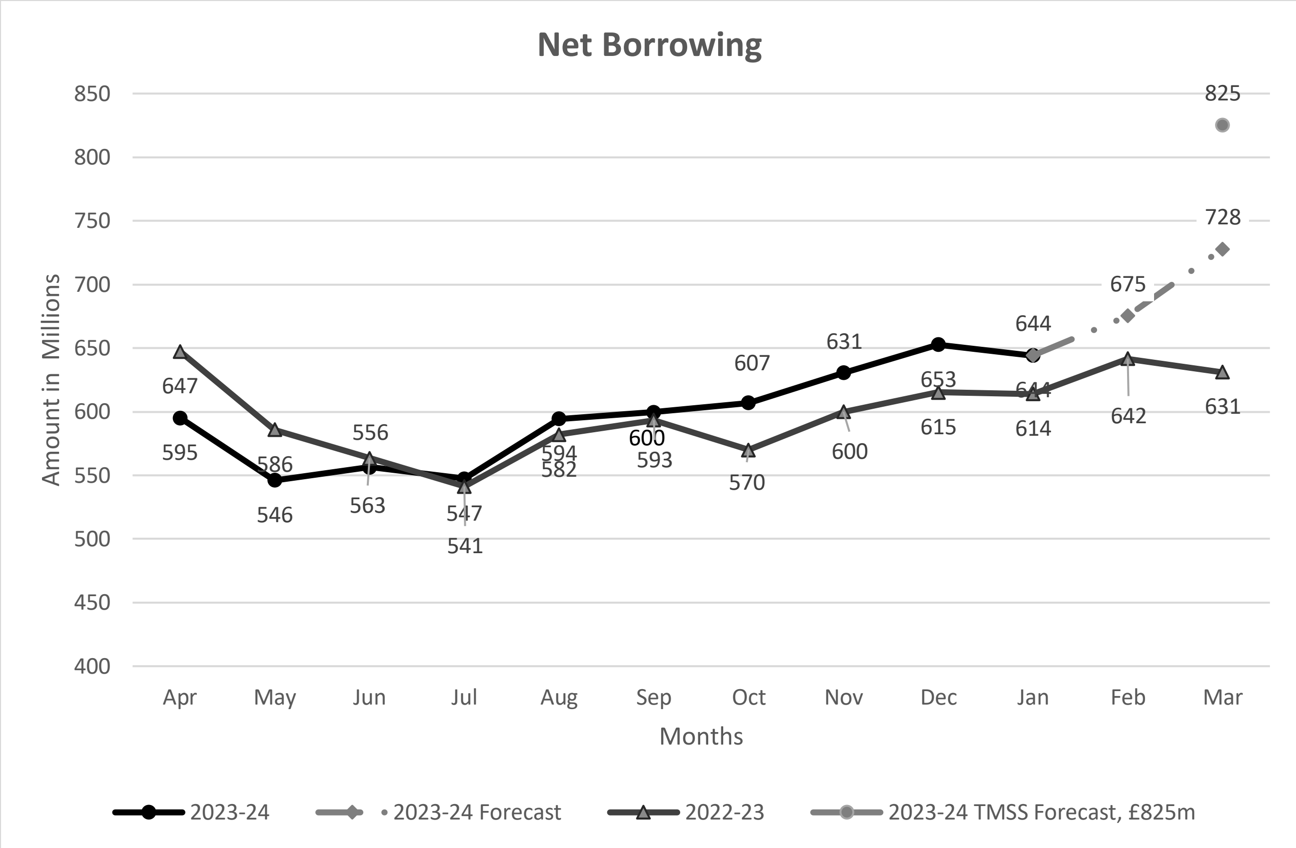
5.1 Reserves

At the end of January, the Council has revenue earmarked reserves totalling £161m. 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, which is planned into medium-term budgets.

5.2 Borrowing

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 2024, investments held totalled £78.6m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £722.8m, equating to a net borrowing position of £644.2m.


Net Borrowing
Amount in Millions
Months
850
800
750
700
650
600
550
500
450
400
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
647
595
586
546
556
563
547
541
594
582
600
593
607
570
631
600
653
615
644
644
614
675
642
728
631
825
2023-24
2023-24 Forecast
2022-23
2023-24 TMSS Forecast, £825m

5.3 General Balance Sheet

An overview of other key balance sheet health issues is shown below. This highlights a key focus is the recovery of Adult Social Care Debt, a position that is reflected nationally.

	Measure	Target	Year to date at the end of Jan 2024	January 2024 Actuals
1	% of income collected (owed to the council) within 90 days on rolling 12 month basis: Adult Social Care	85%	84%	-
2	Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£16.06m	-
3	Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£6.03m	-
4	% of invoices registered on ERP within 2 working days	98.0%	99.8%	99.7%
5	% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%	98.0%
6	% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	94.0%	95.0%

Some additional information for items that are behind target:

1&2. Adult social debt and collection –indicator 2, the level of debt – this target will be reset in the new financial year to reflect that the levels of income now billed by Adult Social Care have increased. Improved performance in this area was the subject of a business plan proposal: project management governance and support has been put in place and additional managerial and operational capacity has been recruited to the CCC Debt Management team. Focused diagnostic work has progressed in key debt categories: court of protection and deceased cases, leading to process and practice revisions. Revised and enhanced approaches to training and operating procedures are being implemented. Issues with a waiting list/backlog of financial assessments to be undertaken by Adult Social Care are also recording progress.

6. Payment within terms – substantial improvement has been made over recent months; supplier terms of immediate payment/”zero days” are now only permitted in exceptional circumstances.

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 2022-23 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 2023-24 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 2023-24 TMSS was set in February 2023, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2022-23 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £728m 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 To enable members to have continued oversight over our treasury management activities, the quarter 3 report on performance against our prudential indicators is included as appendix 6 to this report.

Recommendation F: To note performance against the prudential indicators for quarter 3 as set out in appendix 6.

Appendix 1 – Revenue – commentaries on exceptions

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

1. Children, Education and Families – non-DSG

Previously reported commentaries, updated since last month:

1a Children in Care Placements

Forecast Outturn Variance £m	Forecast Outturn Variance %
+7.2	+27%

Current overspend primarily due to a small number of young people in very high-cost placements. If forecast to year-end, these placements would result in a more significant overspend position, however, the service is working hard with relevant agencies to secure placements at more manageable costs and therefore we do not expect these to continue for the full year.

1b Adoption

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.6	-10%

We are forecasting an under spend of £550k against adoption allowances and SGO allowances, this is due to a lower number of children in these placement types than anticipated at the time the budget was set.

1c Integrated Front Door

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.3	+49%

There is an overspend on the Integrated Front Door and Assessment to the value of £2.3m. This overspend has been necessary to manage demand
57% of the workforce in Assessment Service and 50% in the Multi-Agency Safeguarding Hub (MASH) services are Agency Social Workers. We anticipated mitigating these costs with the recruitment of Assessed and Supported Year in Employment (ASYEs) Social Workers, with 7 ASYEs to be recruited into the Assessment team to reduce the agency commitment. This has led to the need to continue to recruit agency social workers to meet demand. A service manager in MASH and Head of Service for MASH and Assessment is currently covered by Agency, a permanent advert for the Head of Service has just closed and will be appointed to. The Service Manager's manager in MASH advert will be out by the end of February . The previous Assessments structure was not sufficient to meet the demand, and in January 2023, the assessment service had over 270 out of date assessments, and caseloads over 35. To address these issues 2 project teams were agreed for 26 weeks to support the service to address the backlog. The additional capacity provided by the project teams, (at enhanced rates), ceased in August and September 2023. Additional agency staff have been recruited at normal rates which

is ongoing at the moment within East Cambridgeshire and Huntingdonshire team to replace the project teams whilst the current service structure is reviewed. Additional staff has been recruited to MASH also to manage demand –with 1 additional TM, 1 additional SP and 3 additional Social Workers. The initial mapping work in the Multi Agency Safeguarding Hub (MASH) was completed and remains subject to review to reflect the demand in the system. The volume of work within MASH continues to be high and further solutions are being considered to manage demand.

