

Integrated Finance Monitoring Report for the period ending 31 October 2021

To: Strategy & Resources Committee

Meeting Date: 17 December 2021

From: Chief Finance Officer

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/025

Outcome: The Committee will have received information setting out the current financial position of the Council, enabling it to assess delivery of the Council's business plan. It will also have made decisions around the allocation of resources. Overall, this will contribute to good financial management and stewardship of public funds.

Recommendation: Strategy & Resources Committee (S&R) is recommended to:

- a) Earmark a total of £1.55m to offset one-off revenue costs related to waste diversion while plant works are carried out, as set out in section 6.1;
- b) Approve the £2m transfer to earmarked reserves for adults risks as set out in section 6.2;
- c) Note the Combined Authority funding reduction of £1.9m in line with the reduced scope of the Wisbech Town Centre Access Study scheme, as set out in section 7.6; and
- d) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4).

Officer contact:

Name: Stephen Howarth
Post: Assistant Director of Finance
Email: stephen.howarth@cambridgeshire.gov.uk
Tel: 01223 507126

Member contacts:

Names: Councillors Nethsingha & Meschini
Post: Chair/Vice-Chair
Email: Lucy.Nethsingha@cambridgeshire.gov.uk
Elisa.Meschini@cambridgeshire.gov.uk
Tel: 01223 706398

1. Purpose

- 1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.

2. Overview

- 2.1 The following summary provides the Authority's forecast financial position at year-end and its key activity data for care budgets.

Finance and Key Activity

Revenue budget forecast outturn -£7.027m (-1.6%) forecast year end variance, however, there continues to be uncertainty about the pandemic impact in the coming months Green	This is a £4.034m increase in the forecast revenue underspend compared to last month. There is a £0.287m decrease in the forecast capital year-end expenditure compared to last month.	Capital programme forecast outturn -£7.3m (-4.2%) forecast year end variance Green
---	---	---

Number of service users supported by key care budgets

	Budgeted no. of care packages 2021/22	Actual Oct 21	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21
Older people aged 65+ receiving long term services					
Nursing	585	532	492	Increasing	Stayed the same
Residential	987	877	864	Increasing	Stayed the same
Community	2,387	1,954	1,932	Increasing	Stayed the same

	Budgeted no. of care packages 2021/22	Actual Oct 21	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21
Working Age Adults receiving long term services					
Nursing	60	65	69	Stayed the same	Increasing
Residential	346	358	358	Stayed the same	Increasing
Community	2,836	2,920	2,868	Increasing	Increasing

	Budgeted no. of placements 2021/22	Actual Oct 21	Actual May 21	Trend in service user numbers since May 21	Trend in average weekly unit cost since May 21
Children in Care					
Children in Care placements	314	301	308	Decreasing	Increasing
Fostering and Supervised Contact	297	258	226	Decreasing	Decreasing
Adoption	477	421	430	Decreasing	Stayed the same

Further details can be found in the quarterly service committee performance reports.

2.2 The key issues included in the summary analysis are:

- The overall revenue budget position is showing a forecast year-end underspend of -£7.027m. The forecast underspends are largely within People & Communities (P&C) (-£4.7m), Funding Items (-£1.6m), CS Financing (-£0.7m) and Place & Economy (P&E) (-£0.03m). There is a small forecast pressure within Corporate Services (CS) (+£0.006m) See section 3 for details.
- The Capital Programme is forecasting a year-end underspend of -£7.3m at year-end. This includes use of the capital programme variations budget. See section 7 for details.

3. Revenue Budget

3.1 A more detailed analysis of financial performance is included below:

Key to abbreviations

CS Financing – Corporate Services Financing

DoT – Direction of Travel (up arrow means the position has improved since last month)

Original Budget as per Business Plan £000	Forecast Variance (Sept) £000	Service	Current Budget for 2021/22 £000	Actual (Oct) £000	Forecast Variance (Oct) £000	Forecast Variance (Oct) %	Overall Status	DoT
64,317	108	Place & Economy	64,257	26,096	-31	0.0%	Green	↑
302,530	-2,225	People & Communities	299,771	149,125	-4,693	-1.6%	Green	↑
0	0	Public Health	0	-27,091	0	-	Green	↓
25,489	729	Corporate Services	26,614	13,871	6	0.0%	Amber	↑
31,295	0	CS Financing	31,295	3,212	-705	-2.3%	Green	↑
423,632	-1,389	Service Net Spending	421,937	165,214	-5,423	-1.3%	Green	↑
11,745	-1,604	Funding Items	13,440	13,440	-1,604	-	Green	↔
435,377	-2,993	Grand Total Net Spending	435,377	178,653	-7,027	-1.6%	Green	↑
155,583		Schools	155,583					
590,960		Total Spending 2021/22	590,960					

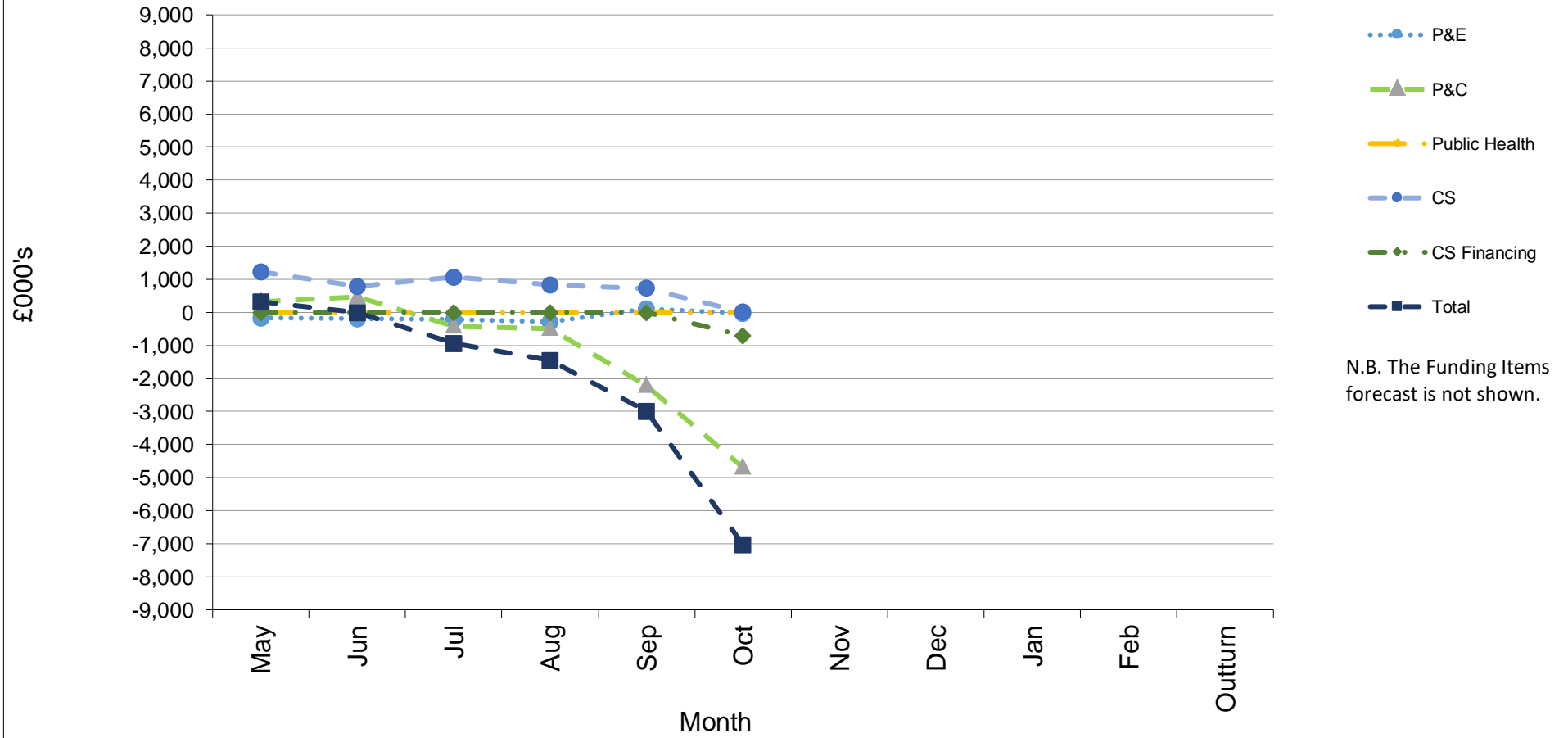
¹ The budget figures in this table are net.

² For budget virements between Services throughout the year, please see [Appendix 1](#).

³ Public Health's budget is stated to be zero as it is entirely funded by ring-fenced grant, mainly the Public Health Grant. Public Health is expected to be underspent by £1,468k on its service budget, but this will be carried-forward into the public health grant reserve.

⁴ The 'Funding Items' budget comprises the £9.2m Combined Authority Levy, the £424k Flood Authority Levy and £3.8m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e., more income received than budgeted.

