Cambridgeshire County Council

Appendix A

Integrated Finance Monitoring Report July 2022

Contents

Section	Item	Description
1	Executive Summary	A high-level summary of key information covering both revenue and capital. Narrative on key issues in affecting the financial position, both corporately and across the directorates.
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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.
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1. Executive Summary

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

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

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

- Revenue: £456m net budget
- Capital: £164m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

Service	Revenue Budget Variance £000	Revenue Budget Variance %	Net Capital Budget Variance £000	Net Capital Budget Variance %
People & Communities	507	0.2%	0	0.0%
Place & Economy	365	0.5%	0	0.0%
Corporate Services	1,496	5.4%	0	0.0%
Public Health	0	0.0%	-	-
Capital Financing	0	0.0%	-	-
Funding Items	0	0.0%	-	-
Net Spending Total	**2,368**	**0.5%**	**0**	**0.0%**

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

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

In setting this year's budget, this growth had to be met through additional taxation, savings and government funding. We also have significant budget gaps over the next few years, including at least £17m in 2023/24, before the effects of significant inflationary pressures are applied.

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

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

1.2 Key Issues

We are currently forecasting a small (0.5%) overspend for 2022/23, mainly due to the effects of the expected level of public sector pay inflation for this year, which exceeds the estimates used in budgeting. This is in the context of large budget increases that were planned in for this year as noted above, alongside uncertainty due to the impacts of inflation and patterns of demand.

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

Inflation is also impacting on our capital programme, alongside international supply chain disruption, making deliverability less clear.

There is uncertainty about local NHS funding levels and activity that may impact on the Council's costs, particularly as national hospital discharge funding arrangements cease. There are also government reforms coming forward such as changes to Adult Social Care, and implementation of local priorities such as the climate change strategy that will require capacity for internal change.

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

We are continuing to allocate investment from the Just Transition Fund, which was set up ahead of this financial year to provide funding to pieces of work designed to deliver improvements in terms of social mobility, flooding and climate change. In June, a further £4.4m was allocated taking the total funding earmarked to nearly £10m.

1.3 Key Issues by Service Area

1.3.1 People & Communities – Adults

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

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Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively. It is anticipated that demand for services will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.

Financial pressures in some areas are being offset by demand continuing below expectations in other areas. In particular, it is likely that demand for residential care for Older People will remain at below pandemic levels for some time to come. Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which are due to be implemented in October 2023.

In line with the social care reform agenda the Council is currently undertaking "fair cost of care" exercises with both homecare and care home providers. It is anticipated that the outcomes of these exercises nationwide will be a gap for some Councils between what is currently paid and the newly assessed "fair cost of care". Whilst we have some funding from government for 2022/23 to start to close this gap, there may well be a pressure to be addressed over the coming years to reach a point where care providers are paid the "fair cost of care".

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

Older people aged 65+ receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual July 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	617	586	537	Increasing	Increasing
Residential	947	842	837	Increasing	Increasing
Community	2,399	2,245	2,225	Increasing	Increasing

Working Age Adults receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual July 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	37	39	36	Stayed the same	Increasing
Residential	342	337	334	Stayed the same	Increasing
Community	2,626	2,719	2,644	Increasing	Increasing

1.3.2 People & Communities – Children's & Education

In order to address continuing difficulty in recruiting to Social Worker posts, which resulted in a significant staffing underspend last financial year, a Programme Board has been established to focus on recruitment, retention and development of the workforce offer. The Children's Workforce Programme Lead role has now been recruited to, with recruitment underway to appoint to other posts within this team. A children's workforce framework has been produced and work is underway on both medium and long term strategies to address the issues. In the short term, a team of agency workers are supporting permanent staff with the current workload.

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

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

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

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

Children in Care	**Budgeted no. of care packages 2022/23**	**Actual July 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Children in Care placements	278	261	260	Stayed the same	Increasing
Fostering and Supervised Contact	266	280	249	Increasing	Stayed the same
Adoption	461	423	424	Stayed the same	Stayed the same

1.3.3 Place & Economy

The largest financial risk within P&E is within the Waste service, and work to ensure compliance with odour regulations. A large capital investment is expected, as well as revenue costs while waste is diverted. For this financial year, much of this risk is mitigated by budget provision made or reserves created last year.

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

Covid continues to impact P&E to some degree as income collection in some services is not expected to return to a normal level until next year, though some budget provision was made to offset this.

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

1.3.4 Corporate Services

Corporate Services are forecasting an overspend due to the expected level of staff pay inflation. Until national and local pay awards are set, pay inflation is retained centrally pending distribution to services. If pay increases are in line with the latest offer from the national employers, services would be funded and this central budget would show an overspend.

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

The Council's investments, both financial and property, are continuing to perform well and delivering an annual revenue return to us.

Centrally, there are some residual pandemic-related risk provisions left over from previous business plans, but this is at a greatly reduced level compared to the last two years. We expect some ventilation works this year to use up this provision.

1.3.5 Public Health

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

The service is forecasting a small underspend due to reduced activity on some contracts, alongside difficulty recruiting to a number of posts.

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

The Public Health Grant increased in 2022/23 by around £800k, which was fully invested into the service.

