

## Appendix A

# Integrated Finance Monitoring Report August 2023

### Contents

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1	Executive Summary	Provides a summary of the latest position on our revenue capital and Dedicated Schools Grant (DSG) forecast spend compared to our base budgets.
2	Revenue Budget	Provides a more detailed summary of the revenue position by directorate, as well as additional information on: <ul style="list-style-type: none"> <li>• The position of our Dedicated Schools Grant</li> <li>• The Savings Tracker</li> </ul>
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.
4	Capital Programme	Provides a detailed summary of the capital position by directorate, as well as capital variations budgets and capital funding changes.  Any changes to funding or budgets for the capital programme that are proposed for noting or agreement by Committee will be reported here.
5	Balance Sheet	Key information about the Council's balance sheet, including reserves, borrowing and debt.
6	Treasury Management	Update on the Council's treasury management position. At the end of Q2 and Q4 this will form a separate report as it requires consideration by Full Council.
Appx 1	Revenue – commentaries on exceptions	Detailed commentaries on forecast revenue variances by exception
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Appx 6	Treasury Management Indicators	Treasury Management Indicators for Quarter 1
Appx 7	Revenue summary comparison to last year's outturn position	A revenue budget summary table that compares the current position to last year's net budget and outturn variance

### Acronyms used for council services

Directorate	Acronym
Children, Education & Families	CEF
Adults, Health & Commissioning	AHC
Place & Sustainability	P&S
Finance & Resources	F&R
Strategy & Partnerships	S&P
Public Health	PH
Dedicated Schools Grant	DSG

## 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: £192m (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 service:

Service	Forecast Revenue Budget Variance £000	Forecast Revenue Budget Variance %	Forecast Net Capital Budget Variance £000	Forecast Net Capital Budget Variance %
Children, Education & Families – non-DSG	8,275	6.4%	0	0.0%
Adults, Health & Commissioning	0	0.0%	0	0.0%
Place & Sustainability	2,641	3.9%	0	0.0%
Strategy & Partnerships	194	1.0%	0	0.0%
Finance & Resources	256	1.1%	0	0.0%
Public Health	0	0.0%	-	-
Capital Financing	-1,200	-3.1%	-	-
Funding Items	-3,786	-35.3%	-	-
<b>Net Spending Total (+ overspend / - underspend)</b>	<b>6,380</b>	<b>1.3%</b>	<b>0</b>	<b>0.0%</b>
Children, Education & Families – DSG	4,418	-%	-	-

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 currently forecasting an improved £6.3m net overspend across all services for 2023-24 (down from £7.3m in July). 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. In addition, the report sets out other pressures that are mitigated in-year but present a risk to the council's longer-term financial position.

As previously reported, the 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 gap. The financial challenge in Children, Education & Families, which has increased since last reported and relates to the placements budget, is acute and at risk of adding permanent cost to the council and is a concern looking ahead to the medium-term financial plan.

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 the planned use of reserves, the specific value of which will be confirmed at the end of the year.

Reported pressures within demand-led services have a risk of worsening as the year progresses. Older People services are facing cost pressures, mitigated in-year through the use of grant funding where grant conditions allow. As well as these reported pressures, there are risks in other demand-led services such as in services supporting working-age adults and Home to School Transport, which are facing unpredictable demand and cost rises – a fuller review of projections in these areas will be undertaken in September to ascertain if any cost pressures are emerging.

Departments are considering further mitigations to the position to offset pressures both within and across departments to contain income and expenditure within approved budgets for 2023-24, with a requirement for stronger controls to be put in place. These include constraining expenditure on non-essential items and recruitment to non-essential posts, continuing review of spend considered to be essential, a sustained reduction in the use of agency staff and reviewing local schemes of delegation for spending decisions. Opportunities to reduce or delay capital expenditure are being explored alongside business planning, and the council's reserves balance are being reviewed to identify any that can be re-allocated to reserves that underpin financial resilience.

## 1.3 Key Issues by Service Area

### 1.3.1 Adults, Health & Commissioning

The overall position for Adults, Health and Commissioning at the end of August 2023 is a forecast balanced budget. However, this masks significant underlying pressures of £2.5m on care and support costs. This is an ongoing volatile position with some high-cost packages which can change the forecast quickly. As a result, close attention is paid to changes in demand and costs as the year progresses and forecasts are adjusted accordingly. The current in-year pressures are mainly driven by adverse movements in the numbers of older adults supported in bed-based care. In the years immediately following the covid pandemic we had seen reduced numbers of placements into care settings, for Older Adults, compared to pre-pandemic levels. As such it has proven more challenging to use historical trends to forecast future demand and activity. These placements are now rising once more and exceeding forecast numbers built into our budget for 2023/24. Mitigations through the application of grants are in place for 2023/24, but much of this funding is one-off and will not be available in 2024/25. Therefore, the current increases in care placements will lead to continuing pressures in the years ahead as the full-year effect of current-year increases is seen.

Management actions continue to be undertaken to reduce the forecast overspend in year. Work has been undertaken to revisit the usage of grants across Adult Social Care services to identify where grants can be used to support care costs in line with the terms of the grants. This has resulted in £2.5m of grant funding being released to support the emerging pressures in care budgets. Whilst there remain funds within the adults' risk reserve, held to cover particular market pressures, any requests to access it are not being sought at this time.

Further actions involve a review of those people in receipt of services in areas where the overspend is reported, to ensure forecasts for the remainder of the year reflect planned activity. There is also a deep-dive review of domiciliary care, along with the use of bed-based care against the forecast budget, in particular for discharges from hospital to ensure the correct pathways are being maximised.

Whilst there has been significant investment into the care sector, primarily through the Adult Social Care Market Sustainability and Improvement Fund which will help, 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 complex end of provision.

The adult social care debt position is continuing to worsen, with over £14.8m of debt over 90 days old at the end of July on the balance sheet (£14.5m at the end of June). However, actions being taken following a recent deep-dive into some of the factors resulting in the levels of debt, along with additional resources to work on backlogs of financial assessments, are starting to see a positive impact on the current figures. The level of aged debt increasing has a knock-on impact of an increased bad debt provision and likelihood of write-offs.

### 1.3.2 Children, Education & Families

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. If forecast to year-end, these placements would leave us in a significant overspend position, and whilst the service is working hard with relevant agencies to secure placements at more manageable costs, it is proving extremely difficult to secure appropriate regulated 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 the recently introduced weekly complex placement meeting to track all unregulated and high-cost placements 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 net forecast overspend of £731k is now being reported across Education. There is a £223k pressure due to delays in the implementation of the new ICT system and the resulting impact on the delivery of budgeted efficiency savings. SEND Specialist Services are reporting a forecast of £430k across 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. The SEND Head of Service pressure is a result of additional speech and language therapy, and back care training costs.

There are increasing concerns around the home to school transport budget areas following the summer procurement rounds. It is anticipated that the majority of tenders will be returned over the coming weeks, however the contracts returned to date are showing between 7 and 8% uplift on the same route previously. Alongside this the growth of children and young people with SEND continues to rise above what is forecast. More information will be available in the coming weeks to determine the overall impact in year.

More positively, this time last year the council were faced with significant contract hand-backs, adding to the financial position unfavourably. This year, whilst hand-backs have occurred we are not seeing the large scale that was present this time last year.