Previously reported commentaries, unchanged since last month:

1d Strategic Management – Children’s and Safeguarding

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-14%

Forecasted underspend due to unallocated budget in the Strategic Management budget, and unused Social Care Grant reserves from previous financial years.

1e Fostering and Supervised Contact Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-3%

We are now forecasting an under spend of £275k against foster carer allowances for in-house carers. This is predominantly due to a lower number of children placed with in-house carers than was anticipated when the budget was set.

1f Children’s Disability Service

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+4%

The Disability Social Care 0-25 Service is currently forecasting a year-end overspend of £340k. This has been caused by an accumulation of factors, including a significant increase in new demand (with over 100 new Direct Payments being set up in the past 4 months), and a continued increase in behavioural complexity resulting in 2:1 staffing being required more frequently at our community support services and residential children’s homes. In addition, we have had to amend the terms and conditions of our Community Support Service staff to pay them enhancements for weekend work, which has brought them in line with other commensurate council services but has increased our salary costs. The service has also taken steps which, whilst preventing costs to the Children’s Placement Budget, have increased the Disability Social Care in-year pressure, such as by utilising the third unfunded bed at our residential children’s home (London Road) and funding the Disabled Facilities Grant (DFG) top-ups to enable children and young people with complex needs to remain living within their family homes. These actions have significantly improved outcomes for the complex children and young people we support, whilst maintaining their right to family life.

1g SEND Specialist Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+11%

Across SEND Specialist Services, we are seeing an overall pressure of £500k. The Education Psychology service is forecasting a pressure of £338k. 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 is impacting SEND services generally. The SEND Head of Service budget is also reporting a forecast pressure as a result of additional speech and language therapy, and back care training costs, further exacerbated by a shortfall in income from the training offer to schools.

1h Home to School Transport - Special

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.2	+11%

Please see 1i below.

1i Home to School Transport - Mainstream

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.3	+11%

There are increasing concerns around the home to school transport budget areas following the summer procurement rounds, which, due to lack of supply in the market, saw between 7% and 8% uplifts on the same route previously. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

Work is underway to determine the financial impact of the unprecedented levels of in-year applications into the county which will not have been factored into the budget setting last year given the timing of the applications. Equally, the summer Year 7 secondary school place allocation round saw 5% higher retention of pupils from Primary into Secondary on previous years transfer rates. The impact of this has meant pressure on secondary school places and consequently more young people are being placed in schools over 3 miles from their home address and therefore eligible for transport. This information has been built into business planning to ensure budget setting is appropriate in the context of current demand.

Various cost saving exercises are currently taking place, such as optimising the use of our fleet and working with other external providers, to minimise overspends and create a more sustainable market.

1j Mitigations

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.6	-%

Additional Social Care Grant to be transferred from Adults.

New commentaries:

1k Legal Proceedings

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.3	13%

There is a forecasted overspend in the legal budget of £275k. A review of the spend within the Adolescent Service identified a higher than usual legal spend on children with very complex needs requiring deprivation of liberty safeguarding orders requiring court approval for every placement move (complicated by securing appropriate accommodation) repeated moves in unregistered provisions. The safeguarding legal spend has been reviewed; the data indicates we have not increased the number of children we are issuing on. However, there is evidence to indicate that delays in the through put in Court means the number of children in proceedings increased; in December they increased by 20 from the previous 12 months. A review of the PLO process following the Essex diagnostic has led new guidance. The recent adjustment to the delegated authority requires further review.

1l Targeted Support Service

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.4	-4%

There will be a £370k underspend in the Targeted Support Service budget for FY 23-24. £250k of this is the Supporting Families grant underspend that can be taken as a one off. The remaining £120k is due to an underspend within CFC'S where services have exceeded their income target (income target to be increased through budget build for FY 24-25 as a result), underspend due to Children's Centre Strategy funding and underspend for the Barnardo's contract which was less than anticipated.

2. Children, Education and Families - DSG

Previously reported commentaries, updated since last month:

2a SEND Financing - DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
+14.1	+13%

Please refer to section 2.2 Dedicated Schools Grant

Previously reported commentaries, unchanged since last month:

2b Schools Financing

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.0	-80%

This forecast reflects the original budgeted underspend as per the Safety Valve management plan, as well as in-year underspends due to vacancies on DSG funded posts.

3. Adults, Health and Commissioning

Previously reported commentaries, updated since last month:

3a Prevention and Early Intervention

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.6	-5%

Prevention and Early Intervention services are forecasting an underspend of £552k. Previously reported underspends on equipment, unbudgeted income from providing end of life care within a prison setting and a small budgetary surplus following an in-year restructure continue to apply. In addition, we are maintaining an allowance relating to lifeline services in the forecast; as the council moves away from a direct provision model services are being maintained for current clients, but costs have reduced accordingly, creating an underspend, the exact value of which is still subject to notable uncertainty.

3b Adults Commissioning - Contracts

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.8	-13%

Adults Commissioning – Contracts is forecasting an underspend of -£778k at the end of January. This is due to savings made through the decommissioning of a number of local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model and a recharge to Learning Disability to reflect redirecting resource to support In House Provider Services in the short-term. 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.

3c Executive Director - Adults, Health and Commissioning

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-2%

There are a number of variances impacting the forecast for the Executive Director – Adults, Health & Commissioning line including:

i) underspends from vacant posts were larger in the first three quarters of 2023-24 than assumed in the budget and are forecast to contribute £1.7m to the Directorate's overall financial position by year end;

ii) Adults Social Care transport had an outstanding savings target of £91k brought forward from 2021-22. The work to deliver this saving had been completed, but unusually high inflationary pressures on transport costs had meant cost reductions could not be delivered in full as originally planned. Further work has now been undertaken to reduce costs but a pressure of £23k remains (down from £71k reported in December);

iii) there is a forecast underspend of £449k on the Council's Learning Disability budget held outside of the Learning Disability Partnership which is partially offsetting the forecast overspend reported on the pooled budget in note 2 below. This largely relates to grants applied to meet LD spend:

iv) a contribution of £900k has been made to the Council's bad debt provision reflecting the increased level of Adult Social Care aged debt;

v) the planned capital contribution to the community equipment budget of £400k will no longer be drawn down given the revenue position of the Directorate; and

vi) a contribution of £900k is assumed to the Council's bad debt provision reflecting the increased level of ASC aged debt.

3d Learning Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.3	+1%

The Learning Disability Partnership (LDP) is a pooled budget between the council and the NHS, with shares of 77% and 23% respectively. The budget covers the care costs of people with very complex needs, which can be very hard for the care market to meet. This is the area of adult social care where we are experiencing the most difficulty in finding placements, particularly at higher levels of need. There is currently a significant number of people waiting for placements or changes to their current placements. The current forecast shows a £1.74m overspend, £1.33m for the council and £403k for the NHS. This is driven by significantly higher costs coming through than budgeted for, primarily due to the increase in complexity of need in younger adults and a larger than expected increase in rates in the South of the county. The number of people receiving support this year is decreasing, this has contained the costs slightly.

Over the past three years we have seen cost pressures faced by providers, particularly relating to staffing shortages and price inflation. The cost pressures faced by the provider market have also created a risk around the budget for uplifts paid on current placements. This is a significant risk, with some of our providers requesting uplifts far exceeding the budget available. Uplift negotiations are being managed with these providers on an individual basis.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for people with learning disabilities. This should lead to more choice when placing people with complex needs and consequently reduce costs in this area. However, this is a longer-term programme and is unlikely to deliver any improvements in the market this financial year. 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. And a further strategy is in development to help people with learning disabilities develop their independence so they can remain living in community-based settings for longer.

The budget for 2022-23 assumed an increased contribution from the NHS reflecting a shift in the percentage of packages that should be funded from Health budgets. For the current financial year we have made provision for this increased contribution, but the joint project between the ICB and CCC to review those packages required to agree a revised split of costs going forwards for the pool did not proceed as expected. The Council has now served notice to end the cost sharing arrangements of the pooled budget and is continuing to work with the ICB to explore opportunities to agree new arrangements to meet the needs of service users whilst delivering revised cost shares for the future. There is a risk of short term financial pressures from this decoupling as we move to separate budgets for health and social care.