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2 Revenue Budget

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

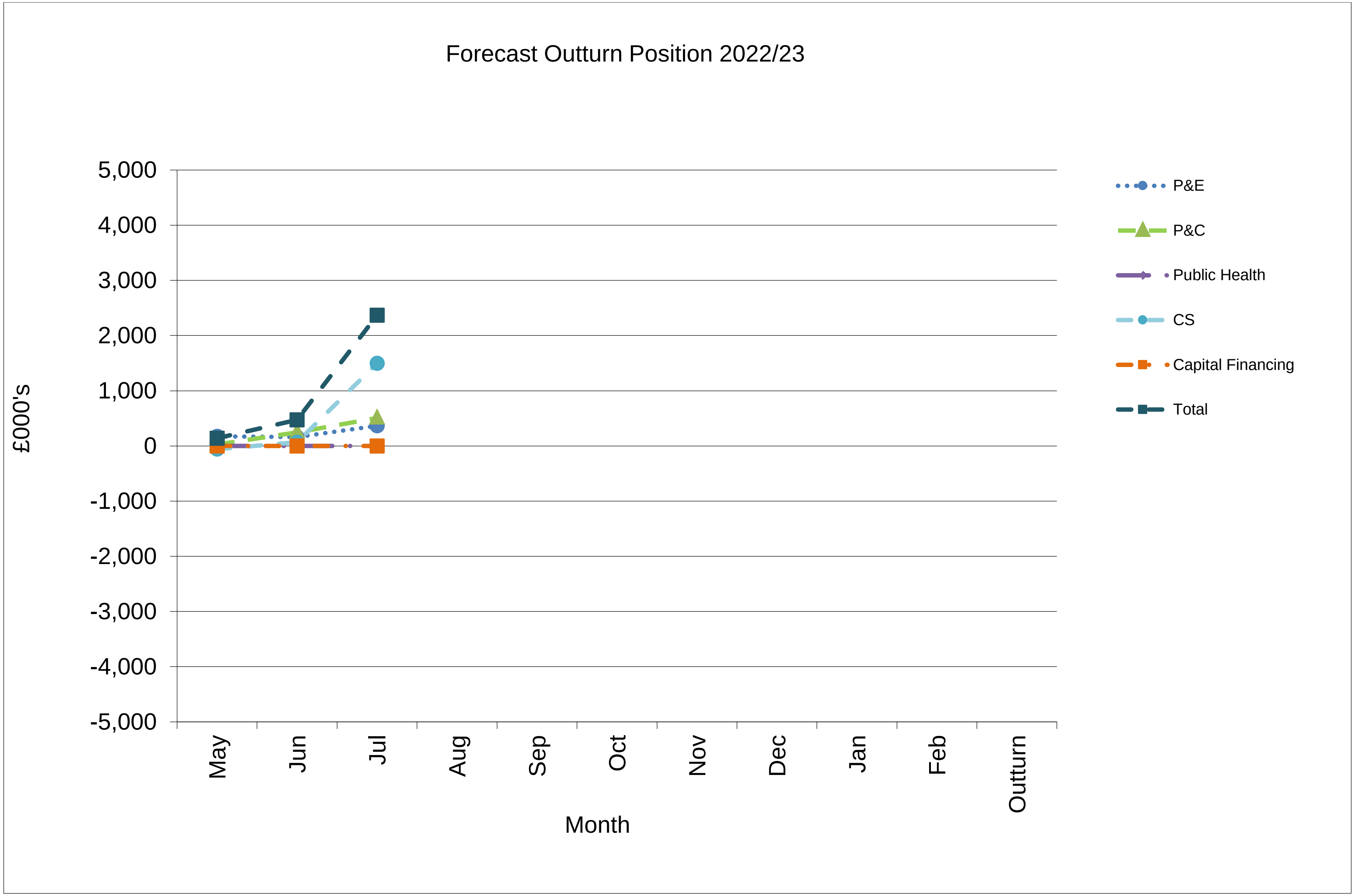
Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
247	People & Communities	316,630	49,462	507	0.2%
161	Place & Economy	67,757	14,888	365	0.5%
66	Corporate Services	27,709	9,848	1,496	5.4%
0	Public Health	27,302	-11,792	-86	-0.3%
0	Capital Financing	33,275	2,855	0	0.0%
0	Funding Items	10,692	10,547	0	0.0%
474	**Net Spending Total**	**483,365**	**75,808**	**2,282**	**0.5%**
0	Adjustments for Public Health ring-fence	-27,301	-6,825	86	0.0%
474	**Overall Total**	**456,064**	**68,983**	**2,368**	**0.5%**
-	Schools	149,099	-	-	-

Notes on this table:

1. The budget and actual figures are net
2. The budget column shows the current budget. For virements between services throughout the year see appendix 3
3. The 'funding items' budget consists of the £9.7m Combined Authority Levy, the £433k Flood Authority Levy and £574k change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.
4. The Adjustments for Public Health ring-fence line shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend. The budget line currently only shows the grant element sat within the PH directorate. A small balance is allocated to other directorates and is netted off their totals.

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

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



Forecast Outturn Position 2022/23
5,000
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
-4,000
-5,000
£000's
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
P&E
P&C
Public Health
CS
Capital Financing
Total

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

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

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

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

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

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

2.4 Savings Tracker

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

2.4.2 Currently, the Council is on track to deliver £8.0m of savings against its original plan. Blue rated savings total £0.3m, exceeding the target on those initiatives. Green rated savings total £7.4m. The Savings Tracker as at the end of quarter 1 is included as Appendix 5 to this report.

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

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

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

RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	RAG Status	Number of Savings	Total Original Savings £000	Total Variance £000	Total Original Savings	Total Variance
Blue	**1**	**-250**	**-68**	**Green**	**35**	**-7,368**	**1**	**Amber**	**2**	**-338**	**183**	**Red**	**1**	**-650**	**518**	**Black**	**7**	**-1,993**	**1,993**	**-10,599**	**2,627**

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 Local authority grant allocations for extended rights to free home to school travel for 2022-23

The Council is due to receive an additional £275k this financial year from the Department for Education (DfE) for extended rights to free home to school travel for 2022-23. Local authorities' allocations have been calculated using estimates of the number of pupils eligible for extended rights transport using data collected in the January 2021 census. DfE have also taken account of whether each local authority is classified as rural or urban. This funding is not ring-fenced, but local authorities must meet the statutory duty in respect of extended rights to home to school transport set out in section 508B and schedule 35B of the Education Act 1996, which CCC does through the budget allocation (increasing year on year) of the transport service. The total grant allocated to Cambridgeshire County Council is £1,091k which is £275k higher than budgeted. This increased grant level will be factored into business planning for future financial years.