Due to the continuing increase in the number of children and young people with an EHCP, and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. At the end of 2022/23 there was a net DSG overspend of £11.94m, which when added to the existing DSG deficit of £39.32m resulted in a revised cumulative deficit of £51.262m.

### 1.3.3 Place & Sustainability

In summary, Place and Sustainability (P&S) is now forecasting an overspend of £2,641k. There is a pressure on Energy Services of £3,889k across all its projects. The supply chain for these projects, like the rest of the construction industry, is facing significant challenges including rising costs of energy, securing key equipment and materials along with a widespread shortage of skilled labour. This is creating longer lead in and delivery times for these projects. As a result, income against these projects have been budgeted to be received from July 2023, however owing to delays to commencing these contracts the income will now be on a different profile than that assumed in the budget. An update on the projects is provided in Appendix 2.

The Place and Sustainability (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.

All budgets are being reviewed to see if there are any mitigations to offset the bottom line pressure.

### 1.3.4 Finance & Resources, and Strategy & Partnerships

There is a risk of council-wide staff pay costs being higher than budgeted; historically any pressure on that has been reported centrally but this is reviewed each year. This is still subject to national and local negotiation and so will not be known until later in the year. Capital financing budgets are also being reviewed, balancing lower than expected borrowing levels than when budgets were set against the rising interest rates we are seeing. This budget line has often underspent, but it is less clear that that will be the case again due to those rising interest rates.

Within Strategy & Partnerships, budgets are being re-aligned following the establishment of the new Policy, Insight & Performance Team, which is expected to balance to the budget set for it.

### 1.3.5 Public Health

At the end of August 2023, the Public Health Directorate is forecasting an underspend of £380k (1.0%). We are reviewing whether there are eligible services elsewhere in the council that could be funded with this underspend in line with the grant conditions.

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.

## 2 Revenue Budget

2.1.1 This table shows summary information for the Council's 2023-24 revenue budgets at the end of August 2023 (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	Service	Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Unmitigated Forecast Variance £000	Forecast Variance £000	Forecast Variance %
1	5,761	Children, Education & Families-non-DSG	163,788	-34,943	128,845	48,580	8,275	8,275	6.4%
2	4,418	Children, Education & Families – DSG	115,579	-115,579	0	-2,237	4,418	4,418	-
3	581	Adults, Health & Commissioning	342,894	-129,193	213,701	93,863	2,517	0	0.0%
4	3,753	Place & Sustainability	103,615	-35,291	68,324	28,813	4,486	2,641	3.9%
5	195	Strategy & Partnerships	26,393	-7,420	18,973	-2,998	194	194	1.0%
6	95	Finance & Resources	56,819	-34,330	22,489	13,130	256	256	1.1%
7	-85	Public Health	41,587	-41,587	0	-8,312	-380	-380	-
8	0	Capital Financing	58,884	-20,742	38,141	1,309	-1,200	-1,200	-3.1%
9	-3,045	Corporate and funding items	10,717	0	10,717	10,720	-3,296	-3,786	-35.3%
	<b>11,673</b>	<b>Net Spending Total</b>	<b>920,277</b>	<b>-419,085</b>	<b>501,190</b>	<b>182,867</b>	<b>15,270</b>	<b>10,418</b>	<b>2.1%</b>
10	-4,333	Adjustments for Public Health and DSG ring-fences	0	0	0	0	-4,038	-4,038	-
	<b>7,340</b>	<b>Overall Total</b>	<b>920,277</b>	<b>-419,085</b>	<b>501,190</b>	<b>182,867</b>	<b>11,232</b>	<b>6,380</b>	<b>1.3%</b>
	-	Schools	138,316	-	-	-	-	-	-

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. Line 10 shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend, and also adjustments needed to account for the separate accounting for the DSG. More information can be found on the DSG in section 2.2.
4. Negative actuals in lines 2, 5 and 7 relate to grant income being received in advance of spend taking place, which helps the council's cashflow and reduces the need for borrowing

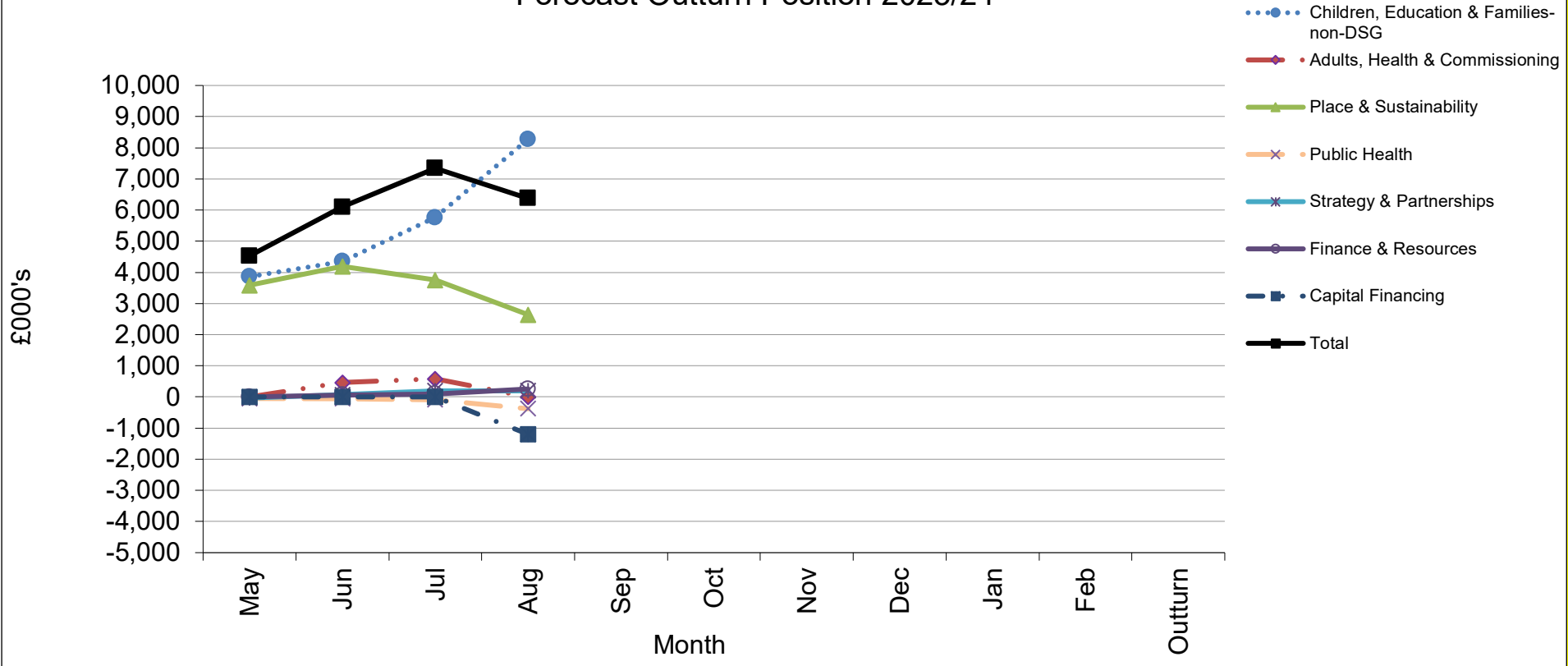


2.1.2 The tables below show the types of mitigations applied to service forecasts above, and the nature of those mitigations:

<b>Service</b>	<b>Unmitigated Forecast Variance £000</b>	<b>Planned Reserves Use £000</b>	<b>Use of Grant Funding £000</b>	<b>Mitigated Forecast Variance £000</b>
Children, Education & Families- non-DSG	8,275			8,275
Adults, Health & Commissioning	2,517		-2,517	0
Place & Sustainability	4,486	-1,845		2,641
Strategy & Partnerships	194			194
Finance & Resources	256			256
Capital Financing	-1,200			-1,200
Corporate and funding items	-3,296		-490	-3,786
<b>Total</b>	<b>11,232</b>	<b>-1,845</b>	<b>-3,007</b>	<b>6,380</b>

<b>Service and assumed mitigation</b>	<b>Planned Reserves Use £000</b>	<b>Use of Grant Funding £000</b>
<b>AHC:</b> use of grant funding to mitigate service pressures in line with grant conditions		-2,517
<b>P&amp;S:</b> use of service and corporate reserve to offset Waste pressure	-1,845	
<b>Corporate:</b> core budget available following use of grant funding across the council on eligible services		-490

### Forecast Outturn Position 2023/24



2.2 This table shows a summary of the position of the Council's Dedicated Schools Grant position before further action:

<b>Opening Deficit Balance 2023/24</b>	£29.2m
<b>Forecast in-year movement (Excluding 2023/24 DfE Safety Valve payment and LA contribution)</b>	£4.4m
<b>Forecast Closing Deficit Balance 2023/24 (Excluding 2023/24 DfE Safety Valve payment and LA contribution)</b>	£33.6m

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

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

2.2.3 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.

2.2.4 As part of the Safety valve agreement, the Council must continue to bring the in-year growth in DSG deficit down through a number of workstreams to continue to receive government support. Without this action, the DSG deficit would grow to such a level as to present an increasing risk to the financial sustainability of the Council. As such, further action is required in year to reduce this forecast.

## 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 £9.9m of savings against its original plan. Blue rated savings total £1.3m, exceeding the target on those initiatives. Green rated savings total £7.2m. The Savings Tracker as at the end of quarter 1 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	-1,111	-179	Green	-7,230	0	Amber	-1,655	1,041	Red	-5,712	4,930	Black	-2,056	2,056	--17,764	7,848

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. There are no funding updates to report.

### 4. Capital Programme

#### 4.1 Capital programme financial position

Previous Forecast Variance £000	Service	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 & Sustainability	70,266	10,987	0	0.0%	645,912	5,309
0	Children, Education & Families	100,526	27,860	0	0.0%	407,514	-1,500
0	Adults, Health & Commissioning	5,975	4,777	0	0.0%	114,008	0
0	Strategy & Partnerships	3,241	137	0	0.0%	18,194	0
0	Finance & Resources	11,645	1,664	0	0.0%	53,995	-314
<b>0</b>	<b>Total</b>	<b>191,653</b>	<b>45,425</b>	<b>0</b>	<b>0.0%</b>	<b>1,239,623</b>	<b>3,495</b>

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4.
2. The Budget column also includes an assumed level of variations, called the 'capital variations budget' which is shown in section 4.2.
3. The reported Place & Sustainability capital figures do not include the Greater Cambridge Partnership, which has a budget for 2023/24 of £44.4m and is reporting an in-year budget pressure of £3.5m for year-end.
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

<b>Service</b>	<b>Capital Variations Budget £000</b>	<b>Forecast Outturn Variance £000</b>	<b>Capital Variations Budget Used £000</b>	<b>Capital Variations Budget Used %</b>	<b>Net Forecast Outturn Variance £000</b>
Place & Sustainability	-24,489	-7,518	-7,518	-30.7%	0
Children, Education & Families	-17,826	-3,500	-3,500	-19.6%	0
Adults, Health & Commissioning	-57	0	0	0.0%	0
Strategy & Partnerships	-1,677	-1,059	-1,059	-63.1%	0
Finance & Resources	-4,689	-2,269	-2,269	-48.4%	0
<b>Total</b>	<b>-48,738</b>	<b>-14,346</b>	<b>-14,346</b>	<b>-29.4%</b>	<b>0</b>

- 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	2.4	31.6	25.9	-5.6	233.7	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	0.2	-2.9	5.3	33.3	33.2	-0.0	145.4	0.0
S106 Contributions & Community Infrastructure Levy	66.7	0.9	-15.5	0.5	52.5	52.6	0.1	157.5	0.0
Capital Receipts	1.3	0.0	-0.3	0.0	1.1	1.1	0.0	11.7	0.0
Other Contributions	9.8	1.5	-8.5	4.2	7.0	6.9	-0.1	61.4	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	0.3	53.4	59.1	5.7	556.1	3.5
<b>TOTAL</b>	<b>259.4</b>	<b>33.1</b>	<b>-113.6</b>	<b>12.7</b>	<b>191.7</b>	<b>191.7</b>	<b>0.0</b>	<b>1,239.6</b>	<b>3.5</b>

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 Capital Funding Changes

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

Funding	Service	Amount £m	Reason for Change
Additional/ Reduction in Funding (S106 contributions)	CEF	+0.7	St Philip's CE (Aided) Primary School scheme. £720k S106 contributions have been identified to passport to the school for minor works adaptations to provide safeguarding and health and safety improvements via self-delivery by Church Schools of Cambridge (CSoC).
Additional/ Reduction in Funding (Grants and contributions)	P&S	-0.3	Amendment to Pothole funding to reflect the final grant award, -£0.285m change.
Additional/ Reduction in Funding (Grants and contributions)	P&S	+0.3	Additional funding for the Emergency Active Fund, £0.279m.
Additional/ Reduction in Funding (Grants and contributions)	P&S	+7.0	The CORE Project - Connecting Cambridgeshire funding: Connecting Cambridgeshire Programme's bid to the Government's Open Networks Ecosystem funding competition was successful. The Connecting Cambridgeshire Programme team will lead this innovative project, which has potential to unlock new opportunities for the county to be at the forefront of 5G technology, to drive economic prosperity and benefit our communities. As the accountable body, the Council will be the lead partner of the project with a total value of just under £10 million (including almost £3m of commercial investment), assure consortium members claims and draw down the funding over a period of 18 months. The £7.014m government funding will be allocated across the two financial years 2023-24 and 2024-25. As a public sector organisation, the Council is eligible to claim 100% of our expenditure.
Additional/ Reduction in Funding (Grants and contributions)	P&S	+0.4	Additional funding of £0.430m in 2023-24 (total £1.230m including future years) is anticipated from the Cambridgeshire and Peterborough Combined Authority for the Soham-Wicken Non-Motorised User (NMU) scheme.
Additional/ Reduction in Funding (Grants and contributions)	P&S	+0.9	Additional funding of £0.910m in 2023-24 is anticipated from the Cambridgeshire and Peterborough Combined Authority for the Active Travel 4 schemes.