Forecast Outturn Position 2021/22



3.2 Summary of Forecast Covid-19 Related Costs by Directorate for 2021/22

Directorate	Net Covid-19 Pressure £000
Place & Economy	837
People & Communities	11,597
Corporate Services	3,068
Total	15,502

These Covid-19 related costs are a mixture of additional expenditure, reduced income, and savings not delivered as a result of the pandemic. They are also net of any external funding received to cover specific functions and pressures (such as the Contain Outbreak Management Fund). Increasingly, some of these additional costs have been included within initial budgets and as such do not impact on the services' forecast outturns reported elsewhere within this report. However, the overall costs related to Covid-19 are still required to be categorized and reported to central government.

3.3 Key exceptions this month are identified below.

Exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

3.3.1 Place & Economy:

-£0.031m (-0.0%) underspend is forecast.

- Highways Development Management

Outturn Variance £m	Outturn Variance %
-0.268	(-%)

A -£0.268m underspend is forecast. There is an expectation that section 106 fees will come in higher than budgeted for new developments which will lead to an overachievement of income. However, this is an unpredictable income stream and the forecast outturn is updated regularly.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£0.076m. For full and previously reported details, see the [P&E Finance Monitoring Report](#).

3.3.2 People & Communities:

-£4.693m (-1.6%) underspend is forecast at year-end.

- Strategic Management - Adults

Outturn Variance £m	Outturn Variance %
0.237	(+4%)

A £0.237m pressure is forecast. This is a change of £1.234m on the underspend position previously reported last month. The Strategic Management – Adults line holds a range of central grant funding and Health funding including the Better Care Fund allocations. Funding from government grants is offsetting increased pressures in Learning Disabilities which have emerged in recent months. In addition, this line is holding a central risk assumption for demand changes that might emerge over the winter months across all care types. This will be monitored on a regular basis as we move through the remaining months of this financial year.

- **Learning Disabilities**

Outturn Variance £m	Outturn Variance %
+2.149	(+3%)

A £2.149m pressure is forecast. This is an increase of £0.655m on the pressure previously reported last month. Levels of need have risen greatly over the last year, and this is exacerbated by several new service users with LD care packages with very complex health and care needs, requiring significant levels of care that cost much more than we budget for an average new care service. The increase in forecast in October is largely due to care package changes for the existing cohort of service users, although £166k of the increase in Young Adults' pressure is due to service users transitioning to adults services; over 60% of this cost is to meet health needs. While £107k of the increase in the pressure for Huntingdonshire and Fenland localities is due to two service users being discharged from hospital into community placements. LD services in Cambridgeshire work in a pooled budget with the NHS, so any increase in cost in-year is shared.

A detailed review of activity information and other cost drivers has been undertaken as at the end of October and the forecast position updated accordingly. We will continue to review the position as we move through the autumn and winter months and the forecast remains subject to variation as circumstances change.

- **Physical Disabilities**

Outturn Variance £m	Outturn Variance %
-1.500	(-9%)

A -£1.500m underspend is forecast. This is an increase of £0.500m on the underspend position previously reported last month. Previously identified pressures resulting from increased demand for community-based care have been recognised through the business planning process and are manageable within current budget. Net demand in the current year is below budgeted levels and has stabilised over recent months.

A peak in demand for bed-based care in the last quarter of 2020/21 has now reversed, with numbers returning to pre-pandemic levels. This, in conjunction with an increase in income due from clients contributing towards the cost of their care, ongoing work to secure appropriate funding for service users with health needs and the slow-down in demand for community-based care, has resulted in the reported underspend.

- Older People's Services

Outturn Variance £m	Outturn Variance %
-6.000	(-10%)

A -£6.000m underspend is forecast. This is an increase of £3m on the underspend position previously reported last month. This is a significant reduction since last month, reflecting increased certainty regarding the financial impact of current year activity at this stage of the year. This position allows for the proposed transfer of £2.0m to a risk reserve. (See also section 9.1)

As was reported throughout 2020/21, the impact of the pandemic has led to a notable reduction in the number of people having their care and support needs met in care homes. This short-term impact has carried forward into forecasting for 2021/22 and includes a reduction in care spend relating to the final months of 2020/21 that has manifested since year-end. Spend today is below the level budgeted for and therefore budget is available for rising demand or costs. This is causing the forecasted underspend on the Older People's budget, but the financial position of this service is considerably uncertain. There is a growing number of people who have survived Covid, being left with significant needs, and many vulnerable adults have developed more complex needs as they have not accessed the usual community-based or early help services due to lockdown. The impact on delayed health care treatments such as operations will also impact individual needs and health inequalities negatively. It is anticipated that demand will increase as we complete more annual reviews, many of which are outstanding due to the pandemic.

Hospital Discharge systems continue to be pressured and we expect some substantial cost increases as both NHS funding is unwound fully, and the medium-term recovery of clients assessed as having primary health needs upon hospital discharge return to social care funding streams.

We will continue to review in detail activity information and other cost drivers to validate this forecast position. This remains subject to variation as circumstances change and more data comes through the system.

- Children in Care Placements

Outturn Variance £m	Outturn Variance %
+1.500	(+7%)

A £1.500m pressure is forecast. This is an increase of £0.250m on the pressure previously reported in July and relates in full to a change since last month. Despite a relatively stable position in the number of Children in Care (CiC) we are seeing increasing cost pressures due to changes in complexity of need, and continuing cost inflation within the sector. Specifically, changes in legislation from 1st September which required all local authorities to ensure no young people in care under the age of 16 were placed within unregistered provision. The consequence of this has been a knock-on effect within the residential and fostering markets responding to increased demand as young people moved on from unregistered provision. This has led to a significant increase in weekly cost for some placements. Also, we are seeing an increase in complexity of need within both

existing and new placements. This increased demand, coupled with an overall shortage of availability, has led to price increases within the sector.

- **Strategic Management – Children & Safeguarding**

Outturn Variance £m	Outturn Variance %
-0.900	(-33%)

A -£0.900m underspend is forecast. There has been an over-achievement of the vacancy savings target across the service. This is due to a combination of the difficulty in recruiting to social worker posts and also posts becoming vacant with recruitment to vacancies taking longer than anticipated in the current climate.

- **SEND Financing - DSG**

Outturn Variance £m	Outturn Variance %
+13.684	(+18%)

A £13.684m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). This is an increase of £2.440m on the pressure previously reported in May and relates in full to a change since last month. 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 revised forecast in-year pressure reflects the latest identified shortfall between available funding and current budget requirements.

- **Financing - DSG**

Outturn Variance £m	Outturn Variance %
-13.429	(-15%)

£13.429m 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). This reserve is currently negative (a deficit on the DSG). Within P&C, spend of £90.8m is funded from the ring-fenced Dedicated Schools Grant. The final DSG balance brought forward from 2020/21 was a deficit of £26.4m.

This is a ring-fenced grant and, as such, pressures do not currently affect the Council's bottom line. We continue to work with the Department for Education (DfE) to manage the deficit and evidence plans to reduce spend.

- **Home to School Transport – Special**

Outturn Variance £m	Outturn Variance %
+0.250	(+2%)

A £0.250m pressure is forecast. This reflects the significant increase in numbers of pupils with Education, Health and Care Plans (EHCPs). The revised position is due to the continuing demand for places at Special Schools and High Needs Units combined with an increase in complexity of transport need, often resulting in children being transported in individual taxis with a Passenger Assistant. This is

compounded by an underlying national issue of driver availability which is seeing less competition for tendered routes and therefore promoting increased costs. This year we have also had numerous contracts handed back by operators. This is unprecedented. Replacement tenders for those routes have then resulted in higher costs being charged by the new operator for the same service.

- Executive Director

Outturn Variance £m	Outturn Variance %
-0.917	(-51%)

A -£0.917m underspend is forecast. This is an increase of -£0.485m on the underspend position previously reported in May, of which -£0.264m relates to a change since last month. A provision of £900k was made against this budget line on a one-off basis in 2021/22 for the costs of Personal Protective Equipment (PPE) needed to deliver a variety of services across social care and education services. When budgets were agreed for 2021/22 there was uncertainty about what, if any, PPE would be provided directly by government rather than having to purchase it ourselves. The government subsequently confirmed that their PPE scheme would continue, and therefore PPE spend by the Council has been minimal.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of -£4.693m. For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.3.3 Public Health:

-£1.468m underspend is forecast for year-end.

- NHS Health Checks Programme - Prescribed

Outturn Variance £m	Outturn Variance %
-0.377	(-60%)

A -£0.377m underspend is forecast. GP Health Checks are commissioned from GPs and as with other GP commissioned services payment is based on unit cost and activity. Planned activity in the first half of the year has not been achieved due to the ongoing impact of the pandemic and the GP involvement in the Vaccination Programme activity. This activity below commissioned levels is expected to continue for some time to come.

- The overall -£1.468m underspend being reported in the Public Health directorate will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall. For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

3.3.4 Corporate Services:

+£0.006m (+0.0%) pressure is forecast for year-end.