3e Older People's and Physical Disabilities Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.8	-1%

Older People’s and Physical Disabilities Services demand patterns have changed significantly in recent years, particularly in relation to Older People’s care home placements which experienced no overall growth, as previously reported. This resulted in a significant underspend in 2022-23, with the change in activity being factored into business planning assumptions for 2023-24 budgets. In addition, £0.75m from this budget for this financial year was redistributed to offset pressures elsewhere in Adults, Health, and Commissioning whilst recognising the potential risk of an emerging pressure within this budget area should activity increase.

Subsequently, Older People’s care home demand has returned in 2023-24 with increases in placement numbers similar to pre-pandemic levels. The cost of new placements continues to rise despite additional investment from the Adult Social

Care Market Sustainability and Improvement Fund, and the recent closure of a number of care homes has added additional pressure to the budget. In addition to the significant overspend on care home placements, demand for domiciliary care has been steadily rising after a period of stability between January and May 2023.

Income from clients contributing to the cost of their care continues to rise. Services have been working to streamline processes and improve the client's journey through the financial assessments process so that their assessment can be completed in a timelier manner in order to resolve a backlog of historic outstanding cases. These improvements, in conjunction with rising demand for services, have increased the level of income expected from clients contributing towards the cost of their care and this increased income aligns with the increased income assumed in the Business Plan for 2024-25. Furthermore, the Older People's and Physical Disabilities services have been allocated additional grant funding above the budgeted level to support provider uplifts in extra care. In light of these factors, we have reassessed expected income due and reduced the forecast to an underspend of -£755k.

3f Mitigations

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

Given the pressures on care budgets for Older People and Mental Health, priorities around the use of grant funding have been revisited. This identified additional spend that can be funded from external grant, freeing up £2.3m of grant monies to contribute to the identified pressures.

4. Place and Sustainability

Previously reported commentaries, updated since last month:

4a Executive Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.4	-160%

When the Council undertakes work for other agencies and authorities it recovers an element to reflect the cost of overheads including risk. The amounts recovered vary and a smoothing mechanism is applied which is reflected by this variance. Also, vacancy savings across P&S are reported within this budget, and it is forecast that the vacancy savings budget will be over-achieved by 321k.

4b Traffic Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-222%

The traffic management position has improved by a further £304k since last month. Streetworks is realising increased income due to more Section 74 charges (increased in number applications and prolonged occupation of the road). Additionally, income from scaffolding and skips have increased and there is an underspend on energy costs for signals.

4c Highways Development Management

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

Highways Development Management has moved to collect contributions in advance. This change in methodology means there is a one off benefit this year. In addition, there are some one-off payments from previous years.

4d Parking Enforcement

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.6	-%

£100k is due to one off costs to assist with the implementation of civil parking enforcement in Huntingdonshire District Council and Fenland District Council areas. Decreased Penalty Charge Notice Income from bus lanes is due to decline in activity and the closure of Station Road, Cambridge. The forecast assumes that the activity levels and road closures will remain in place for the rest of the year.

4e Planning and Sustainable Growth

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.5	+47%

The slowing down of the housing market and lower development rates has led to the pressure for Planning and Sustainable Growth, particularly as fewer pre-application planning requests and planning applications with maximum fees have been submitted, which includes development by the Council, such as new schools. Further pressures are also anticipated as a result of a planning appeal where the appellant has requested a public inquiry. The Planning Inspectorate (PINS) has announced the timescales for this future appeal with the public inquiry planned to sit for 8 days between Tuesday 20 February 2024 and Friday 1 March 2024. Officers have sought legal and technical support for this process and are currently predicting the related expenses likely to be incurred. The forecast has improved by 13k as a result of some of this work but there is a risk that there will be further pressures added to this area in due course.

4f Energy Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+4.1	+106%

As previously reported, there is a pressure on Energy Services income of £4,065k across all its projects. The forecast for North Angle Farm has now been updated to reflect the purchase of spares required to ensure the project will remain operational once energised. St Ives are forecasting a reduction in expected revenue due to a delay energising as key materials will not be delivered until January 2024.

The **St. Ives Smart Energy Grid** is on track to be energised and generating clean electricity by the end of January 2024. There is a one year or shorter term Power purchase agreement (PPA) agreed whilst the processes of connecting a local business to the energy microgrid is finalised. The forecast is short term, it includes EV charging forecasts which are conservative, as we don't yet know the pattern local users will take charging cars/taxis. The market prices have reduced since the highs of last year.

The second micro-grid which is under construction is at Babraham Park and Ride. This is a three phase construction programme, with the first phase completed. This project is delayed due to the re-phasing of the project in 2022 from two to three phases as directed by CUH, poor performance of one sub-contractor and current onsite challenges with existing street lighting column bases and their electricals.

Steady progress is being made towards the energisation of the **North Angle Solar Farm** with the next phase of works to start January 2024. Plans are in development to manage the weather related risks for a winter build. The bulk of the income reprofiling relates to this project.

Swaffham Prior Community Heat Network is operational and supplying decarbonised heat and hot water to 64 customers ahead of its first winter. The final system performance tests can complete during winter and then further customers will be connected from Spring 2024.The first ground source heat pump is switched on and now generating income from the Renewable Heat Incentive (RHI) approved by Ofgem. There is a substantial backlog on payments with Ofgem hence a revised forecast and reprofiling of income starting in 2024.

The **Stanground Solar and Battery Project** is on hold whilst the grid connection upgrades on the transmission network are worked through. UKPN and National Grid are working on practical solutions that will allow projects to connect earlier than the current 2030 time line for completing grid upgrades. Meanwhile, minor works are being progressed to retain the planning permission.

4g Waste Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.8	+4%

The revenue budget for waste is currently showing a pressure, as there are significant additional disposal costs for waste whilst it is diverted to landfill/third parties for processing. However, these costs are being balanced by expected Waste Private Finance Initiative (PFI) contract cost reductions (from Thalia) and an agreed draw down from reserves which is shown as 'mitigation.' The cost reductions are currently being discussed with Thalia. However, until these cost reductions are confirmed, there is significant uncertainty around the budget outturn, which is likely to remain until the end of this financial year.

New commentaries:

4h Park & Ride

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	+279%

The closure of the southern section of the guided bus way has resulted in a loss of income and a pressure of 206k on the budget. 626k of the pressure is as a result of essential maintenance work on the busway.

4i Winter Maintenance

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-22%

The winter maintenance budget is now showing a forecast underspend due to the milder, wet winter. It is possible this will be reduced if the weather becomes colder.

4j Transfer from Earmarked reserves

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

Three earmarked reserves are being applied to mitigate specific pressures. These are £1,845k from the waste reserve and £194k from the registrations reserve.

5. Strategy and Partnerships

Previously reported commentaries, updated since last month:

5a Policy, Insight and Programmes

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.4	+96%

Policy, Insight & Programmes budget is now forecasting a pressure of £1.3m. Part of this service is funded by flexible use of in-year capital receipts. While the service's spend remains within its allocated gross budget, the availability of capital receipts this year and the level of chargeable time being lower than anticipated has resulted in a pressure on the funding side of this budget.

New commentaries:

5b Executive Director of Strategy and Partnerships

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.4	-45%

S&P vacancy saving budget has now overachieved the budget saving amount by £390k. This is mostly due to a high number of vacancies in the Policy, Insight and Programme team.

6. Finance and Resources

Previously reported commentaries, unchanged since last month:

6a IT and Digital Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-3%

IT and Digital Services budget is forecasting an underspend of £302k.This is a mixture of elements including the new budget for the secure web gateway system not being fully incurred until next financial year, and some additional elements that managed to be decommissioned earlier than previously forecasted. There is also savings expected on licenses and software costs this year.