4.5.2 The table below sets out funding change requests for capital schemes following review and refresh of project business cases:

Scheme	Service	Funding Change Amount £m	Reason for Change
County Farms investment (Viability)	F&R	£0.330m 2023-24  Prudential borrowing	Additional borrowing of £0.330m is requested to maintain and upgrade the farms estate in 2023-24 to ensure that it remains a valuable asset. Some of the works required are replacements due to damage caused by solar panels, these need to be undertaken in order to ensure that the asset is useable. The annual cost of the additional borrowing is estimated at £50k starting in 2024-25, decreasing each year thereafter.
Swaffham Prior Community Heat Scheme	P&S	£3.205m of which £1.095m for 2023-24  Prudential borrowing	The Environment and Green Investment (E&GI) Committee is recommending to Strategy, Resources and Performance Committee to approve additional borrowing of £3.205m for the Swaffham Prior Community Heat Network. The £3.205m is requested, of which £1.095m is required in 2023-24 to finalise the connections to the heat pump in Swaffham Prior to as many homes as possible before the start of the heating season in around October. This will maximise revenue for the season. The plan would then be to pause connections over the winter and then in second quarter of next year we would look to connect more homes once the Cambridgeshire Private Energy Network (CPEN) is energised. Although the net present value of the scheme will be reduced by around £3.7m as a result of the additional uplift in borrowing costs, the total return over asset life remains positive. The annual cost of the additional borrowing is estimated at £232k starting in 2025/26, decreasing each year thereafter. Further details can be found in the <a href="#">report to E&amp;GI committee</a> .
Safety Valve capital schemes	CEF	+/-£0.300m 2023-24 Safety Valve grant virement between Safety Valve schemes	A £0.300m virement is requested from the Safety Valve Enhanced Resource Bases scheme to the Safety Valve Swavesey Village College site - Martin Bacon satellite scheme. When completing the safety valve capital application, costs of proposed schemes were estimated based upon the information available at the time. The Martin Bacon Academy satellite at Swavesey VC was estimated to cost £1m; however, it is not possible to deliver the project for less than £1.3m. We are confident that this still represents value for money. In these circumstances, and in light of the need to realise revenue savings from improved place sufficiency as soon as possible, it is prudent to redistribute safety valve capital funds as needed to deliver the places required in a timely manner.  DfE has confirmed that we have this level of discretion in respect of Safety Valve funding.
Waterbeach Waste Treatment Facilities and P&S Capital	P&S	-£12.3 Revised Phasing Prudential borrowing Net -£8.8m Revised phasing prudential borrowing	-£12.338m of the Waterbeach Waste Treatment Facilities scheme budget is recommended to be rephased to 2024/25 to reflect an updated estimate on phasing for works; the profile of spend will be comprehensively reviewed as part of business planning which may result in further changes.

Scheme	Service	Funding Change Amount £m	Reason for Change
Variations Budget			There is a consequent adjustment of £3.5m recommended to the P&S capital variations budget as a result of moving this level of capital budget backwards.

Recommendation A: Approve borrowing and capital budget changes set out in table 4.5.2

## 5. Balance Sheet

### 5.1 Reserves

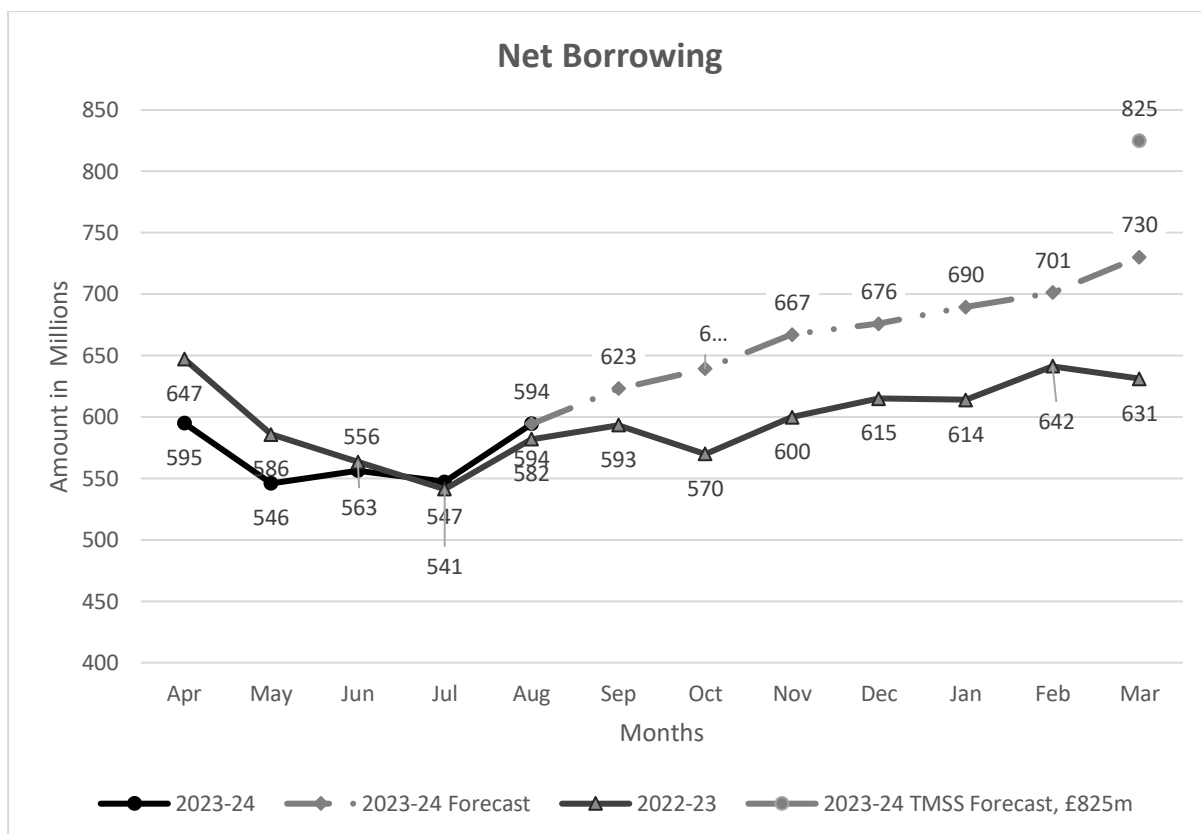
At the end of August, the Council has revenue earmarked reserves totalling £163m. These reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% 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

Of the gross borrowing in 2023/24, it is estimated that £303m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to third parties in order to receive a financial return.

The graph overleaf shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of August 2023, investments held totalled £126.2m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £720.6m, equating to a net borrowing position of £594.4m.



### 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	Actual as at the end of August 2023
1	% of income collected (owed to the council) within 90 days: Adult Social Care	85%	85%
2	Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£15.46m
3	Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£4.39m
4	% of invoices registered on ERP within 2 working days	98.0%	99.9%
5	% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.5%
6	% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	91.8%

Some additional information for items above that are behind target:

- Adult social debt – the measure has been behind target for some time, which is partly reflecting national trends around increasing social care debt. A key issue in

this is delays in the Court of Protection, which delays us being able to collect income in many cases. This area is under regular review by officers within both the central debt collection team and the social care teams, and is subject to regular reporting to Audit and Accounts Committee.

3. Sundry debt- several large invoices have now become overdue by 90+ days compared to the previous month. Some progress has been made with several large invoices but in other cases final payment has not yet been made. Payments on two large accounts totalling over £3m are in final stages of being approved by the debtor.
6. Payment within terms – substantial improvement has been made over recent months and has been achieved in September 2023. We are reviewing payment terms for suppliers with a view to move away from immediate terms and generally towards 30 day terms unless good reason.

## 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 £730m 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 The Council's treasury management indicators can be found in [Appendix 6](#).