- Investment in Social Care Capacity

Outturn Variance £m	Outturn Variance %
-0.650	(-50%)

A -£0.650m underspend is forecast. The Investment in Social Care Capacity budget is a contingency budget held to offset any pressures resulting from Covid-19 in adult or children's social care. As a result of the pandemic significant additional grant funding has been received that has mitigated pressures, and in 2021/22 budget allocations to social care departments appear sufficient. This underspend reflects that no call on this budget was made in the first 6 months of the year. This has been re-planned as part of business planning for 2021-26 with this budget permanently reduced and an additional investment made in the demand impact of the pandemic recovery.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£0.006m. For full and previously reported details, see the [CS Finance Monitoring Report](#).

3.3.5 CS Financing:

-£0.705m (-2.3%) underspend is forecast for year-end.

- Debt Charges

Outturn Variance £m	Outturn Variance %
-0.705	(-2.3%)

A £0.705m underspend is forecast. This is primarily due to a forecast underspend on interest payable partially offset by a higher than budgeted Minimum Revenue Provision (MRP). Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a £1,493k forecast underspend. The Council has been able to take advantage of lower rates on both PWLB and Local Authority borrowing for new loans and also when refinancing some of its existing loans. The cashflow position will continue to be monitored closely over the remaining months of the year and levels of borrowing will be adjusted accordingly. The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the MRP). Following analysis of capital schemes completed in 2020/21 and how they were funded, the MRP payment for 2021/22 has been recalculated and the forecast year-end position is £900k higher than budgeted.

- For full and previously reported details, see the [CS Finance Monitoring Report](#).

3.3.6 Funding Items:

-£1.604m underspend is forecast for year-end. There are no exceptions to report this month.

Note: exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k

4. Savings Tracker

4.1 The “Savings Tracker” report is a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2021-22 Business Planning process. Currently, the Council is on track to deliver £8.0m of savings against its original plan. Blue rated savings total £0.7m, exceeding the target on those initiatives. Green rated savings total £4.5m. The Savings Tracker as at the end of quarter 2 is included as [Appendix 3](#) to this report. It is also important to note the relationship with the reported position within this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced position.

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
TOTAL	146.8	112.5	34.3

4.2 A summary of 2021-22 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	-564	-164	Green	26	-4,494	0	Amber	4	-2,939	746	Red	1	-1,192	587	Black	6	-2,185	2,185	-11,374	3,354

5. Key Activity Data

- 5.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest [P&C and PH Finance Monitoring Report](#) (section 5).

6. Funding Changes

6.1 Waste diversion revenue costs

This committee was advised in July of significant revenue and capital pressures facing the Waste service due to the need to complete works to remain compliant with emissions regulations, and funding for these has been built into the draft business plan that is currently being considered by committees. Some of this financial pressure was temporary as it relating to short-term costs from waste diversion while work was carried out on the waste processing facility.

The service forecast to spend £850k of revenue expenditure to address the in-year cost of the emissions works, partly using the £638k of Covid budget which wasn't required for the purpose allocated. However, the works have now slipped into 2022/23 and so it is proposed to earmark this £850k for the works when they take place.

In addition, the Waste service is in a better financial position than expected in 2021/22 due to the identification of several rebates due to the Council for the incorrect attribution to CCC of some costs relating to street-sweeping and trade waste in the current and previous financial years. This totals £700k. In order to reduce the budget gap we face next year, it is proposed to earmark this £700K funding to be used as necessary to offset any one-off costs of meeting the emissions standards that were factored into the draft business plan for 2022/23.

Strategy & Resources Committee is asked to earmark a total of £1.55m to offset one-off revenue costs related to works to meet emission standards.

6.2 Strategic Management – Adults

At their meeting on 9 December 2021, Adults & Health Committee agreed a recommendation to request that S&R Committee agree a transfer of £2m from revenue this financial year into a reserve held to mitigate risks within Adult Social Care. This revenue funding is available as budgets within Adults Services have seen to date much less growth from increased demand than was expected over 2021/22. More detail on this is set out in the P&C Finance Monitoring Report linked above.

As part of business planning for 2022/23, a significant budget rebaselining of adult social care budgets is proposed to contribute to closing the budget gap. Based on current estimates, this is a realistic adjustment. However, there remains significant uncertainty in the financial position for those services in the short-term, particularly from the unknown effects of Winter, workforce pressures within the social care

provider market, and the future of government funded personal protective equipment and infection control measures.

This level of uncertainty mean that it would be prudent while we can to earmark further funding towards risks in adult social care budgets. Use of this reserve would need to be agreed by this committee, and if the reserve is not required in the short-term it could be released back into revenue or transferred to another corporate reserve. This transfer is factored into the forecast set out for Older People's Services in section 3.3.2 above.

Strategy & Resources Committee is asked to approve the £2m transfer to earmarked reserves for adults risks as above.

7. Capital Programme

7.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2021/22 Budget as per Business Plan £000	Forecast Variance - Outturn (Sept) £000	Service	Revised Budget for 2021/22 £000	Actual-Year to Date (Oct) £000	Forecast Variance - Outturn (Oct) £000	Forecast Variance - Outturn (Oct) %	Total Scheme Revised Budget (Oct) £000	Total Scheme Forecast Variance (Oct) £000
96,983	-	P&E	105,884	19,763	-	0.0%	575,099	32
44,588	-3,407	P&C	43,473	12,007	-3,507	-8.1%	535,133	-1,181
10,261	-3,594	Corporate Services	23,758	10,643	-3,781	-15.9%	196,254	-337
-	-	Outturn adjustment	-	-	-	-	-	-
151,832	-7,001	Total Spending	173,115	42,413	-7,288	-4.2%	1,306,486	-1,486

Notes:

1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 7.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2021/22 of £40.0m and is currently forecasting a balanced budget at year-end.
3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

7.2 2021-22 capital programme variations budgets

7.2.1 A summary of the use of the 2021-22 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.

Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Oct) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Oct) £000
P&E	-25,237	-12,062	12,062	47.8%	0
P&C	-5,805	-9,312	5,805	100.0%	-3,507
CS	-5,620	-9,401	5,620	100.0%	-3,781
Outturn adjustment	-	-	7,288	-	-
Total Spending	-36,662	-30,775	30,775	83.9%	-7,288

7.2.2 As at the end of October, Corporate Services and People & Communities schemes have exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£3.8m and -£3.5m respectively. The current overall forecast position is therefore a -£7.3m underspend; the forecast will be updated as the year progresses.

7.3 Capital Current Year Key Exceptions

A more detailed analysis of current year key exceptions this month by programme for individual schemes of £0.25m or greater is identified below.

7.3.1 Place & Economy:

A balanced budget is forecast at year-end.

- Section 106 Northstowe Bus Only Link

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
318	7	-311	0	-311	0	-311

An in-year underspend of -£0.3m is forecast. There have been delays in seeking alternative construction procurement following high costs of the original target price.

- Local Infrastructure Improvements

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
1,085	636	-449	0	-449	0	-449

An in-year underspend of -£0.4m is forecast. There are no projects which are individually over £100k, but there are 46 Local Highways Improvement (LHI) schemes which are to be delayed and carried forward to 22/23 (amounting to £449,842). Most of the delays are on the schemes which need to be safety audited; currently turnaround is around 10-12 weeks (usually 6-8 weeks) prior to proceeding to formal consultation or target costing. Other delays to date have been due to approval times from parish councils. The delays have also been exacerbated by project team resources.

- A1303 Swaffham Heath Road Crossroads

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
480	80	-400	0	-400	0	-400

An in-year underspend of -£0.4m is forecast. Construction is not expected to begin until early 22/23 and is subject to ongoing land negotiation.

- Delivering the Transport Strategy Aims- Highways Schemes

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
2,808	1,474	-1,334	0	-1,334	0	-1,334

An in-year underspend of -£1.3m is forecast. Most schemes have been delayed due to late agreement in September 2021, resulting in not enough time to complete pre-construction and investigations.

- Other Cycling schemes

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
355	68	-287	0	-287	0	-287

An in-year underspend of -£0.3m is forecast. Schemes that are to be funded by the Integrated Transport block were agreed in September 2021 and as a consequence those schemes with significant detailed design and longer lead-in times are now expected to be delivered in 2022/23.

- Countywide Safety Fencing renewals

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
1,115	195	-920	0	-920	0	-920

An in-year underspend of £-0.9m is forecast. The construction phase of the A505/ M11 Duxford safety fencing renewals has been delayed due to design complexities and coordination with National Highways. The scheme is now expected to be delivered in 22/23.

- Countywide Surface Dressing programme

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
989	314	-675	0	-675	0	-675

An in-year underspend of -£0.7m is forecast. As detailed within the Carriageway & Footway Maintenance section below, three schemes are being brought forward as they are the most deliverable schemes that can be accommodated at this stage in the financial year.

