

Finance Monitoring Report – May 2024

To:	Adults and Health Committee
Meeting Date:	27 June 2024
From:	Executive Director: Adults, Health & Commissioning Executive Director: Finance and Resources
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	N/A
Executive Summary:	The report provides an update on the financial position of the Adults, Health and Commissioning Directorate (including Public Health) as at the end of May 2024.
Recommendations:	Adults and Health Committee is recommended to: <ol style="list-style-type: none">1) note the Adults, Health and Commissioning Finance Monitoring Report as at the end of May 2024;2) endorse the use of £200k of unallocated Public Health 2024/25 grant uplift to support the recommissioning of sexual and reproductive health services, as set out in section 3.2, subject to the agreement of Strategy, Resources & Performance Committee; and3) endorse the proposed capital budget movements, reflecting the annual roll-forward and re-phasing process, as set out in section 3.3, subject to the agreement of Strategy, Resources & Performance Committee.
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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 This regular financial monitoring report provides the consolidated management accounts of the Adults, Health and Commissioning Directorate and the Public Health Directorate, enabling members to be aware of, and to scrutinise, the delivery of the business plan for 2024-25 and the corporate vision and ambitions within it.

2. Background

- 2.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.
- 2.2 Budgets for services are agreed by Full Council in the business plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over- or under-spent for the year against those budgets.
- 2.3 The presentation of the FMR enables Members to review and comment on the financial position of services within the committee's remit.
- 2.4 Generally, the FMR forecasts explain the overall financial position of each service and the key drivers of any budget variance, rather than explaining changes in forecast month-by-month.
- 2.5 The contents page of the FMR shows the key sections of the report. In reviewing the financial position of services, members of this committee may wish to focus on these sections:
- Section 1 – providing a summary table for services that are the responsibility of this committee and setting out the significant financial issues (replicated below).
 - Section 5 – the key activity data for Adult Services provides information about service-user numbers and unit costs, which are principal drivers of the financial position.
 - Appendices 1-3 – these set out the detailed financial position by service and provide a detailed commentary for services projecting a significant variance from budget.
 - Appendix 4 – this sets out the savings for Adults, Health and Commissioning and Public Health in the 2023/24 business plan, and savings not achieved and brought forward from previous years that are still thought to be deliverable.
 - Appendix 5 – contains information on earmarked reserves, grant income and budget virements.

3. Main Issues

3.1 Adults, Health and Commissioning overall revenue position

3.1.1 The overall position for Adults, Health and Commissioning budgets to the end of May 2024 is a forecast balanced position. This includes the position for Public Health which is now part of the Adults, Health and Commissioning directorate.

Forecast Outturn Variance (Previous) £000	Service Area	Gross Budget £000	Income Budget £000	Net Budget £000	Actual to date £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
0	Executive Director	21,374	-51,987	-30,614	-14,925	43	-0.1%
0	Learning Disability and Prevention	155,730	-39,771	115,959	26,952	56	0.0%
0	Care and Assessment	146,030	-42,515	103,514	17,940	0	0.0%
0	Commissioning	52,859	-10,695	42,164	4,929	-99	-0.2%
0	Public Health	38,070	-38,069	0	-7,694	0	0.0%
0	Total Expenditure	414,062	-183,038	231,025	27,202	0	0.0%
0	Mitigations	0	0	0	0	0	0.0%
0	Total	414,062	-183,038	231,025	27,202	0	0.0%

3.1.2 It is early in the financial year and there are a range of factors that will impact the forecast position as the year progresses including:

- the Directorate has a challenging set of savings targets to deliver against in 2024/25. Progress against these targets is reported quarterly and whilst many are on track to deliver, in other areas the work to finalise delivery plans is still underway putting at risk the chances of full delivery of savings in the current financial year;
- demand is difficult to predict and can vary significantly from month to month. This can be reflected both in higher numbers accessing services, and higher acuity of need of those accessing services;
- recruitment remains challenging and vacant posts can lead to underspends against staffing budgets;
- staffing risks are particularly pertinent for the Public Health team in the short term as the separation from Peterborough City Council takes place; and
- pressures with the provider market continue to be felt, particularly related to increasing fee rates. Inflationary negotiations are ongoing and providers are continuing to report cost pressures related to both workforce issues and the current cost of living crisis. The impacts

of inflationary pressures are seen both in the uplifts required for existing care packages, and the price at which new packages are sourced; and

- the position of the care market, particularly around specific types of provision and location, is making some placements more difficult to source, particularly at the more complex end of provision.

3.1.3 As a result of these issues, close attention will be paid to changes in demand, costs and income as the 2024-25 financial year progresses, and forecasts will be updated accordingly.

3.1.4 Adults, Health and Commissioning debt (excluding debt with Health partners) stood at £20.7m at the end of May, up from £20.5m at the end of April. In addition, debt with Health partners stood at £19.7m at the end of May. Actions continue 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. Debt over 90 days old was £16.3m at the end of May down from £16.4m at the end of April. The level of aged debt has a knock-on impact on the bad debt provision and likelihood of write offs which will be monitored as the year progresses.

3.2 Public Health grant uplift

3.2.1 The Public Health grant for 2024/25 was assumed to rise in the Business Plan for this year. However, when the final grant was announced it exceeded the assumed level by £301k. A separate paper on the agenda for this meeting on the recommissioning of sexual and reproductive health services proposes the investment of £200k of the unallocated uplift into these services. Committee is asked to endorse this investment into sexual and reproductive health services for approval by Strategy, Resources and Performance committee.

3.3 Capital position

3.3.1 Following the end of the 2023-24 financial year, an annual process is carried out to review capital budgets allocated for the previous year and assess whether budget needs to be rephased to the new year or later years to reflect updated delivery timescales. At the same time, the overall phasing of capital schemes is reviewed, and funding sources for capital schemes are reviewed and if necessary updated. The results of this process are set out in appendix 3 of the FMR, with proposed movement of capital budgets between years. As budget movements, the decision is ultimately for Strategy, Resources and Performance Committee but this committee is asked to endorse the changes in its remit ahead of SRP Committee meeting.

4. Significant Implications

4.1 Finance Implications

This report provides the latest financial information for the Adults, Health and Commissioning and Public Health Directorates and so has a direct impact on scrutiny and on wider decision making.

4.2 Legal Implications

There are no significant implications within this category.

4.3 Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

5. Source Documents

5.1 Finance Monitoring Reports are produced monthly, except for April, for all of the Council's services. Quarterly reports are uploaded regularly to the website below.

5.2 Location

[Finance and performance reports - Cambridgeshire County Council](#)