3.2 Social Care Reforms Implementation

In September 2021, the government set out its national planned reforms to social care. This included changes to social care charging both increasing the support to those who contribute towards care costs and a lifetime cap on the amount anyone would have to pay for social care, alongside changes to the amount local authorities would need to pay social care providers.

The cost of implementing these changes locally are expected to be considerable. We will likely face increased cost of purchasing care as more care will be bought directly by the Council. The current assumption is this cost will be met through increased government funding. All local authorities are currently participating in an exercise to assess the cost of implementing this part of the proposal and there is concern from the sector that the indicative amounts allocated nationally will be substantially insufficient. There will also be costs to implement the reforms locally, which will include IT and digital solutions (for interacting with those we care for, their families and care providers), business analyst and change capacity, project management resource, finance capacity and social work policy & practice. Soon thereafter and more substantially it will also likely require additional social worker and financial assessment capacity on an ongoing basis. This is one of the largest government reforms we have faced in the last decade, and the response in terms of capacity needs to match the scale of the changes. A detailed business case has been prepared for this additional activity and scrutinised by the Council's cross-cutting revenue governance board. The business case includes redirection and reprioritisation of existing resource, detailed phasing and planning analysis, selection of appropriate options, consideration of equality, diversity, inclusion, social value and legal/statutory implications and assessment of assumptions and dependencies. Comparison to and liaison with peer and neighbouring authorities has also been undertaken.

The total scope of the work required is not yet confirmed, and government funding for it unclear (£100k has so far been allocated, with an as yet unknown amount in 2023/24). It is proposed that an initial allocation is made from Council resources to enable work on implementation to commence, with further phases of work plans to follow, and on the basis that any announced government funding could replace this internal funding.

At this stage it is proposed the Council makes available funding for the first phase of preparation and implementation activity, likely to cover the next 8 months, allocating funding up to £790k. It is proposed this is drawn down from the Adults Risk Reserve. Around half of this reserve was delegated to Adults & Health Committee to meet demand pressures, but the remainder is available for this committee to allocate. Further allocations will be considered as part of the Council's business planning process and in view of national announcements expected about the reforms. This initial allocation of £790k will enable recruitment and procurement activity to commence in order that the Council can further mobilise to deliver these important and time critical reforms.

Recommendation A: Authorise up to £790k to be drawn down from the Adults Risk Reserve, with the agreement of the Section 151 Officer and in consultation with the Chair & Vice Chair of this committee, to fund the first stage of implementation of adult social care reform

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Net Forecast Variance £000	Forecast Variance %	Total Scheme Budget £000	Total Scheme Forecast Variance £000
0	Place & Economy	84,982	14,352	0	0.0%	589,266	5
0	People & Communities	68,644	5,652	0	0.0%	581,519	1,752
0	Corporate Services	9,942	1,553	0	0.0%	57,981	0
0	**Total**	**163,569**	**21,557**	**0**	**0.0%**	**1,228,766**	**1,757**

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4
2. The Budget column also includes an assumed level of variations, called the 'capital variations budget' which is shown in section 4.2

3. The reported Place & Economy capital figures do not include the Greater Cambridge Partnership, which has a budget for 2022/23 of £40m and is currently forecasting a balanced position.
4. The columns setting out budgets and forecast variances for total schemes show financial information for all schemes in a service block across all financial years.

4.2 Capital variations budgets

4.2.1 A summary of the use of the 2022-23 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

4.2.2 Capital variations summary

Service	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance
Place & Economy	-18,660	-1,437	1,437	7.7%	0
People & Communities	-9,502	449	-449	-4.7%	0
Corporate Services	-2,459	9	-9	-0.4%	0
Total	**-30,621**	**-979**	**979**	**3.2%**	**0**

Note – two service areas are currently forecasting an overspend on capital schemes due to reasons set out below. However, we expect some further slippage that will offset this, therefore at this stage this is offset within the capital variations budget across the Council.

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 Changes Summary

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

Funding Source	Business Plan Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	23.9	-5.0	0.0	2.5	**21.5**	21.7	0.2
Basic Need Grant	14.7	0.0	0.0	1.0	**15.7**	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	**5.9**	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	**2.0**	2.0	0.0
Specific Grants	19.7	2.4	-1.9	0.7	**20.8**	19.2	-1.7
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.1	0.0	**14.4**	15.4	1.0
Capital Receipts	1.5	0.0	-0.1	0.0	**1.3**	1.3	0.0
Other Contributions	10.2	-0.4	-4.2	5.0	**10.6**	10.3	-0.2
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Prudential Borrowing	90.6	26.8	-35.1	-10.9	**71.4**	72.1	0.7
TOTAL	**192.2**	**27.473**	**-55.319**	**-0.831**	**163.6**	**163.6**	**0.0**

Notes on this table:

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

4.5 Capital Funding Changes Requiring Approval

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

Funding	Service	Amount £m	Reason for Change
Additional/ Reduction in Funding (Grants, Other contributions)	P&E	+3.8 (grants) +5.0 (other contributions)	Changes in grants and other contributions are anticipated in relation to the following schemes: • Emergency Active Travel grant (£1.335m) rolled forward from 2021-22 • Carriageway & Footway Maintenance including Cycle Paths (+£2.5m) additional Department for Transport grant • Potholes (+£4.0m)- revenue contributions • A141 and St Ives Improvement scheme (+£1.0m)- additional contributions are anticipated for a new Cambridgeshire & Peterborough Combined Authority (CPCA) scheme. This is the first year of this scheme and there is further work and funding expected in future years, fully funded by CPCA.