- Carriageway & Footway Maintenance schemes under £500k

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
3,848	3,360	-488	-48	-440	0	-440

An in-year underspend of -£0.5m is forecast. With the current levels of predicted underspend and unallocated funding, the following three schemes are being brought forward from the published Capital Maintenance Programme:

- Brockly Road, Elsworth £180,000
- Church Street, Guilden Morden £132,000
- Balsham Road, Linton £168,000

These schemes are the most deliverable schemes that can be accommodated at this stage in the financial year.

- £90m Highways Maintenance schemes - Other

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
6,566	6,194	-372	13	-385	0	-372

An in-year underspend of -£0.4m is forecast. This is primarily due to rephasing of the following schemes:

- Littleport – Road space issues with Highways England / Suffolk network; 50% of the scheme will be carried out when the diversion route falls within Cambridgeshire (predicted at £452k spend in 2021/22, £450k spend 2022/23).
- Parson Drove/Murrow Bank (£390k) – Works to be programmed in 2022/23 to realise efficiencies by working alongside a 2022/23 Gull Road scheme.

- Pothole grant funding

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
6,841	6,275	-566	0	-566	0	-566

An in-year underspend of -£0.6m is forecast. This is due to delays in the surface treatment programme and the reduced window for delivery during the winter months. Time taken to produce target costs may mean that some schemes may not be achievable this year, which may lead to some schemes in this programme being delivered in the next financial year, attributing to this variance.

- Ring Fort Path

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
308	40	-268	18	-286	0	-268

An in-year underspend of -£0.3m is forecast. Due to ongoing land acquisition negotiations the scheme is not likely to be in a position to start on-site during 2021/22. The expected expenditure for the remainder of 2021/22 is a reflection of land purchase costs and legal fees.

- Scheme Development for Highways Initiatives

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
437	13	-424	0	-424	0	-424

An in-year underspend of -£0.4m is forecast. Funding was allocated to enable scheme development for new schemes, however this year no new schemes have been identified that require scheme development work. It is therefore expected that this funding would roll forward into next year.

- Waterbeach Waste Treatment Facilities

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
4,500	0	-4,500	0	-4,500	0	-4,500

An in-year underspend of -£4.5m is forecast. A new scheme has been added to the capital programme to take account of amendments to the Waterbeach waste treatment facilities following changes to the Industrial Emissions Directive to reduce emissions to levels which are able to meet the sector specific Best Available Technique conclusions (BATc) and comply with new Environmental Permit conditions issued by the Environment Agency. This work is not now expected to begin until 2022/23.

- Decarbonisation Fund

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
4,074	4,607	533	5	528	0	533

An in-year pressure of £0.5m is forecast. This is a change of £0.54m on the position previously reported in June, of which £0.53m relates to a change since last month. Twenty low carbon heating projects are currently underway, one of which is now completed. The total scheme forecast is unaffected.

- P&E Capital Variation

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
-25,237	-13,175	12,062	450	11,612	0	12,062

As agreed by the Capital Programme Board, 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 £12.1m underspend is balanced by use of the capital variations budget. The £11.6m change since last month relates primarily to the variances as reported above, together with more minor variances.

- For full and previously reported details, see the [P&E Finance Monitoring Report](#).

7.3.2 People & Communities:

A -£3.507m (-8.1%) underspend is forecast at year-end.

- Basic Need- Secondary

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
5,822	3,820	-2,002	-1,952	-100	89	-2,090

- An in-year underspend of -£2.0m is forecast across Basic Need- Secondary schemes. This is an increase of £0.3m on the underspend position previously reported in May, of which £0.100m relates to a change since last month. The main scheme included in the £0.3m change since May is the one outlined below, together with other more minor variances below £250k:

- New secondary capacity to serve Wisbech

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
1,984	500	-1,484	-1,484	0	0	-1,484

An in-year underspend of £1.5m is forecast. This is an increase of £0.1m on the underspend position previously reported in May, which relates to a change since August. Rephasing has taken place after significant delays in the announcement by the Department for Education (DfE) of the outcome of Wave 14 free school applications. Subject to approval of the 2022-23 Business Plan, this project will now only commence as a Social, Emotional and Mental Health (SEMH) needs provision.

- For full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

7.3.3 Corporate Services:

A -£3.781m (-15.9%) underspend is forecast at year-end.

- Capitalisation of Transformation Team

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (Oct) £'000	Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance: Rephasing £'000
1,682	1,342	-340	-150	-190	-340	0

An in-year underspend of -£0.3m is forecast. The forecast for this scheme has been updated to reflect staff vacancies.

- For full and previously reported details, see the [CS Finance Monitoring Report](#).

7.4 Capital Total Scheme Key Exceptions

A more detailed analysis of total scheme key exceptions this month by programme for individual schemes of £0.25m or greater is identified below:

7.4.1 Place & Economy:

A +£0.03m (0.0%) total scheme pressure is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&E Finance Monitoring Report](#).

7.4.2 People & Communities:

A -£1.2m (-0.2%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&C and PH Finance Monitoring Report](#).

7.4.3 Corporate Services:

A -£0.3m (-0.2%) total scheme underspend is forecast.

- Capitalisation of Transformation Team

Total Scheme Revised Budget £'000	Total Scheme Forecast Spend - Outturn (Oct) £'000	Total Scheme Forecast Spend - Outturn Variance (Oct) £'000	Variance Last Month (Sept) £'000	Movement £'000
8,382	8,042	-340	-150	-190

A total scheme underspend of -£0.3m is forecast on the Capitalisation of Transformation Team scheme as noted earlier in section 7.3.3.

- For full and previously reported details, see the [CS Finance Monitoring Report](#).

7.5 Capital Funding Changes

A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan Budget £m	Rolled Forward Funding ¹ £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	16.1	3.5	-2.0	4.0	21.6	21.3	-0.3
Basic Need Grant	0.0	1.0	0.0	0.0	1.0	1.0	0.0
Capital Maintenance Grant	3.1	2.2	0.0	0.7	6.1	6.1	0.0
Devolved Formula Capital	0.8	1.3	0.0	-0.0	2.0	2.0	0.0
Specific Grants	20.3	4.0	-2.4	3.8	25.7	22.5	-3.2
S106 Contributions & Community Infrastructure Levy	23.5	-0.3	-3.8	0.7	20.1	19.2	-0.9
Capital Receipts	1.6	0.0	0.0	-0.3	1.3	1.3	-0.0
Other Contributions	16.0	0.6	-2.8	6.8	20.6	19.0	-1.6
Revenue Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prudential Borrowing	70.4	21.6	-18.6	1.3	74.7	73.4	-1.3
TOTAL	151.8	33.8	-29.6	17.0	173.1	165.8	-7.3

¹ Reflects the difference between the anticipated 2020/21 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2021/22 Business Plan, and the actual 2020/21 year-end position.

7.6 Key funding changes (of greater than £0.25m or requiring approval):

Funding	Service	Amount (£m)	Reason for Change
Additional/Reduction in Funding (Other contributions)	P&E	-£1.9	<p>Following a decision made by the Combined Authority in August, the scope of the Wisbech Town Centre Access Study scheme has been reduced to delivering Design and Land purchase only. This scheme is fully funded by contributions from the Combined Authority. Any funding above the cost of the scheme will have to be repaid. The funding budget is therefore being reducing accordingly, covering the spend in this year.</p> <p>Strategy & Resources Committee is asked to note the Combined Authority funding reduction of £1.9m</p>

Funding	Service	Amount (£m)	Reason for Change
			in line with the reduced scope of the Wisbech Town Centre Access Study scheme as above.

7.7 IT – Education Replacement System

Scheme outline

Advance notice is being given to committee members of a requirement for additional prudential borrowing of £2,460k for the IT - Education Replacement System scheme. This will span three financial years, starting in 2021-22, increasing the 2021-22 prudential borrowing requirement by £70k. This programme gathers the system information workflows across the Education Directorate, including the student journey and the touch points across the teams. With a myriad of systems in use there is a business challenge in maintaining consistent, accurate data, especially within shared data sets. Where the current systems are identified as not fit for purpose in supporting education services, the projects under the Education Systems Programme will then procure and implement the most suitable IT system solution, ensuring that separate reporting for both Cambridgeshire County Council and Peterborough City Council is preserved. £4.1m is the total cost expected across Cambridgeshire and Peterborough for this scheme. The scheme will need to be funded by borrowing; the annual cost of borrowing starting in 2024/25 is estimated at £511k and decreases each year thereafter.

Preliminary work is taking place around this scheme, which is funded through the existing IT budget. However, as this major investment is a key decision we will bring a more detailed report on this scheme back to Strategy and Resources committee in January 2022.