## Appendix 1 – Revenue – commentaries on exceptions

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

### 1. Children, Education & Families – non-DSG

New commentaries

#### 1a Children’s Disability Service

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

The Disability Social Care 0-25 Service is currently predicting a forecasted end-of-year 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.

Previously reported commentaries, updated since last month:

#### 1b Children in Care Placements

Forecast	Outturn	Variance £m	Forecast	Outturn	Variance %
		+6.0			+23%

An in-year pressure of £5.987m is forecast on Children in Care Placements, which is an increase of £1.720m on the pressure position previously reported last month. We currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, and whilst the service is working hard with relevant agencies to secure placements at more manageable costs, it is proving extremely difficult to secure appropriate regulated 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 the recently introduced weekly complex placement meeting to track all unregulated and high-cost placements 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.

1c Integrated Front Door

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.6	+36%

An in-year pressure of £1.637m is forecast, which is an increase of £0.364m on the pressure position previously reported last month. A recent review of the Integrated Front Door identified the additional capacity recruited to by the previous leadership is still required to meet current demands while the outcome of the recent mapping exercise is embedded within the service. The additional capacity agreed was to manage the joint work between PCC and CCC. Implementation of the recent mapping exercise will start in October to determine actual number of referrals which in turn will determine the establishment. We are not anticipating the establishment will increase.

50% of vacancies within the assessment services are currently filled by agency workers and talks to the budget pressures. We anticipate mitigating these costs with the recruitment of International Social Workers and AYSE's (Assessed and Supported Year in Employment). The previous service 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 initially for 13 weeks then extended for a further 13 weeks to support the service to address the backlog. The additional capacity provided by the project teams, (at enhanced rates), is ceasing through August and September subject to end dates of contracts for workers. Additional agency staff have been agreed to be recruited at normal rates until November within East and Huntingdon's team to replace the project teams whilst the current service structure is reviewed. Once the mapping work in the Multi Agency Safeguarding Hub (MASH) is embedded we will have accurate data to determine the workflow to inform the size of the assessment service.

Previously reported commentaries, unchanged since last month:

1d Strategic Management - Children & Safeguarding

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-21%

An in-year underspend of -£0.520m is forecast. This is due unallocated budget in the Strategic Management budget, and unused Social Care Grant reserves from previous financial years.

1e SEND Specialist Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.4	+9%

An in-year pressure of £0.430m is forecast across SEND Specialist Services. 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 impacted SEND services generally. The SEND

Head of Service budget is also reporting a forecast pressure of £92k as a result of additional speech and language therapy, and back care training costs.

## 2. Children, Education & Families - DSG

Previously reported commentaries, unchanged since last month:

### 2a SEND Financing - DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
+5.4	+96%

An in-year pressure of £5.418m is forecast. The budgeted deficit is reflective of continuing pressures and increasing demand within the High Needs Block as per the Safety Valve management plan. This is net of forecast underspends on the Central Schools Services Block (CSSB).

### 2b Nursery Schools and private, voluntary and independent settings

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.0	-3%

This forecast underspend is as per the Safety Valve management plan.

## 3. Adults, Health & Commissioning

Previously reported commentaries, updated since last month:

### 3a Executive Director - Adults, Health & Commissioning

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-1%

An in-year underspend of -£0.293m is forecast, which is a decrease of £0.133m on the underspend position previously reported last month. Underspends from vacant posts were larger in the first quarter of 2023/24 than assumed in the budget and are forecast to contribute £385k to the Directorate's overall financial position by year end. This forecast underspend is partially offset by a forecast overspend on Adults Social Care transport which has an outstanding savings target of £91k brought forward from 2021/22. The work to deliver this saving has been completed, but unusually high inflationary pressures on transport costs have meant cost reductions could not be delivered as originally planned.



3b Older People's and Physical Disabilities Services

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

An in-year pressure of £2.283m is forecast across Older People's and Physical Disabilities Services, which is an increase of £0.841m on the position previously reported last month. Demand patterns have changed significantly in recent years, particularly in relation to Older Peoples 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. £750k from this budget for this financial year 2023-2024, has also been redistributed to offset pressures elsewhere in Adults, Health, and Commissioning with a risk of an emerging pressure within this budget area.

Older Peoples care home demand appears to be returning in 2023-24 with increases in placement numbers similar to pre-pandemic levels. At the same time, demand for domiciliary care appears to be on the rise after a period of stability going back to January 2023. Underspends within domiciliary care had been offsetting the increasing demand on bed-based care in the early part of the year but with emerging demand trends expected to continue we are forecasting an overspend of £2.283m. Ongoing analysis will be carried out to review in detail activity information and other cost drivers to validate this forecast position.

3c Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	+3%

An in-year pressure of £0.650m is forecast across Mental Health Services, which is an increase of £0.06m on the pressure position previously reported last month. There are significant demand pressures across both community and bed-based care within Adult Mental Health. Within bed-based care for Older People's Mental Health, continued significant activity in August has increased the budget pressure although there has been a corresponding increase in income from people contributing towards the cost of their care.

Due to significant recent increases in demand, an enhanced expectation for incoming demand over previously budgeted expectations has been included in the forecast position. Ongoing analysis will be carried out to review activity information and other cost drivers in detail to continually validate the reported position. This remains subject to variation as circumstances change and more data comes through the system.

3d Mitigations

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.5	-%

Given the significant emerging pressures on care budgets for Older People and Mental Health, priorities around the use of grant funding have been revisited. This has identified additional spend that can be funded from external grant, freeing up £2.5m of Improved Better Care Fund, Social Care grant and other grant monies to contribute to the identified pressures.

4. Place and Sustainability

Previously reported commentaries, updated since last month:

4a Highways Development Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.4	-79%

An in-year underspend of -£1.363m is forecast, which is an increase of -£0.930m on the underspend position previously reported last month. 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.

4b Energy Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+3.9	+203%

An in-year pressure of £3.889m is forecast on Energy Services income across all its projects. This is a decrease of £0.144m on the pressure previously reported last month.

**Energy projects-** Income against these projects have been budgeted to be received from July 2023, however owing to delays to commencing these contracts the income will now be on a different profile than that assumed in the budget. An update on the projects is provided below.

The **St. Ives Smart Energy Grid** is on track to be energised and generating clean electricity by the end of September 2023. Negotiations are underway on a power purchase agreement (PPA) with licensed energy suppliers to start selling green electricity wholesale from October 2023. This is a one year or shorter term PPA whilst we go through the processes of connecting a local business to the system. 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 and we are seeing reduced prices from the highs of last year. This is the first smart energy micro-grid for Cambridgeshire and the outcomes from this project will inform future approaches to local energy supply.

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 nearing completion and target energisation is Spring 2024. 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 before the end of the year, progressing over the winter. Plans are in development to manage the weather related risks over the 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 customers. By October, approximately 60 homes will be connected to the system ahead of its first winter, when final system performance tests can complete. Further customers will be connected from Spring 2024. The number of homes physically being connected is slower than was originally forecast, due to supply chain challenges, but this will be caught up during 2024. The Renewable heat Incentive (RHI) has been approved by Ofgem for the heat network and income from RHI will be paid for each Kwh of heat generated. However, there is a backlog on payments with Ofgem hence a revised forecast for this income has revised the profile to 2024.

The **Stanground Solar and Battery Project** is still in development. Work on this halted during last year to focus on the large energy team's resources into the projects in contract and their delivery.