Previously reported commentaries, updated since last month:

6b County Farms

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.4	+7%

The County Farms budget is expected to overspend by £367k in 2023-24, due to delays in sales of the Bio-diversity Net Gain units. Biodiversity Net Gain agreements have taken longer than expected to put in place. This is a new area for all Councils and developers and Cambridgeshire County Council is operating at the leading edge in the country putting new BNG agreements in place. The S106 agreement with South Cambridgeshire District Council was completed on 18 August 2023. The first agreement with Network Rail for BNG Credits related to the new Cambridge South Station is now complete. There are several other smaller transactions with other developers in the pipeline. The Council's marketing agent Bidwells will launch a high-profile marketing programme to sell more BNG credits which will also tie in with the Government's legislation to require developers to deliver BNG effective from January 2024.

6c Collective Investment Funds

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-48%

Income from these treasury investments are forecast to exceed budget. Despite a challenging economic position dividends from the funds remain strong. Performance of the investments is monitored regularly by officers.

7. Capital Financing

Previously reported commentaries, unchanged since last month:

7a Financing Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.6	-4%

The Financing Costs budget is forecasting an underspend of £1.6m. The underspend is due to higher than expected cash balances, and the phasing of capital spend, reducing the need to borrow this year. In the final quarter of last year, additional government funding was received, and capital spend reduced, resulting in more cash being held at year end compared to when budgets were set. This trend has continued into the current financial year. As well as this, we are seeing higher than expected interest on the cash that we are holding. A full review of borrowing is taking place which may increase this underspend.

8. Corporate and funding Items

Previously reported commentaries, unchanged since last month:

8a Central holding and miscellaneous accounts

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.952	-149%

An in-year underspend of £952k is forecast across Central holding and miscellaneous accounts. Part of this forecast is the result of an exercise to match accruals with actual costs over recent financial years, identifying provisions for costs that were legitimately expected and correctly accounted for, but that now are not expected to be required. A previously forecast increase in the bad debt provision against this line will instead be charged to Adults, Health & Commissioning, reflecting the drivers of the provision increase.

8b Corporate Grants

Forecast Outturn Variance £m	Forecast Outturn Variance %
-3.0	-5%

An in-year underspend of £3,027k is forecast across Corporate grants, maximising use of grants to fund existing planned spend where eligible. This is a combination of in-year and carried-forward grants.

Previously reported commentaries, updated since last month:

8c Business Rates

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.4	-3%

An in-year underspend of £2,437k is forecast across Business Rates. This consists primarily of a projected £830k additional 2023-24 Business Rates Pool dividend above the amount budgeted based on the latest projection received, £667k additional 2022-23 Business Rates Pool dividend above the amount accrued at last year-end following the final confirmation, an additional £526k of general Business Rates funding upside that was confirmed by district councils (who collect rates) after the 2023-24 Business Plan was finalised.

Appendix 2 – Capital – commentaries on exceptions

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

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1a	P&S	New	Soham Wicken NMU	1.230	0.430	-0.298	Phasing	Funding allocation has been tested against the programme and adjusted to allow the construction period to commence in March and run into 2024-25 following discussion with funders.
1b	P&S	New	Wheatsheaf Crossroads	6.795	1.535	-1.015	Phasing	The start of construction for the Wheatsheaf Crossroads has been delayed pending the conclusion of the required land acquisition.
1c	P&S	New	St Ives Smart Energy Grid Demonstrator scheme	5.486	1.277	-0.360	Phasing	Revised estimates on grid connection work on site has resulted in an adjustment required to the capital to complete the project. The project has an expected delay into FY 24-25 and as such, a proportion of the capital costs including retention will not be incurred in FY23-24.
1d	P&S	New	Fordham Renewable Energy Network Demonstrator	0.635	0.450	-0.450	Phasing	Throughout FY 23-24 we expected to dedicate time to the Fordham project, however due to efforts being focused on the other large energy projects, no spend is now expected in the current financial year.
1e	P&S	Updated	Safety Schemes	3.000	1.780	-1.340	Phasing	Reprofiling of the Safety Schemes relates to the Puddock Road and Swaffham Heath Cross Road Safety Improvement schemes. Work has been ongoing to assess the options for the safety improvements on Puddock Road and a report seeking approval for delivery of the preferred option is expected to go to Highways and

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								Transport Committee in March 2024, with delivery in 2024-25. Swaffham Heath Crossroads has been delayed pending the conclusion of the required land acquisition. Construction is expected to commence in March 2024 with the main period of works falling within 2024-25.
1f	P&S	Updated	A14 De-trunking	24.750	4.750	-4.450	Phasing	Responsibility for the road came to us on 7 Feb 2024. The initial estimate of spend was £4.75m per year for 6 years. Due to adoption of the road happening so late in the year, it is estimated we will spend £300k of the total £24.75m this FY
1g	P&S	Updated	St Ives local Improvements	2.300	1.800	-0.558	Phasing	Following 23-24 budget setting, we have held workshops collaboratively with Finance to test our funding allocation against the programme. This has enabled greater forecast certainty matching planned works. Construction period is due to run from Sep 23 to November 2024.
1h	P&S	Updated	Guided Busway - Widening of footpath	2.891	2.891	-2.741	Phasing	Following 23-24 budget setting, we have held early workshops collaboratively with Finance to test our funding allocation against the programme. This has enabled greater forecast certainty matching planned works.
1i	P&S	Updated	Babraham Smart Energy Grid	8.595	5.040	-1.645	Phasing	Delay to the project which has pushed the capital spend profile out of 2023-24 and into 2024-25 partially. This has been updated for the end of

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								January to reflect a more accurate spend profile for the remaining portion of the project.
1j	P&S	Updated	Stanground Closed Landfill Energy Project	8.267	0.550	-0.468	Phasing	National Grid planned upgrades to the transmission network in the area of Stanground has meant that the project will go on hold until the grid connection timelines can be agreed.
1k	P&S	Updated	Environment Fund - Decarbonisation Fund - Council building Low Carbon Heating	10.518	2.463	1.109	Phasing	Removal of phase 4 project development costs from the project as the aim is to do this work mostly in-house. Also, a slight rephasing has been forecast as the work for phase 4 is now planned for 2024-25.
1l	P&S	Updated	Capital variations budget- P&S	-66.696	-24.489	24.489	Phasing	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 £24.489m of the overall £28.733m P&S underspend is balanced by use of the capital variations budget.
1m	P&S	Unchanged	Local Infrastructure Improvements	4.409	1.100	-0.643	Phasing	Following 23-24 budget setting, the programme and profiles have been fully reviewed. This has enabled greater forecast certainty matching planned works. Most of the projects within the programme form part of a rolling delivery