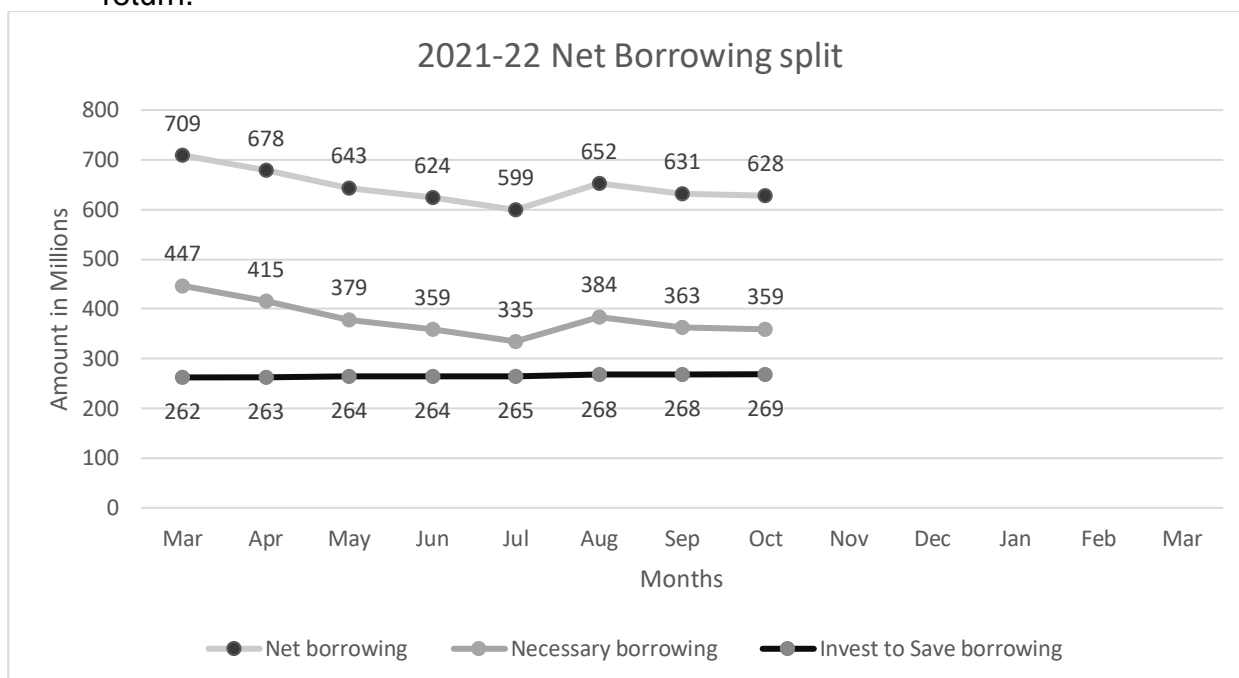
8. Balance Sheet

8.1 A more detailed analysis of balance sheet health issues is included below:

Measure	Year End Target	Actual as at the end of Oct 2021 ¹
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	87%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£10.20m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£3.34m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	96.2%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	78.5%

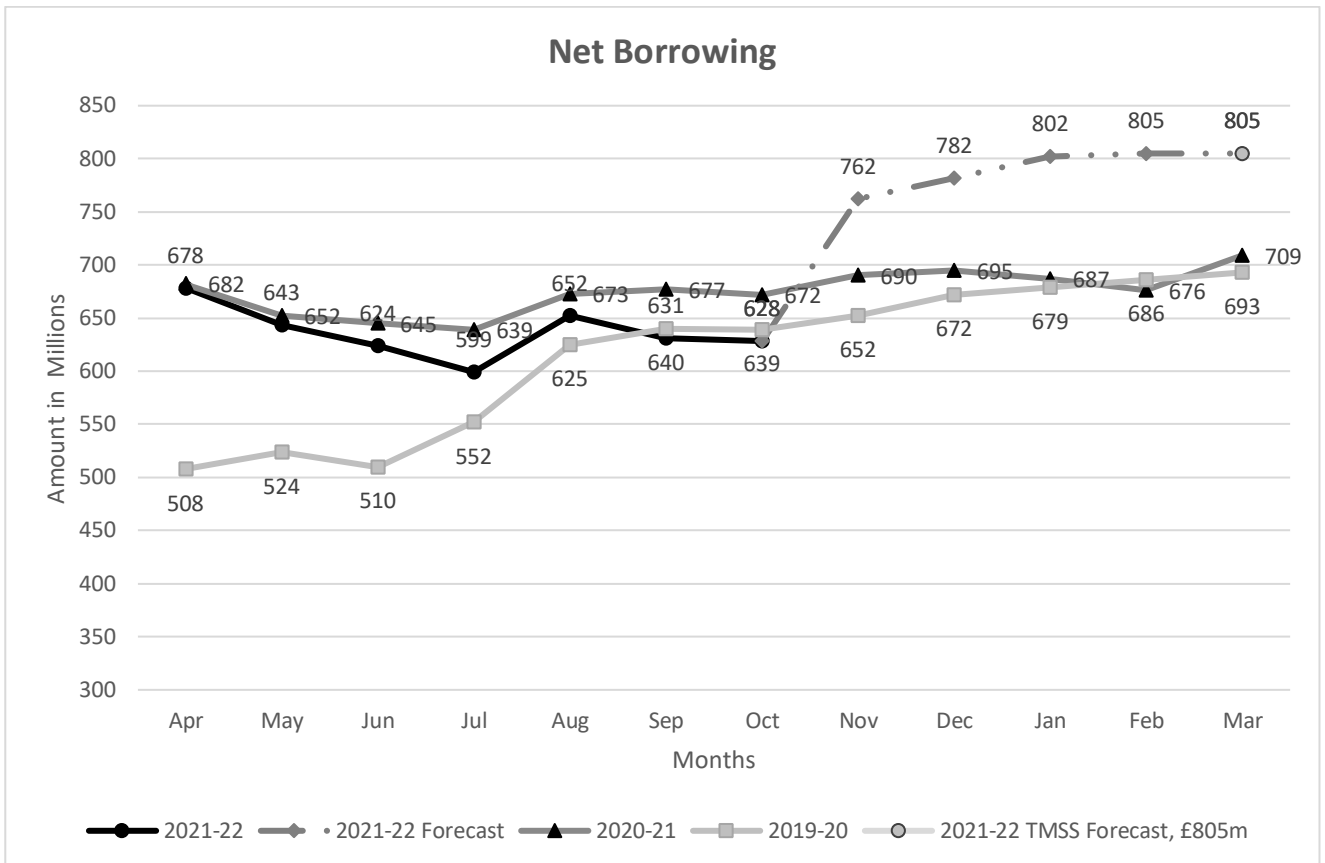
¹ The debt figures exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £4.62m (a reduction from £6.1m reported in 2020-21). The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

8.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2021-22, it is estimated that £269m 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.



8.3 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 October 2021, investments held totalled £138.4m (excluding all 3rd party loans, Equity

and This Land) and gross borrowing totalled £766.4m, equating to a net borrowing position of £628.0m.



- 8.4 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 2020-21 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend (and due to the current Covid-19 pandemic the Council is in receipt of further grants compared to before the pandemic). The 2021-22 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.
- 8.5 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 2021-22 TMSS was set in February 2021, it anticipated that net borrowing would reach £805.0m by the end of this financial year.
- 8.6 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.
- 8.7 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.

8.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).

8.9 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in [Appendix 2](#).

9. Alignment with corporate priorities

9.1 Communities at the heart of everything we do

There are no significant implications for this priority.

9.2 A good quality of life for everyone

There are no significant implications for this priority.

9.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

9.4 Cambridgeshire: a well-connected, safe, clean, green environment

There are no significant implications for this priority.

9.5 Protecting and caring for those who need us

There are no significant implications for this priority.

10. Significant Implications

10.1 Resource Implications

This report provides the latest resources information for the Council and so has a direct impact.

10.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

10.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

10.4 Equality and Diversity Implications

There are no significant implications within this category.

10.5 Engagement and Consultation Implications

No public engagement or consultation is required for the purpose of this report.

10.6 Localism and Local Member Involvement

There are no significant implications within this category.

10.7 Public Health Implications

There are no significant implications within this category.

10.8 Environment and Climate Change Implications on Priority Areas

10.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: There are no significant implications within this category

10.8.2 Implication 2: Low carbon transport.

Status: Neutral

Explanation: There are no significant implications within this category

10.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Status: Neutral

Explanation: There are no significant implications within this category

10.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Positive

Explanation: In section 6.1 S&R is requested to earmark £1.55m to offset one-off revenue costs related to works to meet waste emissions standards.