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
Children's Residential Home– Respite Innovation Programme	P&C	£3.127m 2022-23 Prudential borrowing	Additional borrowing of up to £3.127m is requested for developing and mobilising an accommodation and community-based Intensive Therapeutic Support Hub for children and young people (CYP) with SEN, disabilities and mental health difficulties, following successful award of a £1million grant from the Department for Education in March 2022, in line with a submission by CCC to the Respite Innovation Fund. The grant is for revenue for the project and requires capital investment by the Council to provide the accommodation to which the hub will be hosted. The preferred option for the ITSH is The Hawthorns in Cambridge, a current surplus asset for CCC that can be brought back into use. The annual cost of the additional borrowing is estimated at £228k starting in 2023/24, decreasing each year thereafter.
North Angle Solar Farm	P&E	£0.382m 2022-23 Prudential borrowing	A confidential report went to E&GI committee 7th July 2022 on the increased capital costs of the Cambridgeshire Private Electricity Network (CPEN). The impact on the 2022-23 budget is a request for £382k additional prudential borrowing resulting from easement negotiations and market increases on the capital costs for the construction of CPEN. Although the costs have increased, the net present value (NPV) is actually considerably higher in the new scenario due to increased energy prices for selling energy so is better value to the Council. The annual cost of the additional borrowing is estimated at £18k starting in 2024/25, decreasing each year thereafter.
North Angle Solar Farm Swaffham Prior Community Heat Project	P&E P&E	£0.399m -£0.399m 2022-23 Virement	Virement request for £399k budget to be transferred from Swaffham Prior Community Heat Project to the North Angle Solar Farm to better reflect where CPEN costs will be incurred.
Woodland Lodge Children's Home Essential Work	P&C	£0.256m 2022-23 Prudential borrowing	Additional borrowing of £0.256m is requested for completion of required property works at Woodland Lodge to support it to comply with the Children's Homes Regulations by making the home safe to live and work in and ensuring that the interior decorations make the service homely and in line with CCC priority outcomes. The annual cost of the additional borrowing is estimated at £12k starting in 2023/24, decreasing each year thereafter.

Recommendation B: Approve additional prudential borrowing requests totalling £3.765m and a virement of £0.4m as per table 4.5.2

5 Balance Sheet

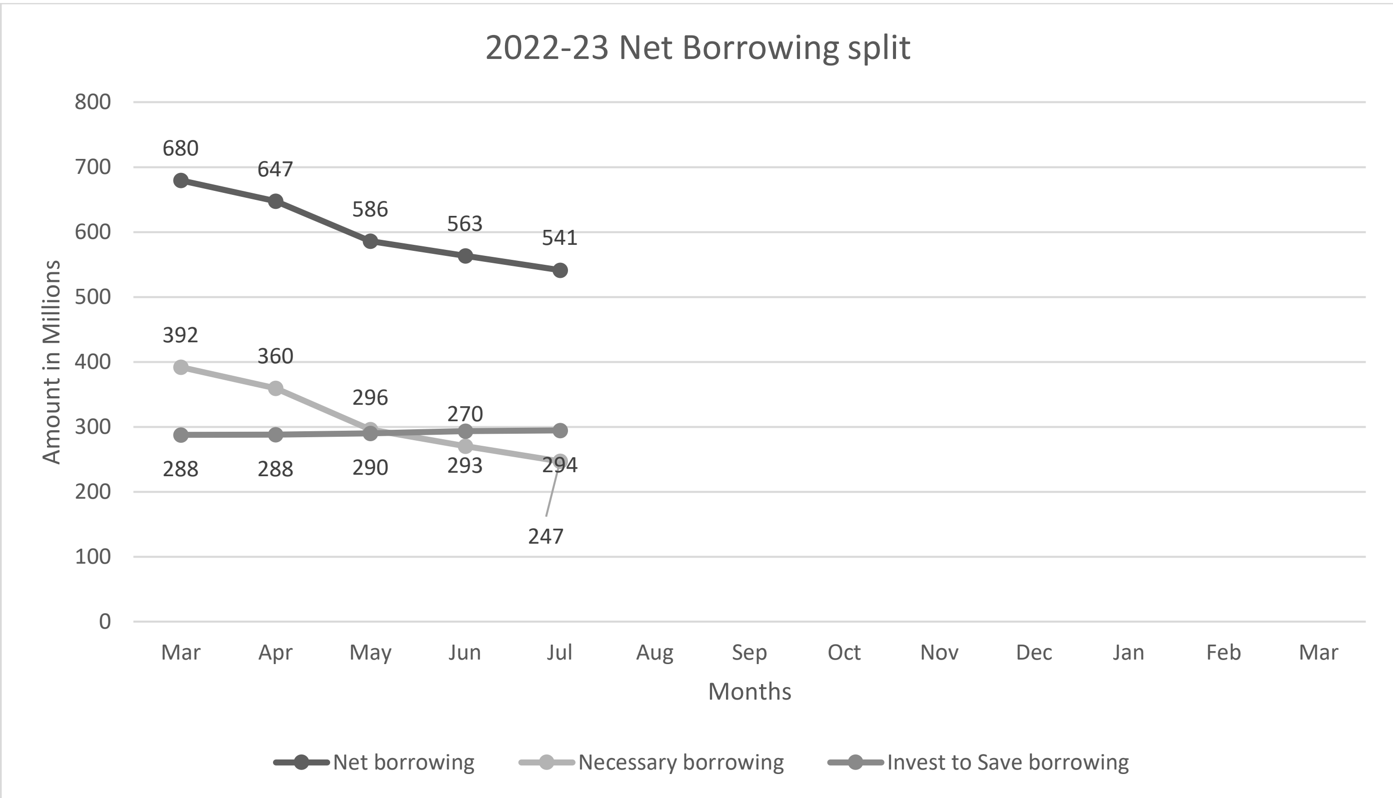
5.1 Reserves

At the end of July, the Council has revenue reserves totalling £161m. Most of these reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.