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								programme from Q1 of 24-25 which is in line with member expectations.
1n	P&S	Unchanged	Delivering the Transport Strategy Aims	7.050	2.362	-0.401	Phasing	A number of projects from this programme have been re-profiled to be delivered in 24-25 along with the spend associated with this. A number of schemes were also withdrawn from the programme in July with new ones being added in their place amounting to c.£900k. Of these schemes, most are due to be delivered in Q1 & 2 of 24-25 including the 20mph (-£200k), B1049 (-190k) projects. Other schemes in the programme have been withdrawn following further engagement with locally elected members resulting in - £150k, the money will be reallocated at the start of the 24-25 financial year. Broadway St Ives is now being funded via a £100k grant from the CPCA, which means the £100k allocation from DTSA is no longer required, the money will be reallocated at the start of the 24-25 financial year. A transition away from using external design consultants to an in-house delivery model is also forecast to result in a £300k saving, and the underspend associated with this will be reallocated at the start of the 24-25 financial year also.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1o	P&S	Unchanged	Bar Hill to Northstowe Cycle Route	1.279	1.042	-0.992	Phasing	Following legal and land purchasing issues the spend has been reprofiled, with the majority of the spend assumed to occur in Q2 of 24-25 if the land and legal issues can be overcome.
1p	P&S	Unchanged	Additional highways maintenance (HS2 allocation)	4.728	2.364	-0.614	Phasing	Due to the recent announcement by the Department of Transport of the new HS2 reallocated funds, it is currently forecast that £1.75m of this will be spent in 23-24 and the remainder in 24-25. This forecast will be revisited next month once plans have been finalised to see if more can be allocated this year.
1q	P&S	Unchanged	Highways materials recycling	2.500	0.500	-0.350	Phasing	Highways Materials Recycling: Project at early stage and the latest estimate is that circa £300k will be needed for initial set up of phase 1 in March depot in 23-24. The remaining £350k will be required in 24-25 to complete Phase 1.
1r	P&S	Unchanged	Guided Busway	149.791	3.890	-2.747	Phasing	It is now anticipated that the majority of the expenditure to complete the scheme including retention payments will be in 2024/25.
1s	P&S	Unchanged	Cambridge Cycling Infrastructure	0.487	0.487	-0.377	Phasing	A significant proportion of this is for the Ring Fort Path scheme, the construction of which is subject to completion of a land agreement. Construction is now expected to fall in 2024-25.
1t	P&S	Unchanged	March Future High Street	6.853	5.116	-0.816	Phasing	Forecasted variation on annual underspend due to change in principal contractor spend profile. This is therefore not a forecasted project underspend for the project as a whole but rather will now be spent in 24-25.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1u	P&S	Unchanged	A141 and St Ives Improvement	5.805	1.754	-0.284	Phasing	Delivery programme amended to allow time to further develop options considering the balance of active travel and public travel improvements alongside a road-based scheme.
1v	P&S	Unchanged	A10 Ely to A14 Improvements	3.803	2.378	-0.948	Phasing	This has been profiled based on the revised programme for the development of the Outline Business Case.
1w	P&S	Unchanged	Scheme Development for Highways Initiatives	1.000	0.424	-0.424	Phasing	No new planned financial obligations from this fund as scheme development now picked up within the cost of individual projects
1x	P&S	Unchanged	CaPCAM	1.665	1.665	-0.451	Phasing	The scheme has been reprofiled to reflect that the final elements of the work will now take place 24/25.
1y	P&S	Unchanged	Waste Infrastructure	7.424	1.500	-1.400	Phasing	Only £100k of the £1.5m budget for March Household Recycling Centre is likely to be spent this year as procurement is just starting using the education service Construction Consultancy framework contract; as a result, a £1.4m underspend is currently being forecast for this financial year.
1z	P&S	Unchanged	Reallocation and funding of cost cap for Northstowe phase 1	0.834	0.834	-0.834	Phasing	It is anticipated that expenditure relating to this will now take place in 24/25.
1aa	P&S	Unchanged	Solar Projects	28.957	6.438	-2.267	Phasing (-2.267m) Overall	The scheme has been reprofiled to reflect that the next stage of construction is expected to start in

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
							Scheme Variance (+1.892m)	January 2024 and end in approximately June 24, resulting in a forecast in-year underspend of -£2.267m. The overall scheme variance of £1.892m is still forecast on the total scheme budget as a result of higher than expected staff, advisor and legal costs, as well as design revisions and associated construction costs. However, these remain largely indicative for the time being.
2a	CEF	New	Swavesey VC site - Martin Bacon satellite	1.000	0.590	0.410	Phasing	Project ahead of expected schedule and all funding to be transferred to the school this financial year.
2b	CEF	Updated	Conditions Maintenance	27.334	4.139	-1.367	Phasing	Number of schemes delayed due to contractors being not available, and discussion on scope of work needed. £500k committed to energy schemes and heat decarbonisation plans will not be taken forward this year.
2c	CEF	Updated	Highfields Littleport - Expansion	8.000	0.500	-0.400	Phasing	Delay in appointing contractor means design has only just commenced.
2d	CEF	Updated	Enhanced Resources Bases	2.290	0.675	-0.525	Phasing	Initial progress on suitable schemes is slower than originally expected. One scheme stopped due to school withdrawing.
2e	CEF	Updated	Capital variations budget- CEF	-54.565	-17.826	12.523	Phasing	Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore the

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								£12.523m CEF in-year underspend is balanced by use of the capital variations budget.
2f	CEF	Unchanged	Ermine Street Primary, Alconbury, Phase 2	4.080	1.500	-0.750	Phasing (-0.750m) Overall Scheme Variance (-0.780m)	Scheme estimated to start on site January 2024. Project will now be a steel frame rather than CLT (cross laminated timber panels). Steel has a longer construction period and expected costs incurred this financial year will be reduced.
2g	CEF	Unchanged	Littleport Community Primary	7.850	0.500	-0.300	Phasing	Slippage due to additional survey work required as part of planning application. Start on site now likely to be delayed until March 2024 and completion September 2024.
2h	CEF	Unchanged	Kennett Primary School	10.123	5.800	-1.050	Phasing	Slippage due to later start on site than expected due to skylarks still nesting. Ecologists to confirm birds have left. Delay to start on site from 14.08.23 to 04.09.23 and completion 30.08.24 to 20.09.24.
2i	CEF	Unchanged	Waterbeach New Town Primary	19.521	0.500	-0.300	Phasing	Minimal spend this financial year on design fees, surveys and consultants as decision on planning not expected until February 2024.
2j	CEF	Unchanged	Darwin Green (North West Fringe) secondary	34.680	0.332	-0.282	Phasing	Scheme delayed due to planning application appeal for the housing on phase 2 and 3 of the development. Appeal not likely to be heard until January 2024. Work will continue on MS1 and discussions ongoing with developer to work around planning delay to maintain school programme and 2026 opening.
2k	CEF	Unchanged	Alconbury Weald	74.827	29.000	-0.600	Phasing	Slippage on the Secondary school element. £1m was budgeted for design work this financial year. Design work delayed as work is ongoing to

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
			secondary and Special					confirm who will undertake the delivery of the project.
2l	CEF	Unchanged	Northstowe secondary, phase 2	53.450	22.500	-5.700	Phasing (-5.7m) Overall Scheme Variance (-1.5m)	The receipt of milestone 4 report shows £1.5m saving on original estimate due to risk contingencies including those built in for price volatility. £4.2m slippage as groundworks and superstructure works slower than originally expected due to adverse weather. Construction completion slipped from December 2024 to January 2025.
2m	CEF	Unchanged	Cambourne Village College Phase 3b	35.820	23.300	-0.500	Phasing	Programme slippage due to lack of permanent power on site by the developer.
2n	CEF	Unchanged	Witchford Village College	1.380	1.332	-1.292	Phasing	Slippage due to planning application progressing slower than anticipated. Planning expected in December with works not starting until 2024-25.
2o	CEF	Unchanged	Adaptations- William Westley Primary	0.353	0.338	-0.338	Phasing	This project is being reviewed to establish whether it can be delivered in an alternative way to meet the need for places across the wider area, including whether it can be combined with other planned capital projects in the wider Sawston, Duxford and Hinxton (Genome Campus) area. Revised delivery expected to be 2027.
2p	CEF	Unchanged	Adaptations- Townley Primary Permanent	1.600	0.600	-0.360	Phasing	This project is expecting £360k slippage due to planning consent still being outstanding. The intended start on site of early February 2024 is now unlikely.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
			Accommodation					
2q	CEF	Unchanged	Samuel Pepys Special School	10.720	5.000	1.000	Phasing	Expected £1m additional spend, due to land purchase, furniture and fittings and IT expenditure occurring ahead of original schedule.
2r	CEF	Unchanged	New SEMH Provision Wisbech	17.786	4.800	0.300	Phasing	Additional works being undertaken this financial year for highways works.
3a	AHC	Unchanged	Independent Living Service: East Cambridgeshire	19.035	0.380	-0.342	Phasing	It was expected that there would be expenditure on a substation in 23-24. However, this has now been linked to the Heads of Terms and will only be paid at acquisition of the land. Additionally, the timing of overall forecast spend for the scheme has been pushed back from assumptions in the Business Plan due to delays in the land acquisition.
4a	S&P	Updated	Capitalisation of Policy, Design and Delivery Team	12.612	1.682	-1.382	Overall scheme variance	This has now been updated to reflect the cost that is able to be capitalised, reflecting a lower than expected level of capital receipts this year.
4b	S&P	Updated	Libraries - Open access & touchdown facilities	1.172	0.875	-0.819	Overall scheme variance	The pilot will be reviewed in the autumn, and feed into a new plan for review this year.
4c	S&P	Unchanged	Community Fund	5.000	1.641	-0.500	Overall scheme variance	It is proposed that the library initiative could be delivered by another funding source, Just