10.8.5 Implication 5: Water use, availability and management:

Status: Neutral

Explanation: There are no significant implications within this category

10.8.6 Implication 6: Air Pollution.

Status: Neutral

Explanation: There are no significant implications within this category

10.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Status: Neutral

Explanation: There are no significant implications within this category

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? No

Name of Officer: Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? No

Name of Legal Officer: Not applicable

Have the equality and diversity implications been cleared by your Service Contact? No

Name of Officer: Not applicable

Have any engagement and communication implications been cleared by Communications?
No

Name of Officer: Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? No

Name of Officer: Not applicable

Have any Public Health implications been cleared by Public Health? No

Name of Officer: Not applicable

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes

Name of Officer: Emily Bolton

11. Source documents

11.1 Source documents

P&E Finance Monitoring Report (October 21)

P&C and PH Finance Monitoring Report (October 21)

CS Finance Monitoring Report (October 21)

Capital Monitoring Report (October 21)

CCC Debt Reporting Pack (October 2021)

CCC Prompt Payment KPIs (October 2021)

Appendix 1 – transfers between Services throughout the year

(Only virements of £1k and above (total value) are shown below)

Budgets and Movements	P&C £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	302,530	64,317	31,295	25,489	11,745
Adult's and Children's Recruitment transfer to HR	-177			177	
Permanent element of 2021-26 BP mileage saving C/R.6.104	-164	-5		169	
Centralisation of postage budget	-93	-40		133	
Redundancy and Pensions Corporate Services budget move to P&C	846			-846	
ICT Service (Education) transfer from CS to P&C	-200			200	
Communications transfer	-21			21	
Budget rebaselining as approved by S&R, 6th July	-2,411			716	1,695
Transfer of Qtr 1 Mileage Savings	-234	-7		240	
PPE budget to Property	-7			7	
Transferring three Property budgets from P&C to Corporate services	-93			93	
Transfer of Qtr 2 Mileage Savings	-205	-9		214	
Current budget	299,771	64,257	31,295	26,613	13,440
Rounding	0	0	0	0	0

Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2021 £000s	Movements in 2021-22 £000s	Balance at 31 Oct 2021 £000s	Forecast Balance at 31 March 2022 £000s	Notes
- County Fund Balance	26,094	1,619	27,713	34,741	
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS (LGSS Cambridge & Shared Services)	925	-22	903	903	
General Reserves subtotal	27,019	1,597	28,617	35,644	
4 Insurance	4,830	-94	4,737	4,737	
Specific Earmarked Reserves subtotal	4,830	-94	4,737	4,737	
5 P&C	0	0	0	0	
6 P&E	0	0	0	0	
7 Corporate Services	0	0	0	0	
Equipment Earmarked Reserves subtotal	0	0	0	0	
8 P&C	8,547	153	8,700	7,241	
9 PH	4,624	0	4,624	3,231	
10 P&E	5,184	-17	5,167	3,626	
11 Corporate Services	3,867	581	4,448	2,850	
12 Transformation Fund	30,653	-4,545	26,108	21,628	Savings realised through change in MRP policy.
13 Innovate & Cultivate Fund	687	37	724	365	
14 Corporate- COVID	26,987	0	26,987	26,987	Includes remainder of COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches £464k as approved by S&R 2nd Nov 2021.
15 Council Tax Counter-Fraud work	0	464	464	464	
16 Specific Risks Reserve	2,140	0	2,140	2,140	
17 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
18 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
19 Collection Fund Volatility & Appeals Account	3,690	0	3,690	3,690	
20 Grant carry forwards	18,646	-18,646	0	0	Carry forward of unspent grant to spend in accordance with purposes for which the grant was given. At 2020-21 year-end £14.6m related to specific Covid related grants.
Other Earmarked Funds subtotal	113,815	-21,973	91,842	81,012	
SUBTOTAL	145,664	-20,469	125,195	121,392	
21 P&C	3,592	0	3,592	0	
22 P&E	7,315	941	8,256	0	
23 Corporate Services	10,861	1,151	12,012	0	
24 Corporate	49,816	18,958	68,775	52,063	Section 106 and Community Infrastructure Levy balances.
Capital Reserves subtotal	71,584	21,050	92,635	52,063	
GRAND TOTAL	217,249	581	217,830	173,455	

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long-term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

Fund Description	Balance at 31 March 2021 £000s	Movements in 2021-22 £000s	Balance at 31 Oct 2021 £000s	Forecast Balance at 31 March 2022 £000s	Notes
1 P&E	0	0	0	0	
2 P&C	1,955	-425	1,530	1,530	
3 Corporate Services	2,093	0	2,093	2,093	
Short Term Provisions subtotal	4,048	-425	3,623	3,623	
4 Corporate Services	3,613	0	3,613	3,613	
Long Term Provisions subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,661	-425	7,236	7,236	

Appendix 3 - Savings Tracker 2021-22 Quarter 2

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.114	Learning Disabilities Commissioning	A programme of work commenced in Learning Disability Services in 2016/17 to ensure service-users had the appropriate level of care; some additional work remains, particularly focussing on high cost placements outside of Cambridgeshire and commissioning approaches, as well as the remaining part-year impact of savings made part-way through 2019/20.	P&C	Adults	-250	0	-62	-62	-126	-250	0	0.00	↔	Saving delayed to later in the year but mitigated by the identification of out of county placements that should be 100% health funded.
Amber	A/R.6.176	Adults Positive Challenge Programme - demand management	New Saving 21/22 £100k Carry-forward saving 20/21 £2,239k Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care, which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This is the second year of saving through demand management, building on work undertaken through 2019/20, focussing on promoting independence and changing the conversation with staff and service-users to enable people to stay independent for longer. The programme also has a focus of working collaboratively with partner organisations in 2020/21. In later years, the effect of the Preparing for Adulthood workstream will continue to have an effect by reducing the level of demand on services from young people transitioning into adulthood.	P&C	Adults	-2,339					-1,983	356	15.22	↑	In year saving on track. Brought forward demand management saving continues to be impacted by the pandemic, particularly in the Reablement workstream with the service continuing to support the NHS.
Green	A/R.6.179	Mental Health Commissioning	A retender of supported living contracts gives an opportunity to increase capacity and prevent escalation to higher cost services, over several years. In addition, a number of contract changes have taken place in 2019/20 that have enabled a saving to be taken.	P&C	Adults	-24	-6	-6	-6	-6	-24	0	0.00	↔	On track
Green	A/R.6.185	Additional block beds - inflation saving	Through commissioning additional block beds, referred to in A/R.5.005, we can reduce the amount of inflation funding needed for residential and nursing care. Block contracts have set uplifts each year, rather than seeing inflationary increases each time new spot places are commissioned.	P&C	Adults	-606	-152	-151	-152	-151	-606	0	0.00	↔	On track
Amber	A/R.6.186	Adult Social Care Transport	Savings can be made in transport costs through a project to review commissioning arrangements, best value, route optimisation and demand management opportunities. This may require transformation funded resource to achieve fully.	P&C	Adults	-250	0	0	-15	-35	-50	200	80.00	↓	Potential savings have been identified through route optimisation. It is still expected that savings of £250k should be achieved, but the majority will be delayed until 22/23 because of the complexity of ensuring the route optimisation identified meets service users' needs.
Green	A/R.6.187	Additional vacancy factor	Whilst effort is made to ensure all critical posts are filled within People and Communities, slippage in staffing spend always occurs. For many years, a vacancy factor has existed in P&C budgets to account for this; following a review of the level of vacancy savings achieved in recent years we are able to increase that vacancy factor.	P&C	Adults	-150	-40	-40	-40	-30	-150	0	0.00	↔	On track.
Green	A/R.6.188	Micro-enterprises Support	Transformation funding has been agreed for new approach to supporting the care market, focussing on using micro-enterprises to	P&C	Adults	-30	0	0	-15	-15	-30	0	0.00	↔	On Track

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
			enable a more local approach to domiciliary care and personal assistants. As well as benefits to an increased local approach and competition, this work should result in a lower cost of care overall.												
Green	A/R.6.210	Unaccompanied Asylum Seeking Young People: Support Costs	During 2020/21, the Government increased the weekly amount it provides to local authorities to support unaccompanied asylum seeking young people. This means that the grant now covers more of the costs of meeting the accommodation and support needs of unaccompanied asylum seeking young people and care leavers. Accordingly, it is possible to make a saving in the contribution to these costs that the Council has historically made from core budgets of £300K per annum. Also the service has worked to ensure that placement costs are kept a minimum, without compromising quality, and that young people move from their 'care' placement promptly at age 18 to appropriately supported housing provision.	P&C	C&YP	-300	-75	-75	-75	-75	-300	0	0.00	↔	On Track
Green	A/R.6.211	Adoption and Special Guardianship Order Allowances	A reduction in the number of children coming into care, due to implementation of the Family Safeguarding model and less active care proceedings, means that there are fewer children progressing to adoption or to permanent arrangements with relatives under Special Guardianship Orders. This in turn means that there are fewer carers who require and/or are entitled to receiving financial support in the form of adoption and Special Guardianship Order allowances.	P&C	C&YP	-500	-125	-125	-125	-125	-500	0	0.00	↔	On Track
Green	A/R.6.212	Clinical Services; Children and young people	Changes to the clinical offer will include a reduction in clinical staff input in the Family Safeguarding Service (previously social work Units) due to changes resulting from the implementation of the Family Safeguarding model, including the introduction of non-case holding Team Managers and Adult practitioners. Additional investment is to be made in developing a shared clinical service for Cambridgeshire and Peterborough for corporate parenting, however a residual saving of £250k can be released. In 2022-23 this will be re-invested in the Family Group Conferencing Service (see proposal A/R.5.008)	P&C	C&YP	-250	-62	-62	-62	-64	-250	0	0.00	↔	On Track
Black	A/R.6.255	Children in Care - Placement composition and reduction in numbers	Through a mixture of continued recruitment of our own foster carers (thus reducing our use of Independent Foster Agencies) and a reduction in overall numbers of children in care, overall costs of looking after children and young people can be reduced in 2021/22.	P&C	C&YP	-246	0	0	0	0	0	246	100.00	↔	On Track
Black	A/R.6.266	Children in Care Stretch Target - Demand Management	Please see A/R.6.255 above.	P&C	C&YP	-1,000	0	0	0	0	0	1,000	100.00	↓	Due to increasing pressure around placement mix and complexity of need, we do not anticipate meeting this saving target. It is expected that underspends within Childrens Social Care will offset the unachieved savings.
Green	A/R.6.267	Children's Disability: Reduce overprescribing	The Children's Disability 0-25 service has been restructured into teams (from units) to align with the structure in the rest of children's social care. This has released a £50k saving on staffing budgets. In future years, ways to reduce expenditure on providing services to children will be explored in order to bring our costs down to a level closer to that of our statistical neighbours.	P&C	C&YP	-50	-50				-50	0	0.00	↑	Savings taken at budget build so considered achieved as new structure fits inside revised budget.