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

5.2 Borrowing

The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2022/23, it is estimated that £294m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



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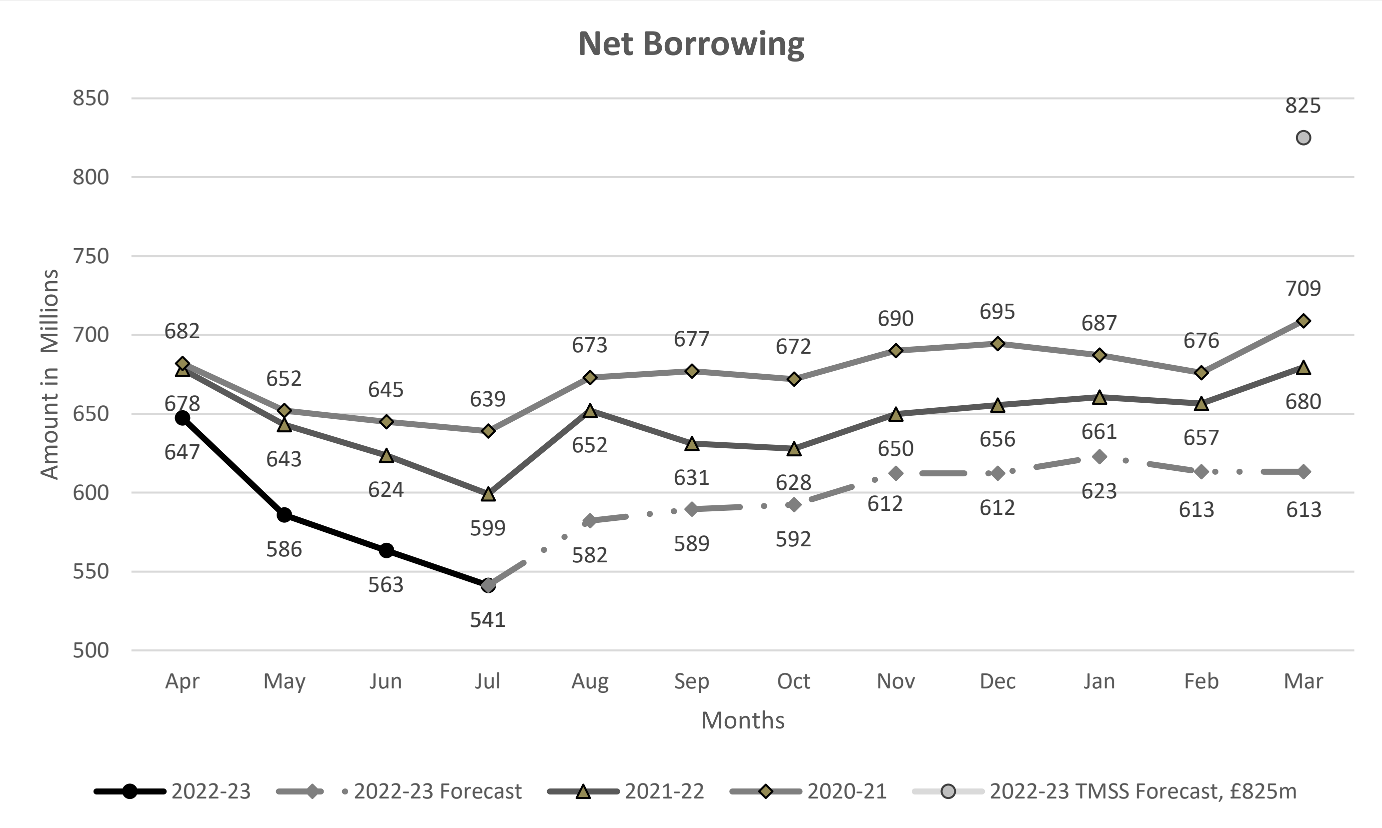
The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of July 2022, investments held totalled £203.0m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £744.3m, equating to a net borrowing position of £541.3m.



5.3 General Balance Sheet

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

Measure	Year End Target	Actual as at the end of July 2022
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	83%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£12.13m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.86m
% of invoices registered on ERP within 2 working days	98.0%	99.5%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.7%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	83.9%

6 Treasury Management

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

6.2 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2022-23 TMSS was set in February 2022, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2021-22 outturn position, the Council's in-year cash position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £613.2m 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 given the current high PWLB rates 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.

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

1. People and Communities

- An overall pressure of £0.507m is forecast for year-end.

New commentaries

1a Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.6	+3%

A £0.550m pressure is forecast within Mental Health Services, reflecting significant additional demand pressures within the Adult Mental Health service (£655k pressure). This is partially offset by an expected underspend against the Section 75 Contract.

Adult Mental Health services are continuing to see significant additional demand within community-based care, particularly there has been a notable increase in the volume of new complex supported living placements made since the start of the year. This trend is continuing, with a further seven placements including one high-cost transition case, increasing the forecast pressure.

Previously reported commentaries, unchanged since last month:

1b Central Commissioning - Adults

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

A £0.257m pressure is forecast within Central Commissioning – Adults. This is in relation to rapid discharge and transition cars commissioned to manage winter pressures. These cars enable more prompt discharges from hospital, as people can be provided with domiciliary care as part of a block contact while they wait for an individual care package to be sourced. The block contract was commissioned for 12 months, while the NHS only provided 6 months of funding.

This has led to a pressure of +£851k. This is partly mitigated by savings of -£575k due to the decommissioning of six local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model. The long-term strategy is to decommission all the local authority funded cars, meeting the need for domiciliary care through other, more cost-effective means, such as:

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

There are some additional small underspends on recommissioned contracts that are further mitigating the pressure.

1c SEND Financing – DSG

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

An £11.800m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). Due to the continuing increase in the number of children and young people with

Education, Health and Care Plans (EHCPs), and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current in-year forecast reflects the initial latest identified shortfall between available funding and current budget requirements.