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								Transition Fund, to be agreed in business planning.
4d	S&P	Unchanged	Capital variations budget- S&P	-2.016	-1.677	1.677	Phasing	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 £1.677m of the overall -£3.021m S&P underspend is balanced by use of the capital variations budget.
5a	F&R	New	IT Strategy	5.939	2.169	-0.595	Phasing	The following schemes (Childrens, Dynamics, Wisdom Highways, Planning) will be completed in 2024-25.
5b	F&R	New	IT Education System Replacement	2.921	2.535	-1.935	Overall scheme variance (1.035) Phasing (0.900)	The procurement is complete and is now expected to be implemented with an underspend of £1m on the total scheme, with a requirement to rephasing £900k into 2024-25.
5c	F&R	Updated	Data Centre Relocation	4.339	0.872	-0.762	Overall scheme variance	As the programme is coming to an end, we’re expecting a saving on the total cost to finish the work.
5d	F&R	Updated	Hawthorns - Intensive Therapeutic Support Hub	3.544	3.477	-3.239	Overall scheme variance	The scheme will no longer go ahead as planned.
5e	F&R	Updated	Wisbech Adventure	0.915	0.915	-0.900	Phasing	The tender submissions have been received, but the values were significantly higher than the current budget. DCMS is currently reviewing the

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
			Playground (The Spinney)					scheme and we will report back on the approach going forward as soon as we can.
5f	F&R	Unchanged	Condition Survey Works	2.836	2.298	-1.150	Phasing	Hereward Hall Heating, & Air handling, March Community Centre Roof & Heating and Speke House Heating, ventilation work to take place next year.
5g	F&R	Unchanged	Capital variations budget- F&R	-9.474	-4.689	4.689	Phasing	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 £4.689m of the overall £9.020m F&R underspend is balanced by use of the capital variations budget.

Appendix 3 – Budget transfers between directorates / areas in 2023-24

This table shows budget movements of at least £1k between service blocks in 2023-24, subject to rounding errors:

Line	Budgets and Movements	CEF £000	AHC £000	P&S £000	PH £000	S&P £000	F&R £000	Capital Financing £000	Corporate & Funding Items £000	Total £000
	Opening Net Budgets as per Business Plan	**129,279**	**215,038**	**71,326**	**0**	**16,270**	**19,325**	**38,263**	**11,690**	**501,191**
1	Service management change		-300			300				**0**
2	Post business plan, pre initial budget load adjustments	-915		-42		-203	1,160			**0**
3	Postage budget centralisation	-20				20				**0**
4	Transfer of post	-26				26				**0**
5	Insurance budget centralisation			-22		-21	43			**0**
6	Pay award element correction	12		-12						**0**
7	Allocation of centrally held funding for former People Services restructuring	449	351				-800			**0**
8	Budget resetting movements as outlined in May IFMR	801	506	-728			2,456		-3,035	**0**
9	Correction virements to replace expenditure budgets with reserve draw down lines	-285	-1,621				-155		2,061	**0**
10	Adjust PH income budget to match amounts to be transferred under PH MoU	-254	-53	-31	0	78	260			**0**
11	Staffing inflation correction			-55			55			**0**
12	Coding of treasury management team						121	-121		**0**
13	Staffing budget corrections - Adults and Childrens Transport	4	-4							**0**
14	Time credits transfer from Adults to S&P		-34			34				**0**
15	Transfer of Domestic Abuse and Sexual Violence service budgets			-2,032		2,032				**0**
16	Transfer Association of Directors of Adult Social Services (ADASS) budget	-15	15							**0**

Line	Budgets and Movements	CEF £000	AHC £000	P&S £000	PH £000	S&P £000	F&R £000	Capital Financing £000	Corporate & Funding Items £000	Total £000
17	Transfer property maintenance budget					-20	20			**0**
18	Residual budget transfer linked to regulatory services moving			12		-12				**0**
19	Executive Assistant and Personal Assistant restructure	-185	-198	-91		470	4			**0**
20	Transfer Deprivation of Liberty Safeguards signatory training		-5			5				**0**
21	Reporting line change of cross-council items from F&R to Corporate & Funding Items						-8,304		8,304	**0**
22	Transfer of post			-50		50				0
23	Matching public health grant budgets to spend plan	-15	-279						294	0
24	Budget Funding for Pay Award 2023/24	2,693	2,643	683		1,075	866		-7,959	0
25	Transfer social care grant from Adults to Children's as agreed by SR&P	633	-633							0
	Current budget	**132,156**	**215,427**	**68,957**	**0**	**20,103**	**15,052**	**38,142**	**11,355**	**501,191**

Appendix 4 – Reserves and provisions

This section shows the reserves available to the Council:

Fund Description	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 31 Jan 2024 £000s	Forecast balance at 31 March 2024 £000s	Notes
General Reserves - County Fund Balance	30,661	0	30,661	28,839	
General Reserves subtotal	30,661	0	30,661	28,839	
1 Insurance	5,018	0	5,018	5,018	
2 Adults, Health and Commissioning	7,564	-53	7,511	6,136	
3 Children, Education and Families	5,704	-76	5,627	4,340	
4 PH	7,854	-1,214	6,640	4,376	
5 Place & Sustainability	15,359	208	15,566	27,596	
6 Strategy & Partnerships	1,581	-87	1,494	1,495	
7 Finance & Resources	2,935	-852	2,083	1,691	
8 Just Transition Fund	12,526	-1,296	11,231	9,993	Original starting balance of £14m, with allocations made totalling £9.9m across medium-term
9 High Needs Block Offset Reserve	9,935	0	9,935	8,185	
10 Transformation Fund	1,762	-208	1,554	1,162	Balance for legacy Transformation projects
11 Cultivate Cambs Fund	347	0	347	0	
12 Corporate- COVID	15,972	0	15,972	14,972	Allocated over medium-term.
13 Specific Risks Reserve	12,772	0	12,772	15,672	
14 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
15 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
16 Local taxation volatility & appeals account	8,514	0	8,514	8,514	
17 Local Government Settlement phasing reserve	4,076	0	4,076	4,076	Applying the temporary elements of the 2023-24 finance settlement over multiple years
18 Post-pandemic recovery and budgeting account	2,431	0	2,431	1,831	
19 Business change reserve	3,054	-175	2,879	2,879	
20 Financing items	2,704	593	3,297	3,297	
21 Winter Risk Reserve	600	0	600	600	
22 Grant carry forwards	29,246	-24,865	4,381	0	Carry forward of unspent ring-fenced grants, reversed out in April 2023. COMF grant retained in reserve
Earmarked Funds subtotal	158,744	-28,025	130,719	130,622	
SUBTOTAL	**189,405**	**-28,025**	**161,380**	**159,461**	
23 Children, Education and Families	28,290	0	28,290	7,097	
24 Adults, Health and Commissioning	33	0	33	33	
25 Place & Sustainability	36,230	-1,092	35,138	34,531	
26 Finance and Resources	556	687	1,243	0	
27 Corporate	46,342	0	46,342	28,895	Section 106 funding is applied to applicable capital schemes at year-end.
Capital Useable Reserves subtotal	111,451	-405	111,046	70,557	
GRAND TOTAL	**300,856**	**-28,430**	**272,426**	**230,018**	-

Provisions on the balance sheet are:

Department	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 31 Jan 2024 £000s	Forecast balance at 31 March 2024 £000s	Notes
1 Adults, Health and Commissioning	141	-141	0	0	
2 Finance & Resources	2,093	0	2,093	2,093	Insurance short term provision
Short Term Provisions subtotal	2,234	-141	2,093	2,093	
3 Finance & Resources	4,746	0	4,746	4,746	Insurance long term provision
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,980**	**-141**	**6,839**	**6,839**	