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.268	Transport - Children in Care	The impact of ongoing process improvements in the commissioning of transport for children in care.	P&C	C&YP	-300	-300	0	0	0	-300	0	0.00	↔	Savings taken at budget build so considered achieved. Additional pressures coming through to the service which are being addressed in FMR.
Amber	A/R.6.269	Communities and Partnership Review	A review of services within C&P where efficiencies, or increased income, can be found.	P&C	C&P	-200	-25	-25	-25	-25	-100	100	50.00	↓	Under Review
Amber	A/R.7.105	Income from utilisation of vacant block care provision by self-funders	We currently have some vacancies in block purchased provision in care homes. Income can be generated to offset the vacancy cost by allowing people who pay for their own care to use these beds	P&C	Adults	-150	-37	-13	-10	0	-60	90	60.00	↔	Annual in-year savings target of £150k not expected to be fully achieved.
Red	A/R.7.106	Client Contributions Policy Change	Carry-forward saving - incomplete in 20/21 In January 2020, Adults Committee agreed a set of changes to the charging policy for adult social care service-user contributions. We expect this to generate new income of around £1.4m in 2020/21, and are modelling the full-year impact into 2021/22.	P&C	Adults	-1,192	-250	-250	-75	-30	-605	587	49.24	↓	Ongoing difficulties in recruitment have continued to delay the reassessments project. The shortfall in savings delivery is fully mitigated in the forecast by increases in client contributions not directly linked with reassessments.
Green	B/R.6.201	Review Winter Operations	Review winter operations – increase number of weather domains from 3 to 5	P&E	H&CI	-17	0	0	-17	0	-17	0	0.00	↔	
Green	B/R.6.202	Highways: Removal of Old VAS Signs	Removal of old VAS signs	P&E	H&CI	-4	-4				-4	0	0.00	↔	
Green	B/R.7.119	Income from Bus Lane Enforcement	Carry-forward saving - unachieved in 20/21. Due to COVID, existing income target not met in 20/21 Utilising additional bus lane enforcement income to fund highways and transport works, as allowed by current legislation.	P&E	H&CI	-650	-163	-162	-163	-162	-650	0	0.00	↔	
Green	B/R.7.120	Deployment of current surpluses in civil parking enforcement to transport activities	Carry-forward saving - unachieved in 20/21 Due to COVID, existing income target not met in 20/21. Deployment of current surpluses in civil parking enforcement to transport activities, including a contribution to Park & Ride, as allowed by current legislation.	P&E	H&CI	-340	-85	-85	-85	-85	-340	0	0.00	↔	
Green	C/R.6.103	External Auditor fee	Carry-forward saving - not achieved in 20/21 Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments	CS	S&R	-15	-3	-4	-4	-4	-15	0	0.00	↔	
Blue	C/R.6.104	Reduction in staff mileage	A reduction in staff travel is expected to continue.	CS	S&R	-564	-474	-254			-728	-164	-29.08	↔	Q1 & Q2 saving achieved.

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	C/R.6.105	Customer Services	Customer Services have scrutinised their budget, and trends over recent years, and have determined a reduction of £85k is achievable from their base revenue. This is the equivalent to 3 full-time Customer Service Advisors. This reduction will be delivered by removing vacant posts.	CS	S&R	-85	-20	-20	-20	-25	-85	0	0.00	↔	Vacant posts removed.
Green	E/R.6.033	Drug & Alcohol service - funding reduction built into new service contract	This saving has been built into the contract for Adult Drug and Alcohol Treatment Services which was awarded to Change Grow Live (CGL) and implemented in October 2018. The savings are being achieved through a new service model with strengthened recovery services using cost effective peer support models to avoid readmission, different staffing models, and a mobile outreach service.	PH	Health	-63	-16	-16	-16	-16	-63	0	0.00	↔	On track
Green	E/R.6.043	Joint re-procurement of Integrated Lifestyle Services	Carry-forward saving - incomplete in 20/21 Delivery of this saving has been delayed due to Covid-19 Re-commissioning of the integrated lifestyle services as one service across Cambridgeshire and Peterborough. Peterborough City Council will delegate authority to Cambridgeshire County Council to commission, contract and performance manage the new provider.	PH	Health	-17	-4	-4	-4	-4	-17	0	0.00	↔	On track
Green	F/R.6.003	Babbage House closure	The lease on Babbage House is due to end in 2020-21, and will not be renewed.	CS	S&R	-198	-198				-198	0	0.00	↔	Lease has ended.
Black	F/R.6.109	Cambs 2020 Operational Savings	Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.	CS	S&R	-605	0	0	0	0	0	605	100.00	↓	The savings from Shire Hall will not be achieved until such time as the sale is complete.
Black	F/R.7.106	Utilisation/commercialisation of physical assets	Carry-forward saving - unachieved in 20/21. One Public Estate	CS	S&R	-36	0	0	0	0	0	36	100.00	↔	There has been no development in this area.
Green	F/R.7.110	Return on Commercial Property Investments	Carry-forward saving - unachieved in 20/21 The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.	CS	S&R	-105	-26	-26	-26	-27	-105	0	0.00	↔	
Green	F/R.7.127	County Farms - Commercial uses	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.	CS	S&R	-45	-11	-11	-11	-12	-45	0	0.00	↔	
Black	F/R.7.131	Commercial Income	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.	CS	S&R	-232	0	0	0	0	0	232	100.00	↔	Saving not achieved. However, as part of the budget rebaselining exercise approved by S&R at the July 2021 meeting this pressure is now removed.
Green	F/R.7.140	Tesco - Income Generation	Estimated annual rent increase.	CS	S&R	-77	0	0	0	-77	-77	0	0.00	↔	
Green	F/R.7.141	Evolution Business Park - Income Generation	Estimated annual rent increase.	CS	S&R	-12	-3	-3	-3	-3	-12	0	0.00	↔	
Green	F/R.7.142	Kingsbridge - Income Generation	Estimated annual rent increase.	CS	S&R	-11	-3	-3	-3	-2	-11	0	0.00	↔	
Black	F/R.7.143	Brunswick House - Income Generation	Estimated annual rent increase.	CS	S&R	-66	0	0	0	0	0	66	100.00	↓	The percentage increase for 21-22 was not in line with the estimated investment figure.
Green	F/R.7.144	County Farms	Increase in rental income for the county farms estate.	CS	S&R	-40	0	0	-20	-20	-40	0	0.00	↔	

RAG	Reference	Title	Description	Service	Committee	Original Saving 21-22	Current Forecast Phasing - Q1	Current Forecast Phasing - Q2	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 21-22	Variance from Plan £000	% Variance	Direction of travel	Forecast Commentary
Green	G/R.6.003	MRP: Accountable Body (effect of capital swaps)	As Accountable Body the Council incurs certain administrative costs in undertaking this role. However, it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect, it is the reversal of savings made in previous years as the cash received in prior years is utilised by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements	CS	S&R	-355	-88	-89	-89	-89	-355	0	0.00	↔	

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 4

Service: Corporate Services

Subject: Finance Monitoring Report – October 2021

Key Indicators

Previous Status	Category	Target	Current Status	Section Ref.
Green	Income and Expenditure	Balanced year end position	Amber	1.1 – 1.3
Green	Capital Programme	Remain within overall resources	Green	2

Contents

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information; By Directorate Narrative on key issues in revenue financial position	2-6
2	Capital Executive Summary	Summary of the position of the Capital programme	7-8
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	8
4	Technical Note	Explanation of technical items that are included in some reports	8
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services	9-10

1.2 Summary of Revenue position by Directorate

The service level budgetary control report for Corporate Services & Financing Costs for the year 2021/22 can be found in [appendix 1](#).