1d Financing - DSG

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

This line relates to the £11.800m that will be required to be drawn down from the DSG reserve to meet the in-year pressure on DSG funded services (mainly the high needs block as noted above). This reserve is currently negative (a deficit on the DSG). Within P&C, spend of £102.9m is funded from the ring-fenced Dedicated Schools Grant. The DSG balance brought forward from 2021/22 was a deficit of £39.3m.

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

2. Place and Economy

- An overall pressure of £0.365m is forecast for year-end.

New commentaries

2a Energy Projects Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+109%

An in-year pressure of £0.330m is forecast on the Energy Project Director budget. Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2022/23. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.

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

Previously reported commentaries, updated since last month:

2b Lost Sales, Fees & Charges Compensation

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

Parking Enforcement

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

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

3. Corporate Services

- An overall pressure of £1.496m is forecast for year-end.

New commentaries

3a Central Services and Organisation-Wide Risks

Forecast Outturn Variance £m	Forecast Outturn Variance %
1.5	+29%

A £1.500m pressure is forecast across Central Services and Organisation-Wide Risks. This budget line holds the inflation allocation for staff pay increases across the Council until a pay award is set at which point budget is allocated to services. The latest pay offer from the national employers, if it was replicated across the council, exceeds the budget provision made. We have assumed in this projection that due to the levels of vacancies across the organisation that the impact of the difference between budget (based on the staffing establishment) and actual pay inflation will be reduced.

Appendix 2 – Capital – commentaries on exceptions

1. People and Communities

- Overall in-year forecast outturn variance is balanced.

New commentaries

1a Northstowe 2nd Primary

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

An in-year pressure of £0.500m is forecast on the Northstowe 2nd Primary scheme; this is also a total scheme pressure. This is due to increased scheme costs identified at MS2. The scheme delivery schedule has now also been confirmed. Revised costs are being presented at August capital programme board and a revised business case is being taken through the 2023-24 Business Planning process.

1b Soham Primary Expansion

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
49	700	0	700

An in-year pressure of £0.700m is forecast on the Soham Primary Expansion scheme. Completion and delivery of works has been rephased one year from 2025-26 to 2026-27 but land purchase has completed ahead of expectation.

1c St Philip's Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
600	-550	0	-550

An in-year underspend of -£0.550m is forecast on the St Philip's Primary scheme. Rephasing is anticipated following the latest delivery programme received. Works will not now commence on site until next summer to avoid disruption to the school. Works will be to alterations and the main entrance.

1d Alconbury Weald Secondary and Special

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,500	1,000	1,000	0

An in-year pressure of £1.000m is forecast on the Alconbury Weald Secondary and Special scheme. This is anticipated to be a £1.000m total scheme pressure due to increased scheme costs. Revised costs are being presented at August capital programme board and a revised business case is being taken through the 2023-24 Business Planning process.

1e P&C Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-9,502	-449	0	-449

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. At this stage of the financial year the net £0.4m pressure has been adjusted against the capital variations budget line as it is not anticipated that the overall year-end position will be a pressure.

Schemes previously reported on, updated since last month:

1f LA Early Years Provision

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,803	-1,403	0	-1,403

An in-year underspend of -£1.403m is forecast within LA Early Years Provision. This is a reduction of £0.050m on the underspend previously reported last month. Two priority schemes have been identified as requiring investment to ensure sufficiency but due to planning and design the schemes will not start construction until 2023/24.

2. Place and Economy

- Overall in-year forecast outturn variance is balanced.

New commentaries

2a Girton to Oakington cycling scheme

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

An in-year underspend of £0.301m is forecast on the Girton to Oakington cycling scheme. Depending on the outcome of external funding bids there could be a potential to start construction during 22/23 as the detailed design has been virtually completed and the land acquisition required is progressing. As the bids are still not guaranteed, rephasing into 23/24 has been forecasted to complete land and detailed design.

2b B1050 Shelfords Road

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

An in-year underspend of £0.800m is forecast on the B1050 Shelfords Road scheme. Due to the expected disruption and the road needing to be closed for 2-3 months, the service are consulting as to when it would be best for the work to take place. The likelihood is that this scheme will now commence in 2023-24.

2c Wisbech Town Centre Access Study

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

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

2d St Neots Future High St Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
831	-540	0	-540

An in-year underspend of £0.540m is forecast on the St Neots Future High St Fund scheme. Due to HDC Governance / approval requirements construction is now programmed to commence in May 2023 therefore no construction expenditure is expected during current financial year, resulting in reduced forecasted figures.

2e Babraham Smart Energy Grid

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,630	336	0	336

An in-year pressure of £0.336m is forecast on the Babraham Smart Energy Grid scheme. In discussion with Addenbrookes Hospital, the construction phasing plan for Babraham Smart Energy Grid was changed post-contract from a two phase to a three phase programme to allow sufficient parking to be available at the Babraham Park and Ride site during construction of the smart energy grid for the Biomedical Campus. This change has increased the timeline for project delivery by 14 weeks and the upfront capital costs on the project. However, the overall project business case remains positive as a result of the increased tariff for electricity supplies.

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

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	428	0	428

An in-year pressure of £0.428m is forecast on the Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme scheme. Last year the schools low carbon heating programme sat together with the Council's office buildings low carbon heating programme but this is now separated out. This will allow closer monitoring of the additional Council's Environment Fund contributions for low carbon heating for maintained schools to match fund any Government Public Sector Decarbonisation Scheme funding. This change was implemented post March 2022 and will therefore be seen as a variance all year.

2g P&E Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (July) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-18,660	1,437	0	1,437

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 net £1.437m underspend is balanced by use of the capital variations budget. This relates primarily to the in-year forecast variances as reported above.