## 5. Finance & Resources

Previously reported commentaries, updated since last month:

### 5a County Farms

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+6%

An in-year pressure of £0.328m is forecast on County Farms, which is an increase of £0.037m on the pressure position previously reported last month. This is due to delays in sales of the Bio-diversity Net Gain (BNG) units. There has been a delay with South Cambs District Council signing off the Section 106 agreement, this means that no sale of the BNG units have been able to take place. This also means that there will be a shorter time before the end of the financial year for sales to take place and therefore the budget is not likely to be achieved. Once the section 106 agreement has been completed, we will be able to undertake a large marketing programme to increase the profile of the unit and attract more sales. The delay in the signing of the section 106 is because this is a new project that South Cambs District Council have not dealt with before and they are being very thorough with the agreement.

## 6. Capital Financing

New commentaries:

### 6a Financing Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.2	-3%

The Financing Costs budget is forecasting an underspend of £1.2m, 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.

## 7. Corporate and funding Items

Previously reported commentaries, updated since last month:

Forecast Outturn Variance £m	Forecast Outturn Variance %
-3.8	-35%

An in-year underspend of £3.786m is forecast across Corporate and funding items.

The position consists primarily of additional business rates funding in the form of general rates income, the local business rates pool dividend, and the national business rates compensation grant. As well as this, there is around £500k of underspend due to the replacement of base budget in other services with grant funding (in line with any grant conditions).

## Appendix 2 – Capital – commentaries on exceptions

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

Ref	Service	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1a	P&S	Updated	Local Infrastructure Improvements	4.473	1.087	-0.643	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.
1b	P&S	Updated	Delivering the Transport Strategy Aims	7.299	2.516	-0.728	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.
1c	P&S	Updated	Swaffham Prior Community Heat Scheme	10.965	2.300	1.095	Overall Scheme Variance	Historic budget of £1.5m allocated to the first 150 customer connections (at £10k per connection) has not been achieved. The connections have been significantly more expensive and as a result additional funds have been required. The focus is on keeping the momentum of the project going forward to ensure as many customers are connected in the village as soon as possible. Overall scheme increase of £3,205k will be proposed.
1d	P&S	Updated	Solar Projects	28.957	6.438	1.904	Overall Scheme Variance	The forecast in-year overspend has increased from £639k to £1,904k to reflect the rephasing of the project. This is being revisited on a month by month basis as sensitive work on easements is difficult to predict. The overspend is as a result of forward estimates of costs that are expected to arise across projects. Overspends are now expected at delivery stage in the solar portfolio 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.
1e	P&S	Updated	Capital variations budget- P&S	-66.696	-24.489	7.518	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 £7.518m P&S in-year underspend is balanced by use of the capital variations budget.
1f	P&S	Unchanged	A14 De-trunking	24.750	4.750	-4.000	Phasing	It is estimated we will spend £750k of the total £24.75m this financial year. The initial estimate of spend was £4.75m per year for 6 years but due to the road not coming to us as thought when the estimate was made the profile of spend has changed. We are not going to be clear on the profile of spend of the total until we get an agreed date for the transfer of the road to us.

Ref	Service	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1g	P&S	Unchanged	St Ives local Improvements	2.300	1.800	-0.635	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.  The construction period is due to run from September 2023 to November 2024.
1h	P&S	Unchanged	Guided Busway - Widening of footpath	2.891	2.891	-2.441	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	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.
1k	P&S	Unchanged	Environment Fund - Decarbonisation Fund - Council building Low Carbon Heating	10.518	2.463	-0.457	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.
2a	CEF	New	Kennett Primary School	10.123	5.800	-0.800	Phasing	Slippage due to later start on site than expected due to skylarks still nesting. Ecologists to confirm birds have left. Delay start on site from 14.08.23 to 04.09.23 and completion 30.08.24 to 20.09.24.
2b	CEF	New	Witchford Village College	1.380	1.332	-0.532	Phasing	Slippage of between 3-5 months due to planning application progressing slower than anticipated.
2c	CEF	Updated	Capital variations budget- CEF	-54.565	-17.826	3.500	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 £3.500m CEF in-year underspend is balanced by use of the capital variations budget.
2d	CEF	Unchanged	Northstowe secondary, phase 2	53.450	22.500	-1.500	Overall Scheme Variance	The receipt of the milestone 4 report shows saving on original estimate due to risk contingencies including those built in for price volatility.
2e	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. Revised delivery expected to be 2027.

Ref	Service	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
3a	S&P	Unchanged	Libraries - Open access & touchdown facilities	1.172	0.875	-0.850	Phasing	The pilot will be reviewed in the autumn, and feed into a new plan for review this year.
3b	S&P	Unchanged	Capital variations budget- S&P	-2.016	-1.677	1.059	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 £1.059m S&P underspend is balanced by use of the capital variations budget.
4a	F&R	New	Hawthorns - Intensive Therapeutic Support Hub	3.544	3.477	-1.777	Phasing	Delays with the planning process has meant the procurement needs to take place later in the programme.
4b	F&R	Updated	Capital variations budget- F&R	-9.474	-4.689	2.269	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 £2.269m F&R underspend is balanced by use of the capital variations budget.

### Appendix 3 – Budget transfers between services in 2023/24

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

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
<b>Opening Net Budgets as per Business Plan</b>	<b>129,279</b>	<b>215,038</b>	<b>71,326</b>	<b>0</b>	<b>16,270</b>	<b>19,325</b>	<b>38,263</b>	<b>11,690</b>	<b>501,191</b>
Service management change		-300			300				0
Post business plan, pre initial budget load adjustments	-915		-42		-203	1,160			0
Postage budget centralisation	-20				20				0
Transfer of post	-26				26				0
Insurance budget centralisation			-22		-21	43			0
Pay award budget correction	12		-12						0
Allocation of centrally held funding for former People Services restructuring	449	351				-800			0
Budget resetting movements as outlined in May IFMR	801	506	-728			2,456		-3,035	0
23-24 BP virements to replace expenditure budgets with reserve draw down lines	-285	-1,621				-155		2,061	0
Adjust PH income budget to match amounts to be transferred under PH MoU	-254	-53	-31	0	78	260			0
Staffing inflation correction			-55			55			0
Coding of treasury management team						121	-121		0
Staffing budget corrections - Adults and Childrens Transport	4	-4							0
Time credits transfer from Adults to S&P		-34			34				0
Transfer of Domestic Abuse and Sexual Violence service budgets			-2,032		2,032				0



<b>Budgets and Movements</b>	<b>CEF £000</b>	<b>AHC £000</b>	<b>P&amp;S £000</b>	<b>PH £000</b>	<b>S&amp;P £000</b>	<b>F&amp;R £000</b>	<b>Capital Financing £000</b>	<b>Corporate &amp; Funding Items £000</b>	<b>Total £000</b>
Transfer Association of Directors of Adult Social Services (ADASS) budget	-15	15							
Transfer property maintenance budget					-20	20			
Transfer Strategic management C&P budget			12		-12				
Executive Assistant and Personal Assistant restructure	-185	-198	-91		470	4			
<b>Current budget</b>	<b>128,845</b>	<b>213,700</b>	<b>68,324</b>	<b>0</b>	<b>18,974</b>	<b>22,490</b>	<b>38,142</b>	<b>10,716</b>	<b>501,191</b>