Appendix 5 – Savings Tracker 2023-24 Quarter 3

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Blue	Adults	A&H	A/R.6.176	Adults Positive Challenge Programme	-154	-200	-46	-30%	Over-achieved.
Green	Adults	A&H	A/R.6.185	Additional block beds - inflation saving	-263	-263	0	0%	On track
Black	Adults	A&H	A/R.6.200	Expansion of Direct Payments	-133	0	133	100%	Delivery of savings has been delayed, as has investment. This is a four year programme and cashable savings are only expected in towards the end of Year 2 (24/25)
Green	Adults	A&H	A/R.6.202	Adults & MH employment support	-40	-40	0	0%	Complete
Blue	Adults	A&H	A/R.6.203	Decommissioning of block contracts for Car rounds providing homecare	-1,111	-1,497	-386	-35%	Over-achieved.
Blue	Adults	A&H	A/R.6.204	Post hospital discharge reviews	-310	-374	-64	-21%	Over achieved
Amber	Adults	A&H	A/R.6.205	Mental Health s75 vacancy factor	-150	-106	44	29%	Partially unachieved due to staffing reorganisation and high-cost interim appointments in CPFT.
Amber	Adults	A&H	A/R.6.206	LD mid-cost range placement review (links to A/R.5.025)	-203	-150	53	26%	Project started September. This has led to a 3-6 month delay to benefits realisation. Service reviews have taken place in approximately one third of planned work and data analysis is underway with some savings identified.
Green	Adults	A&H	A/R.6.208	Integration with the Integrated Care System on	-61	-61	0	0%	On track

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
				digital social prescribing					
Black	Childrens	C&YP	A/R.6.250	Efficiencies resulting from implementation of new IT system	-223	0	223	100%	Delay in implementation of new computer systems means this saving will not be achieved in 2023-24
Green	Childrens	C&YP	A/R.6.252	Teachers Pensions	-150	-150	0	0%	Complete
Green	Childrens	C&YP	A/R.6.253	Realign schools partnership and improvement service	-85	-85	0	0%	Achieved
Black	Childrens	C&YP	A/R.6.254	Children in Care Placements	-1,000	0	1,000	100%	Saving at risk due to significant pressures from very high cost complex placements
Black	Childrens	C&YP	A/R.6.255	Careers Education Information Advice and Guidance	-75	0	75	100%	Delayed consultation means saving will not be made in 2023-24
Green	Childrens	C&YP	A/R.6.256	Family Safeguarding Team restructure	-352	-352	0	0%	Saving fully achieved
Green	Childrens	C&YP	A/R.6.257	Special Guardianship Orders	-150	-150	0	0%	On track
Green	Childrens	C&YP	A/R.6.268	Transport - Home to School	-401	-401	0	0%	On track
Amber	Childrens	C&YP	A/R.6.274	Outdoors Centres	-134	-107	27	20%	Partially unachieved
Black	Childrens	C&YP	A/R.7.110	Cambridgeshire ICT	-100	0	100	100%	Reduced investment from schools in ICT infrastructure
Green	Childrens	C&YP	A/R.7.111	Cambridgeshire Music	-25	-25	0	0%	On track

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	P&S	H&T	B/R.6.215	Recycle asphalt, aggregates and gully waste	-20	-20	0	0%	Savings made as budget reduction has been absorbed within budgets due to low value.
Green	P&S	H&T	B/R.6.217	Vacancy factor	-112	-112	0	0%	On track
Green	P&S	H&T	B/R.6.218	Stop Weedkilling of Footways and Road Edges	-125	-125	0	0%	The saving is to reduce proactive weed treatments and the use of chemicals. The saving has been made but there has been a strong community negative reaction and increased reactive pressure on the service. Indications are saving is reputationally unsustainable in the long term. Service is reviewing impacts and likelihood of making this saving in future years.
Black	P&S	H&T	B/R.6.220	Highways Materials Recycling	-100	0	100	100%	This saving will not be made this year as set up delayed with the project stalling due to service pressures. Project ph1 is being progressed for setup in March. Ph2 programme and deliverability to be reviewed in Q4 this year.
Amber	P&S	EG&I	C/R.7.106	St Ives Smart Energy Grid - Income Generation	-177	-47	130	73%	Purchase of spares in advance of need has caused an increase in the operating costs in year 1 above previously expected balance. Income still expected to be on target but net position is impacted by additional costs.
Black	P&S	EG&I	C/R.7.107	Babraham Smart Energy Grid - Income Generation	-383	0	383	100%	Delay in project with an energisation date of 24/25, therefore no income expected in 2023/24 per forecast.
Black	P&S	EG&I	C/R.7.109	North Angle Solar Farm, Soham - Income Generation	-4,535	0	4,535	100%	Project energisation date historically forecast at July 2023. Now forecast significantly later and therefore reduction in saving forecast is expected.
Red	P&S	EG&I	C/R.7.110	Swaffham Prior Community Heat Scheme - Income Generation	-572	-116	456	80%	Longer than expected customer connection profile means revenue from sale of heat is lower than previously expected.

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	P&S	H&T	B/R.7.134	Light blue fibre income	-11	-11	0	0%	On track
Black	F&R	S&R	C/R.6.108	New IT System	-70	0	70	100%	The capital project has been delayed, this will not be achieved this year.
Green	F&R	S&R	C/R.6.109	Council Wide Mileage	-500	-500	0	0%	On track
Blue	F&R	S&R	C/R.6.110	Corporate Vacancy Factor (F&R & S&P)	-400	-557	-157	-39%	On track
Green	F&R	S&R	C/R.6.111	PH grant contribution to overheads	-61	-61	0	0%	Complete
Green	F&R	S&R	C/R.6.113	Insurance re-procurement	-405	-405	0	0%	On track
Green	F&R	S&R	C/R.6.115	Lead Authority Services - Governance	-25	-25	0	0%	On track
Green	F&R	S&R	C/R.6.116	Payment Card Compliance	-19	-19	0	0%	Complete
Green	F&R	EG&I	C/R.7.105	Renewable Energy Soham - Income Generation	-14	-14	0	0%	On track
Green	F&R	S&R	C/R.7.111	Commercial Income	-900	-900	0	0%	Complete
Green	F&R	S&R	C/R.7.115	Brunswick House - Income Generation	-70	-70	0	0%	On track
Black	F&R	S&R	C/R.7.116	Cromwell Leisure - Income Generation	-84	0	84	100%	Empty units remain during the year; item at Assets and Procurement Committee during March

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Amber	F&R	S&R	C/R.7.117	Tesco - Income Generation	-150	-116	34	23%	Rental increase received, £34k difference from the budget estimated.
Black	F&R	S&R	C/R.7.120	County Farms - Agricultural Rent	-46	0	46	100%	The rent review has now been calculated and this additional rental figure will not be met.
Amber	F&R	S&R	C/R.7.156	Biodiversity Net Gain Offset	-487	-159	328	67%	Based on the current expectation of income generation, the profile needs revising in the business plan. The new forecast is based on the current investment plus selling 100 units per year.
Green	S&P	CSMI	D/R.6.001	Communities Saving - S&P	-380	-380	0	0%	Complete
Green	PH	A&H	E/R.6.002	Vacancy factor for Public Health staffing	-80	-80	0	0%	On track
Green	PH	A&H	E/R.6.003	Public Health savings	-201	-201	0	0%	On track
Amber	Adults	A&H	A/R.6.195	Increased support for carers	-129	-31	98	76%	Carers Strategy approved and action plan in development. Reprofiling savings as part of action plan development.
Amber	Adults	A&H	A/R.6.186	Adult Social Care Transport	-91	-12	79	87%	All routes retendered in 22/23. Saving achieved was lower than expected due to the inflationary pressures on transport.
Black	Adults	A&H	A/R.6.188	Micro-enterprises Support	-103	0	103	100%	Not fully delivered due to low number of people with a Direct Payment (DP) and Individual Service Fund (ISF) utilising capacity created in East Cambs. The Self Directed Support programme will increase uptake of DPs and ISFs and improve the pathway to Micro-enterprise provision.
Green	Adults	A&H	A/R.7.113	Learning Disability Partnership Pooled Budget Rebaselining	-1,125	-1,125	0	0%	A one off additional contribution has been received pending 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.
Amber	P&S	CSMI	A/R.6.213	Registrars	-200	-30	170	85%	Saving based on additional income through the diversification of some of the services provided by the

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
									Registration Service, and increasing existing ceremonial capacity. The current financial climate and suitability of the venues has led to a reduction in bookings making this saving difficult to achieve.
Green	F&R	S&R	C/R.6.106	Contract Efficiencies	-200	-200	0	0%	On track
Blue	F&R	S&R	B/R.7.127	Alconbury Solar Carport	-37	-68	-31	-84%	Savings generated from solar panels has now overachieved the target
Green	F&R	S&R	C/R.7.105	Renewable Energy Soham - Income Generation	-13	-13	0	0%	To be reviewed later on in the year once the annual cycle has commenced.
Green	F&R	S&R	C/R.7.120	County Farms - Agricultural Rent	-45	-45	0	0%	Complete
Red	F&R	S&R	F/R.6.109	Cambs 2020 Operational Savings	-605	10	615	102%	Costs for Shire Hall, mostly business rates & security costs will continue until the site is handed over.