Appendix 3 – Budget transfers between services in 2022/23

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

Budgets and Movements	P&C £'000	PH £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	45	66,101	34,044	27,811	5,777
Post BP, pre initial budget load adjustments between CS and P&E- Energy Schemes			-336		336	
Allocation of unringfenced grant £1,143k Domestic Abuse Act Statutory Duty funding 22-23 to People & Communities as per S&R 29th March 2022	1,143					
Children's Homes Building Maintenance and Children & Safeguarding restructure transfer	-45				45	
Budget transfer for 1.75% pay award for 21-22	1,829		191		-2,020	
Transfer of Market sustainability full grant budget to P&C	-750					
Proposed budget resetting movements as outlined in May IFMR	-3,454		2,251	-769	1,519	655
22-23 BP virements to replace expenditure budgets with reserve draw down lines	-3,606	-45	-455		-155	4,261
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant carry forward to Place & Economy			10			
Allocation of unringfenced grant £100k ASC Charging Implementation Support Grant to Adults Services	100					
Transfer of IT budget P&C to CS	-13				13	
Transfer of Qtr 1 Mileage Savings	-156		-5		161	
Current budget	**316,628**	**0**	**67,757**	**33,275**	**27,710**	**10,693**
Rounding	-2	0	0	0	1	1

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Appendix 4 – Reserves and provisions

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

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 (or in budgeting) £000s	Balance at 31 July 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
General Reserves **- County Fund Balance**	46,475	-18,260	28,215	25,847	
General Reserves subtotal	46,475	-18,260	28,215	25,847	
1 Insurance	4,719	3	4,721	4,721	
2 P&C & Schools	18,518	478	18,996	10,271	
3 PH	8,503	0	8,503	4,661	
4 P&E	9,756	1,231	10,987	4,763	Includes reserve for Waterbeach waste facility works- revenue impact of plant closure
5 Corporate Services	4,552	-102	4,450	2,577	
6 Just Transition Fund	0	13,803	13,803	10,033	Starting balance of £14m, with allocations made totalling £9.9m across medium-term
7 High Needs Block Offset Reserve	0	12,435	12,435	12,435	
8 Transformation Fund	25,012	-21,184	3,829	0	Balance for legacy Transformation projects
9 Innovate & Cultivate Fund	442	350	792	440	
10 Corporate- COVID	26,987	-4,573	22,414	16,820	Includes remainder of COVID-19 Support Grants. Allocated over medium-term.
11 Specific Risks Reserve	2,140	1,429	3,569	3,569	
12 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
13 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
14 Collection Fund Volatility & Appeals Account	3,690	544	4,234	4,234	
15 Local Government Settlement phasing reserve	0	4,324	4,324	4,324	
16 Post-pandemic recovery and budgeting account	0	7,017	7,017	7,017	
17 Business change reserve	0	4,000	4,000	3,750	
18 Grant carry forwards	14,031	-14,031	0	0	Carry forward of unspent ring-fenced grants
Other Earmarked Funds subtotal	127,140	5,724	132,864	98,404	
SUBTOTAL	**173,615**	**-12,536**	**161,079**	**124,251**	
19 P&C	6,116	0	6,116	0	
20 P&E	4,063	0	4,063	0	
21 Corporate Services	13,857	200	14,057	14,057	
22 Corporate	73,787	14,758	88,545	81,116	
Capital Reserves subtotal	111,016	14,958	112,781	95,173	
GRAND TOTAL	**284,630**	**2,422**	**273,859**	**219,424**	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 31 July 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
1 P&E	0	0	0	0	
2 P&C	16	0	16	16	
3 Corporate Services	2,093	0	2,093	2,093	
Short Term Provisions subtotal	2,109	0	2,109	2,109	
4 Corporate Services	4,746	0	4,746	4,746	
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,855**	**0**	**6,855**	**6,855**	

Appendix 5 – Savings Tracker 2022-23 Quarter 1

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
Green	A/R.6.176	Adults Positive Challenge Programme - demand management	P&C	A&H	-154	-154	0	0%	↔	On track
Green	A/R.6.177	Cambridgeshire Lifeline Project	P&C	A&H	-10	-10	0	0%	↔	On track
Green	A/R.6.179	Mental Health Commissioning	P&C	A&H	-24	-24	0	0%	↔	Delivered
Green	A/R.6.185	Additional block beds - inflation saving	P&C	A&H	-390	-390	0	0%	↔	On track
Black	C/F 21-22 Saving	Adult Social Care Transport	P&C	A&H	-220	0	220	100%	↓	At risk due to likely inflationary pressures on transport costs
Amber	A/R.6.188	Micro-enterprises Support	P&C	A&H	-133	-30	103	77%	↔	At risk due to capacity in the market. Suppliers delivering to service users not known to the Council
Green	A/R.6.190	iBCF	P&C	A&H	-240	-240	0	0%	↔	Delivered
Green	A/R.6.191	Extra care retendering	P&C	A&H	-87	-87	0	0%	↔	Delivered
Green	A/R.6.192	Shared lives	P&C	A&H	-50	-50	0	0%	↔	On track
Green	A/R.6.193	Expansion of Emergency Response Service	P&C	A&H	-210	-210	0	0%	↔	On track
Green	A/R.6.194	Interim Bed recommissioning	P&C	A&H	-412	-412	0	0%	↔	Delivered
Green	A/R.6.195	Increased support for carers	P&C	A&H	-219	-219	0	0%	↔	On track
Green	A/R.6.197	Community Equipment Service contract retender	P&C	A&H	-121	-121	0	0%	↔	Delivered
Green	A/R.6.198	Decommissioning of domiciliary care block provision	P&C	A&H	-236	-236	0	0%	↔	Delivered
Green	A/R.6.200	Expansion of Direct Payments	P&C	A&H	-234	-234	0	0%	↔	On track
Green	A/R.7.111	Client Contributions Policy Change	P&C	A&H	-562	-562	0	0%	↔	Ongoing difficulties in recruitment continue to delay the reassessments project, but it is expected that savings will be delivered over the course of the year and any shortfall will be mitigated in-year by increases in client contributions.
Green	A/R.7.112	Community Equipment Pool	P&C	A&H	-155	-155	0	0%	↔	Delivered
Green	A/R.7.113	Learning Disability Partnership Pooled Budget Rebaselining	P&C	A&H	-1,125	-1,125	0	0%	↔	At risk due to delays in commencement of detailed work with ICB
Green	A/R.6.255	Children in Care - Placement composition and reduction in numbers	P&C	C&YP	-600	-600	0	0%	↔	On track
Green	A/R.6.257	Special Guardianship Orders	P&C	C&YP	-250	-250	0	0%	↔	On track