## 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 Aug 2023 £000s	Forecast balance at 31 March 2024 £000s	Notes
<b>General Reserves</b>					
- County Fund Balance	30,661	0	30,661	24,281	
<b>General Reserves subtotal</b>	<b>30,661</b>	<b>0</b>	<b>30,661</b>	<b>24,281</b>	
1 Insurance	5,018	0	5,018	5,018	
2 Adults, Health and Commissioning	7,564	-53	7,511	4,111	
3 Children, Education and Families	5,704	-42	5,661	3,876	
4 Public Health	7,854	-674	7,180	4,146	
5 Place & Sustainability	15,359	-347	15,011	8,911	
6 Strategy & Partnerships	1,581	-11	1,570	1,360	
7 Finance & Resources	3,836	-121	3,715	2,808	
8 Just Transition Fund	12,526	-388	12,138	10,751	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	-40	1,723	883	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	-1,727	Anticipated negative balance to be reviewed and offset
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	2,431	
19 Business change reserve	3,054	0	3,054	2,872	
20 Financing items	1,803	0	1,803	1,044	
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
<b>Earmarked Funds subtotal</b>	<b>158,744</b>	<b>-26,541</b>	<b>132,202</b>	<b>91,620</b>	
<b>SUBTOTAL</b>	<b>189,405</b>	<b>-26,541</b>	<b>162,863</b>	<b>115,901</b>	
23 Children, Education and Families	28,290	0	28,290	28,290	
24 Adults, Health and Commissioning	33	0	33	33	
25 Place & Sustainability	36,230	-1,092	35,138	35,138	
26 Finance and Resources	556	162	718	718	

Fund Description	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 31 Aug 2023 £000s	Forecast balance at 31 March 2024 £000s	Notes
27 Corporate	46,342	0	46,342	46,342	
<b>Capital Useable Reserves subtotal</b>	111,451	-930	110,521	110,521	
<b>GRAND TOTAL</b>	<b>300,856</b>	<b>-27,471</b>	<b>273,384</b>	<b>226,422</b>	

Provisions on the balance sheet are:

Department	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 31 Aug 2023 £000s	Forecast balance at 31 March 2024 £000s	Notes
1 Adults, Health and Commissioning	141	-16	125	125	
2 Finance & Resources	2,093	0	2,093	2,093	Insurance short term provision
<b>Short Term Provisions subtotal</b>	2,234	-16	2,218	2,218	
3 Finance & Resources	4,746	0	4,746	4,746	Insurance long term provision
<b>Long Term Provisions subtotal</b>	4,746	0	4,746	4,746	
<b>GRAND TOTAL</b>	<b>6,980</b>	<b>-16</b>	<b>6,964</b>	<b>6,964</b>	

## Appendix 5 – Savings Tracker 2023-24 Quarter 1

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	Adults	A&H	A/R.6.176	Adults Positive Challenge Programme	-154	-154	0	0%	On track
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. Self Directed Support programme currently defining benefits and update on savings achieved will be provided in September.
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	-1,290	-179	-16%	Complete
Amber	Adults	A&H	A/R.6.204	Post hospital discharge reviews	-310	-155	155	50%	Due to the active involvement of prevention services in the initial discharge process there is less opportunity for savings from post-discharge reviews than originally anticipated.
Green	Adults	A&H	A/R.6.205	Mental Health s75 vacancy factor	-150	-150	0	0%	On track
Amber	Adults	A&H	A/R.6.206	LD mid-cost range placement review (links to A/R.5.025)	-203	-102	101	50%	Project start date delayed but review team now being put in place and project implementation underway. This has led to a 3-6 month delay to benefits realisation.

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	Adults	A&H	A/R.6.208	Integration with the Integrated Care System on digital social prescribing	-61	-61	0	0%	On track
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
Amber	Childrens	C&YP	A/R.6.255	Careers Education Information Advice and Guidance	-75	-30	45	60%	Delayed consultation means full 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	-570	-570	0	0%	On track
Green	Childrens	C&YP	A/R.6.274	Outdoors Centres	-134	-134	0	0%	On track

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	Childrens	C&YP	A/R.7.110	Cambridgeshire ICT	-100	-100	0	0%	On track
Green	Childrens	C&YP	A/R.7.111	Cambridgeshire Music	-25	-25	0	0%	On track
Green	P&S	H&T	B/R.6.215	Recycle asphalt, aggregates and gully waste	-20	-20	0	0%	Budget reduction is expected to be absorbed regardless of the separate recycling facility being set up
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. It is currently on track but there is a risk the objective is unrealistic. A more accurate update will be provided by September.
Amber	P&S	H&T	B/R.6.220	Highways Materials Recycling	-100	-50	50	50%	Capital project has slipped, optimistic some of the saving will be made but will be able to provide a more accurate update by September.
Amber	P&S	EG&I	C/R.7.106	St Ives Smart Energy Grid - Income Generation	-177	-47	130	73%	Delayed construction means full saving will not be made in 2023-24
Black	P&S	EG&I	C/R.7.107	Babraham Smart Energy Grid - Income Generation	-383	0	383	100%	Delayed construction means saving will not be made until 2024-25.
Red	P&S	EG&I	C/R.7.109	North Angle Solar Farm, Soham - Income Generation	-4,535	-416	4,119	91%	Delayed construction means full saving will not be made in 2023-24
Red	P&S	EG&I	C/R.7.110	Swaffham Prior Community Heat Scheme - Income Generation	-572	-116	456	80%	Delayed construction means full saving will not be made in 2023-24

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
Green	F&R	SR&P	C/R.6.108	New IT System	-70	-70	0	0%	On track
Green	F&R	SR&P	C/R.6.109	Council Wide Mileage	-500	-500	0	0%	On track
Green	F&R	SR&P	C/R.6.110	Corporate Vacancy Factor (F&R & S&P)	-400	-400	0	0%	On track
Green	F&R	SR&P	C/R.6.111	PH grant contribution to overheads	-61	-61	0	0%	Complete
Green	F&R	SR&P	C/R.6.113	Insurance re-procurement	-405	-405	0	0%	On track
Green	F&R	SR&P	C/R.6.115	Lead Authority Services - Governance	-25	-25	0	0%	On track
Green	F&R	SR&P	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	SR&P	C/R.7.111	Commercial Income	-900	-900	0	0%	Complete
Green	F&R	SR&P	C/R.7.115	Brunswick House - Income Generation	-70	-70	0	0%	On track
Black	F&R	SR&P	C/R.7.116	Cromwell Leisure - Income Generation	-84	0	84	100%	Empty units remain into 23-24, might improve later on in the year.
Green	F&R	SR&P	C/R.7.117	Tesco - Income Generation	-150	-150	0	0%	On track

RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	F&R	SR&P	C/R.7.120	County Farms - Agricultural Rent	-46	-46	0	0%	On track
Amber	F&R	SR&P	C/R.7.156	Biodiversity Net Gain Offset	-487	-196	291	60%	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
Black	Adults	A&H	A/R.6.195	Increased support for carers	-129	0	129	100%	Carers Strategy approved and action plan in development. Reprofile savings as part of action plan development.
Black	Adults	A&H	A/R.6.186	Adult Social Care Transport	-91	0	91	100%	All routes retendered in 22/23. Saving achieved is lower than expected due to the inflationary pressures on transport.
Amber	Adults	A&H	A/R.6.188	Micro-enterprises Support	-103	-4	99	96%	Not fully delivered due to low number of Direct Payment (DP) and Individual Service Fund (ISF) clients 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%	
Green	F&R	SR&P	C/R.6.106	Contract Efficiencies	-200	-200	0	0%	On track



RAG	Directorate	Committee	BP Ref	Title	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Commentary
Green	F&R	SR&P	B/R.7.127	Alconbury Solar Carport	-37	-37	0	0%	On track
Black	F&R	SR&P	C/R.7.105	Renewable Energy Soham - Income Generation	-13	0	13	100%	To be reviewed later on in the year once the annual cycle has commenced.
Green	F&R	SR&P	C/R.7.120	County Farms - Agricultural Rent	-45	-45	0	0%	On track
Red	F&R	SR&P	F/R.6.109	Cambs 2020 Operational Savings	-605	-250	355	59%	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 1

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).