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

Appendix 6 - Treasury Management Indicators Quarter 3

These indicators set out our treasury management position versus indicators that are prescribed by the Prudential Code and set in our annual Treasury Management Strategy (TMS).

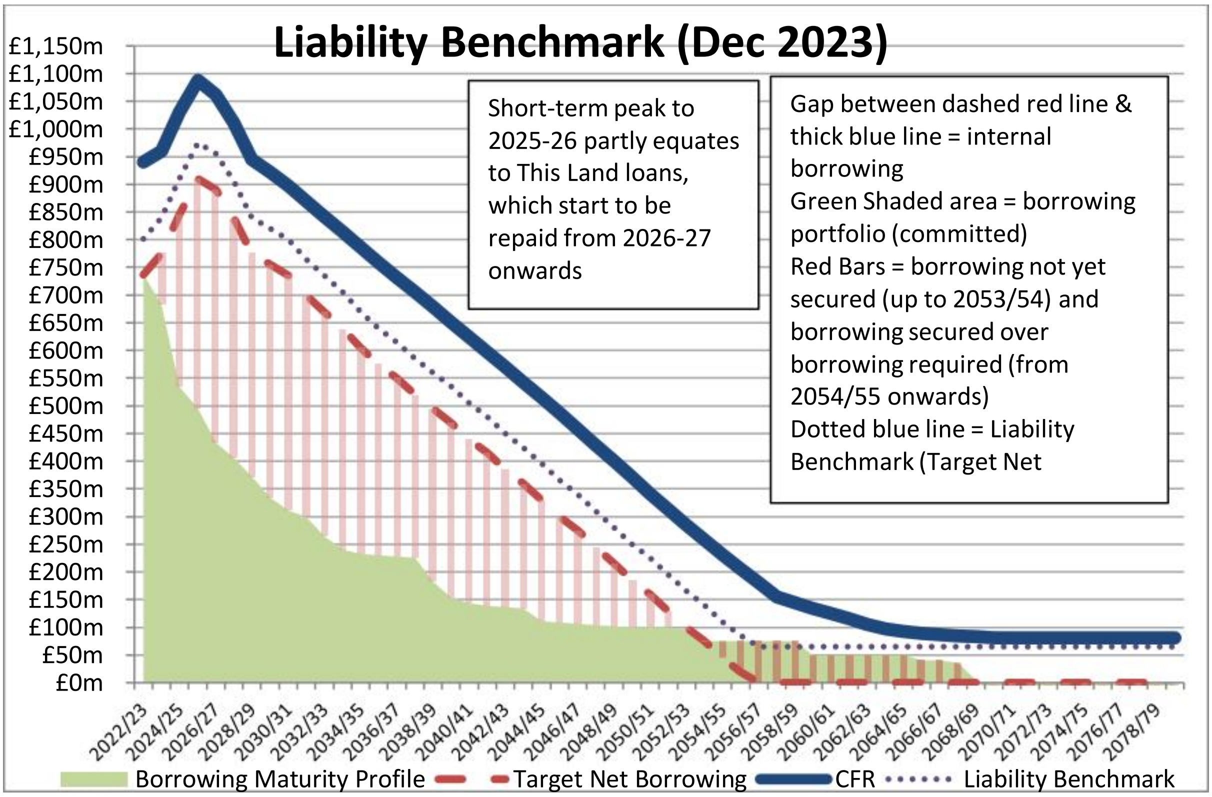
Prudential and Treasury Indicators	2023/24 Treasury Management Strategy	31st Mar 2023 Actual	30th Jun 2023 Actual	30th Sep 2023 Actual	31st Dec 2023 Actual
Annual capital expenditure	£257.6m	£140.2m	£200.1m	£192.4m	£196.0m
Annual non-borrowing capital financing (grants, contributions and capital receipts)	-£140.9m	-£101.9m	-£138.1m	-£134.6m	-£133.4m
Annual MRP and other financing adjustments	-£21.6m	-£20.2m	-£22.0m	-£22.0m	-£22.0m
In-year Capital Financing Requirement	**£95.1m**	**£18.1m**	**£40.0m**	**£35.8m**	**£40.5m**
Capital Financing Requirement (CFR) at 31st March*	£1,031.7m	£940.3m	£980.3m	£976.1m	£980.8m
Authorised limit for external debt*	£1,170.0m	£737.8m	£716.8m	£719.4m	£761.8m
Operational boundary for external debt*	£1,140.0m	£737.8m	£716.8m	£719.4m	£761.8m
Ratio of financing costs to net revenue streams – yearly average	9.3%	8.2%**	8.2%	7.0%	7.1%
Ratio of net income from commercial and service investments to net revenue stream	4.8%	5.0%	4.9%	4.9%	5.0%
Upper limit of fixed interest rates based on net debt***	150%	80%	84%	67%	71%
Upper limit of variable interest rates based on net debt***	65%	20%	16%	33%	29%
Principal sums invested over 365 days (excluding Third-Party Loans)	£50.0m	£34.2m	£33.5m	£32.7m	£33.2m
Maturity structure of borrowing limits:					
Under 12 months	Max. 80% Min. 0%	23.3%	24.5%	28.4%	27.5%
12 months to 2 years	Max. 50% Min. 0%	10.9%	9.1%	5.6%	7.1%
2 years to 5 years	Max. 50% Min. 0%	7.3%	9.0%	9.0%	14.9%
5 years to 10 years	Max. 50% Min. 0%	15.1%	14.3%	15.7%	13.5%
10 years and above	Max. 100% Min. 0%	43.5%	43.1%	41.4%	37.0%

* Excluding PFI and Finance Lease Liabilities but including loans raised to on-lend to This Land ltd

** Recalculated for new formula used in 2023-24 TMS

*** The interest rate exposure is calculated as 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 liability benchmark:



The liability benchmark is a projection of the amount of loan debt outstanding that an authority needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows.

The peak in the blue CFR line in 2025/26 is £17m higher than set out in the 2023-24 TMS due to updated business planning projections, however the peak in the dotted red external borrowing line is £40m lower than the TMS, due to an expectation of higher cash balances and therefore lower external borrowing required.

Appendix 7 - Revenue summary comparison to last year's outturn position

2022-23 Net Budget £000	Actual Outturn Variance £000	Actual Outturn Variance %	Directorate/Area	2023-24 Net Budget £000	Forecast Variance £000	Forecast Variance %
86,875	2,399	2.8%	Children, Education & Families- non-DSG	132,156	11,865	9%
224,975	-58	0.0%	Adults, Health & Commissioning	215,428	-3,920	-2%
72,175	415	0.6%	Place & Sustainability	68,957	1,759	3%
15,557	-81	-0.5%	Strategy & Partnerships	20,102	866	4%
11,950	2,837	23.7%	Finance & Resources	15,051	-749	-5%
33,275	-2,377	-7.1%	Capital Financing	38,141	-1,586	-4%
11,047	-2,388	-21.6%	Corporate and funding items	11,356	-6,413	-56%
455,854	**748**	**0.2%**	**Net Spending Total**	**501,191**	**1,822**	**0%**