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
Green	A/R.6.268	Transport - Children in Care	P&C	C&YP	-380	-380	0	0%	↔	On track
Green	A/R.6.269	Virtual School	P&C	C&YP	-50	-50	0	0%	↔	On track
Green	A/R.6.271	Maximising use of existing grants	P&C	C&YP	-350	-350	0	0%	↔	On track
Green	A/R.6.213	Registrars	P&C	C,SM&I	-200	-200	0	0%	↔	On track
Green	A/R.6.214	C&P efficiencies	P&C	C,SM&I	-250	-250	0	0%	↔	On track
Green	C/F 21-22 Saving	Communities and Partnership Review	P&C	C,SM&I	-200	-200	0	0%	↔	On track
Green	B/R.6.215	Recycle asphalt, aggregates and gully waste	P&E	H&T	-15	-15	0	0%	↔	On track
Green	B/R.6.216	Review Street Lighting Service requirements	P&E	H&T	-10	-9	1	10%	↓	On track
Green	B/R.6.220	Highway Services Contract Efficiencies	P&E	H&T	-110	-110	0	0%	↔	On track
Green	C/R.6.105	Members Allowances	CS	S&R	-40	-40	0	0%	↔	On track
Green	C/R.6.106	Contract Efficiencies	CS	S&R	-200	-200	0	0%	↔	On track
Amber	C/F 21-22 Saving	External Income	CS	S&R	-205	-125	80	39%	↓	Due to a change in policy for advertising and sponsorship this will be harder to meet.
Black	C/R.6.107	Senior Management Staffing	CS	S&R	-100	0	100	100%	↓	Full Council resolved to make an investment into senior management capacity
Red	C/R.7.101	BP 19/20 - Council Tax: Increasing Contributions	CS	S&R	-650	-132	518	80%	↓	Unlikely to meet. MOU is still being deliberated by authorities. CFO group has made progress agreeing the terms and South Cambs are currently updating the MOU. Investment has not yet been spent. Recruitment will begin once MOU has been agreed and signed.
Green	B/R.7.127	Alconbury Solar Carport	P&E	E&GI	-37	-37	0	0%	↔	On track
Green	C/R.7.105	Renewable Energy Soham - Income Generation	CS	S&R	-13	-13	0	0%	↔	On track
Black	B/R.7.128	St Ives Smart Energy Grid - Income Generation	P&E	E&GI	-44	0	44	100%	↓	Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2023/24. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.
Black	B/R.7.129	Babraham Smart Energy Grid - Income Generation	P&E	E&GI	-48	0	48	100%	↓	Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme. This has added an additional 14 weeks to the construction programme pushing back income generation and maintenance costs to start by October 2023.
Black	B/R.7.132	North Angle Solar Farm, Soham -	P&E	E&GI	-678	0	678	100%	↓	The North Angle Solar Farm project will be energised by June 2023 and not December 2022 as originally forecast.

RAG	BP Ref	Title	Service	Committee	Original Saving £000	Forecast Saving £000	Variance from Plan £000	% Variance	Direction of travel	Commentary
		Income Generation								This is due to the private wire not being in place by December 2022 as a result of extended third party easement negotiations. This has resulted in an income and maintenance cost delay.
Black	B/R.7.133	Swaffham Prior Community Heat Scheme - Income Generation	P&E	E&GI	-298	0	298	100%	↓	Delayed until 23/24
Green	C/R.7.115	Brunswick House - Income Generation	CS	S&R	-27	-27	0	0%	⇔	On track
Green	C/R.7.117	Tesco - Income Generation	CS	S&R	-34	-34	0	0%	⇔	On track
Green	C/R.7.120	County Farms - Agricultural Rent	CS	S&R	-45	-45	0	0%	⇔	On track
Blue	C/R.7.155	Investment Income	CS	S&R	-250	-318	-68	-27%	↑	Q1 dividend received & new forecast has exceeded the budget
Black	C/F 21-22 Saving	Cambs 2020 Operational Savings	CS	S&R	-605	0	605	100%	↓	This saving will not be met until the site is handed over.
Green	E/R.6.034	Reduction in demand led Public Health budgets	PH	A&H	-328	-328	0	0%	⇔	Delivered

Key to RAG ratings

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

Appendix 6 - Treasury Management Indicators Quarter 1

Treasury / Prudential Indicator	**2022/23 Indicator**	**2022/23 Quarter 1**
Authorised limit for external debt (Including 3rd party loans, equity and This Land)	£1,090.0m	-
Operational boundary for external debt (Including 3rd party loans, equity and This Land)	£1,060.0m	-
Total Net Borrowing – Quarter 1 (Including 3rd party loans, equity and This Land)	-	£558.6m
Capital Financing Requirement (CFR) *[Including PFI and Finance Lease Liabilities]*	£1,006.2m	£964.1m^
Ratio of financing costs to net revenue streams – yearly average	8.9%	8.0%^
Upper limit of fixed interest rates based on net debt*	150%	130%
Upper limit of variable interest rates based on net debt*	65%	-30%
Principal sums invested over 365 days (excluding Third-Party Loans)	£50.0m	£37.8m
Maturity structure of borrowing limits**: -		
Under 12 months	Max. 80% Min. 0%	16.5%
12 months to 2 years	Max. 50% Min. 0%	14.2%
2 years to 5 years	Max. 50% Min. 0%	10.9%
5 years to 10 years	Max. 50% Min. 0%	10.7%
10 years and above	Max. 100% Min. 0%	47.7%

^ Estimated

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

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