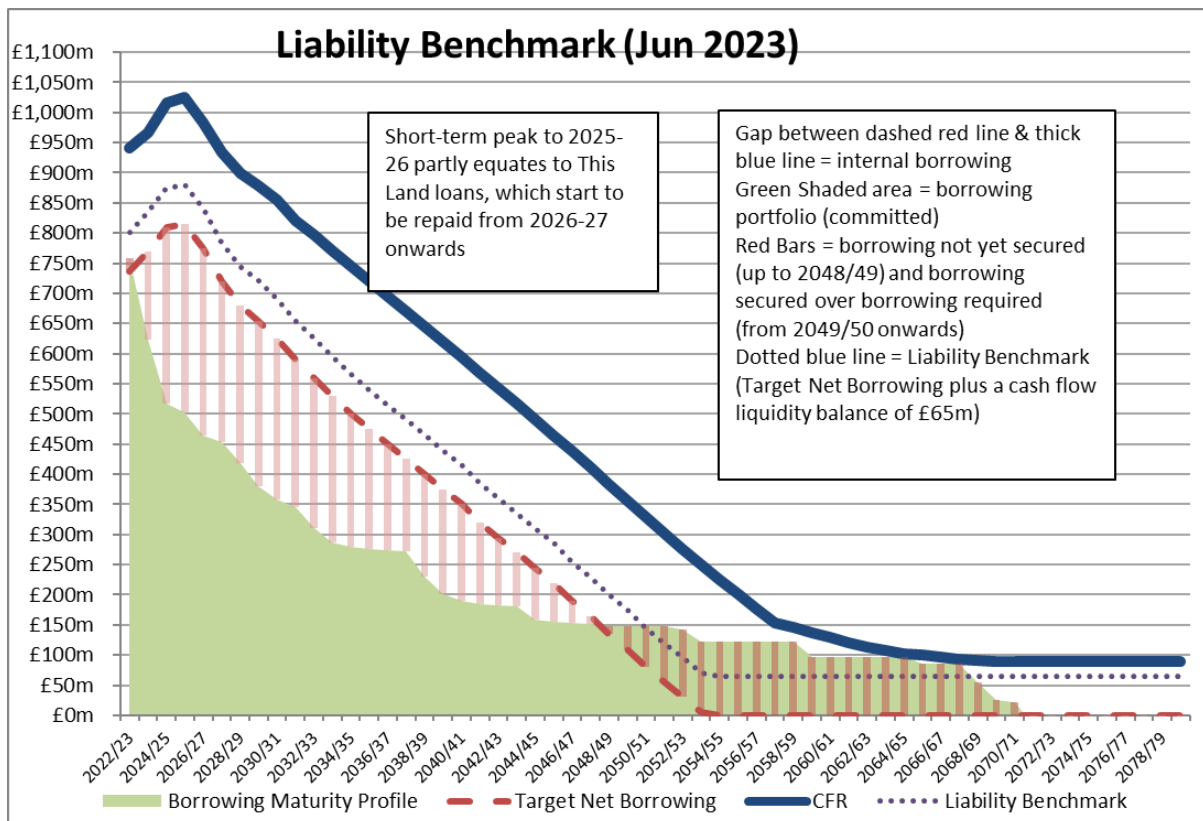
Prudential and Treasury Indicators	2023/24 Treasury Management Strategy	31 <sup>st</sup> March 2023 Actual	30 <sup>th</sup> June 2023 Actual
Annual capital expenditure	£257.6m	£140.2m	£200.1m
Annual non-borrowing capital financing (grants, contributions and capital receipts)	-£140.9m	-£101.9m	-£138.1m
Annual MRP and other financing adjustments	-£21.6m	-£20.2m	-£22.0m
<b>In-year Capital Financing Requirement</b>	<b>£95.1m</b>	<b>£18.1m</b>	<b>£40.0m</b>
Capital Financing Requirement (CFR) at 31 <sup>st</sup> March*	£1,031.7m	£940.3m	£980.3m
Authorised limit for external debt*	£1,170.0m	£737.8m	£716.8m
Operational boundary for external debt*	£1,140.0m	£737.8m	£716.8m
Ratio of financing costs to net revenue streams – yearly average	9.3%	8.2%**	8.2%
Upper limit of fixed interest rates based on net debt***	150%	80%	84%
Upper limit of variable interest rates based on net debt***	65%	20%	16%
Principal sums invested over 365 days (excluding Third-Party Loans)	£50.0m	£34.2m	£33.5m
Maturity structure of borrowing limits:			
Under 12 months	Max. 80% Min. 0%	23.3%	24.5%
12 months to 2 years	Max. 50% Min. 0%	10.9%	9.1%
2 years to 5 years	Max. 50% Min. 0%	7.3%	9.0%
5 years to 10 years	Max. 50% Min. 0%	15.1%	14.3%
10 years and above	Max. 100% Min. 0%	43.5%	43.1%

\* 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 £46m lower than set out in the 2023-24 TMS, however the peak in the dotted red external borrowing line is £135m 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

Line	2022/23 Net Budget £000	Actual Outturn Variance £000	Actual Outturn Variance %	Service	2023/24 Net Budget £000	Forecast Variance £000	Forecast Variance %
1	86,875	2,399	2.8%	Children, Education & Families- non-DSG	128,845	8,275	6.4%
2	0	12,945	-	Children, Education & Families – DSG	0	4,418	-
3	224,975	-58	0.0%	Adults, Health & Commissioning	213,701	0	0.0%
4	72,175	415	0.6%	Place & Sustainability	68,324	2,641	3.9%
5	15,557	-81	-0.5%	Strategy & Partnerships	18,973	194	1.0%
6	11,950	2,837	23.7%	Finance & Resources	22,489	256	1.1%
7	-2	-809	-	Public Health	0	-380	-
8	33,275	-2,377	-7.1%	Capital Financing	38,141	-1,200	-3.1%
9	11,047	-2,388	-21.6%	Corporate and funding items	10,717	-3,786	-35.3%
	<b>455,852</b>	<b>12,884</b>	<b>2.8%</b>	<b>Net Spending Total</b>	<b>501,190</b>	<b>10,418</b>	<b>2.1%</b>
10	0	-12,136	-	Adjustments for Public Health and DSG ring-fences	0	-4,038	-%
	<b>455,852</b>	<b>748</b>	<b>0.2%</b>	<b>Overall Total</b>	<b>501,190</b>	<b>6,380</b>	<b>1.3%</b>
	149,099		-	Schools	138,316	-	-