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
111	Customer & Digital Services	16,878	12,526	203	1.2%	Amber
-57	Business Improvement & Development	1,656	1,876	-60	-3.6%	Green
0	Resources Directorate	6,975	2,423	4	0.1%	Amber
-26	Legal & Governance	2,333	1,310	-47	-2.0%	Green
-0	Corporate & Miscellaneous	7,177	1,399	-634	-8.8%	Green
310	Investment Activity	-11,056	-6,139	150	1.4%	Amber
391	Property Services	2,650	477	391	14.8%	Amber
0	Financing Costs	31,295	3,212	-705	-2%	Green
729	Total	57,909	17,084	-699	-1 %	Amber

Further analysis can be found in [appendix 2](#) for Corporate Services

1.3 Significant Issues

Corporate Services are currently forecasting an underspend of £699k, a decrease of £1,428k since last month.

Significant issues are detailed below:

Customer and Digital Services

Customer and Digital Services budgets are currently forecasting an overspend of £203k, an increase of £92k from the previous forecast. Customer Services continued to have a high level of vacancies, which has increased the underspend by 23k since last month.

There is an overspend in IT & Digital Services of £315k, an increase of £101k from the previous forecast. This is due to a further increase for the cost of licenses and a £70k increase in the original cost of the Microsoft Enterprise Agreement, due to an early purchase of upgraded Crystal Dynamics and new Power app licensing. Both applications are part of supporting the long-term IT strategy, but the purchase was brought forward to take advantage of Microsoft's latest MOU with Crown Commercial Services offering a short-term price reduction on these items.

Business Improvement & Development

Business Improvement & Development budgets are currently forecasting an underspend of £60k.

There are no exceptions to report this month.

Resources Directorate

The Resources Directorate budgets is currently forecasting an overspend of £4k.

There are no exceptions to report this month.

Legal and Governance

Legal and Governance budgets are currently forecasting an underspend of £47k, an increase of £21k from the previous forecast. This is mainly due to increased income in Democratic & Member services.

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting an underspend of £634k due to -

The Investment in Social Care Capacity budget, which is contingency budget held to offset any pressures resulting from Covid-19 in adult or children's social care, is forecasting an underspend of £650k. As a result of the pandemic significant additional grant funding has been received that has mitigated pressures, and in 2021/22 budget allocations to social care departments appear sufficient. This underspend reflects that no call on this budget was made in the first 6 months of the year. This has been re-planned as part of business planning for 2021-26 with this budget permanently reduced and an additional investment made in the demand impact of the pandemic recovery.

The Subscriptions budget is currently forecasting an overspend of £16k. This is due to an additional cost relating to 2020-21, £3,445 for the Society of County Treasurers and increased costs for the current subscriptions.

Investment Activity

Investment Activity is currently forecasting an overspend of £150k, a decrease of £160k from the previous forecast. The return expected from collective investment funds has increased; this is due to receiving a higher % return during the first 2 quarters of 2021 than had previously been anticipated.

Property Services

Property Services is currently forecasting an overspend of £391k, same as last month.

There are no exceptions to report this month.

Financing Costs

Financing costs is currently forecasting an underspend of £705k, primarily due to a forecast underspend on interest payable partially offset by a higher than budgeted Minimum Revenue Provision (MRP). Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a £1,493k forecast underspend. The Council has been able to take advantage of lower rates on both PWLB and Local Authority borrowing for new loans

and also when refinancing some of its existing loans. The cashflow position will continue to be monitored closely over the remaining months of the year and levels of borrowing will be adjusted accordingly. The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the MRP). Following analysis of capital schemes completed in 2020/21 and how they were funded, the MRP payment for 2021/22 has been recalculated and the forecast year-end position is £900k higher than budgeted.

Covid 19 – Financial Impact

Financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income:

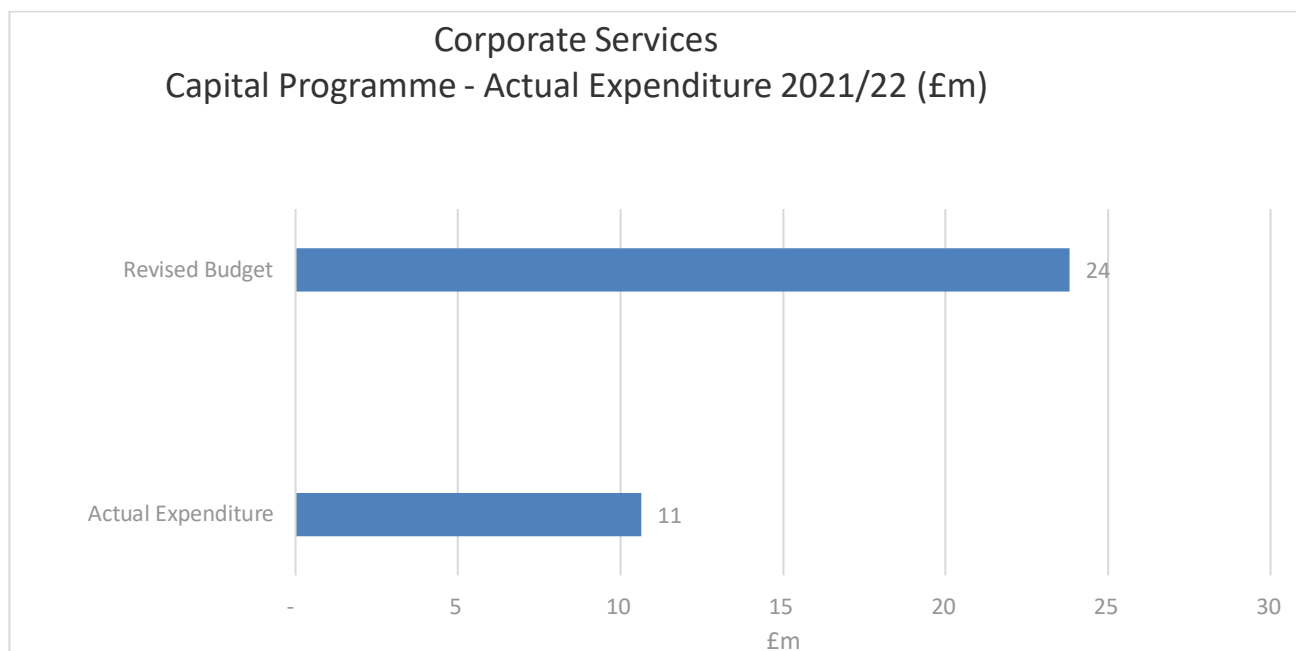
Service Area	Details	Estimated cost 2021/22 £000	Oct 2021 impact £000
IT – continued remote working	Remote working continues as per government guidance.	378	220
Postage	Postage directly related to Covid-19	23	18
Temporary mortuary	Site cost for provision of body storage	30	29
Communications-Test and Trace	Staff and advertising costs towards the Test and Trace Service	276	108
Information Management	Cambs 2020 programme removal costs – delays due to Covid-19 pandemic	46	43
Democratic & Member Services	Hire of external venues for Council AGM	21	9
Elections	25% uplift in costs expected for the election	161	0
Council Tax	Income saving rephased due to pressures on the District Council's Revenue & Benefits teams impacting timeline for project mobilisation	650	379
Cromwell Leisure	We anticipate that in the current climate, two of the restaurant units will generate minimal income during 2021-22 and the cinema is facing further challenges	395	201
County Farms	Reduction in income from new investments & a small decline on existing income	205	205
Pools Property Fund Investment	Expecting the risk of further challenges ahead, a forecast of 5% income reduction is likely.	21	10
Property Services	Health and Safety supplies, cleaning, water testing, additional resource.	76	60

Service Area	Details	Estimated cost 2021/22 £000	Oct 2021 impact £000
Brunswick House	A reduction in the occupancy levels since it is expected that some students will stay at home and opt for online learning and a drop in international student numbers is expected.	668	534
Compliance	To carry out ventilation surveys to 109 buildings to ensure the safe capacities of our buildings for Covid-19 management	83	59

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £23,758k and expenditure to date of £10,643k in 2021/22.



Please note the variations budget has been updated to reflect the recent changes to the hierarchy, resulting in a lower figure and therefore increasing the overall budget from £15m to £23m.

There is one exception to report this month.

The Capitalisation of the Transformation team is forecasting an in-year underspend of £340k. The forecast for this scheme has been updated to reflect staff vacancies.

Details of the capital variances and funding can be found in [appendix 3](#)

2.2 Funding

Corporate Services has a capital budget of £23m in 2021/22. This includes £5m of funding carried forward from 2020/21.

IT – Education Replacement System

Additional prudential borrowing of £2,460k is requested for the Education Replacement System scheme. This will span across 3 financial years, starting in 2021-22. This will increase the 2021-22 prudential borrowing requirement by £70k.

This programme gathers the system information workflows across the Education Directorate, including the student journey and the touch points across the teams. With a myriad of systems in use there is a business challenge in maintaining consistent, accurate data, especially within shared data sets. Where the current systems are identified as not fit for purpose

in supporting education services, the projects under the Education Systems Programme will then procure and implement the most suitable IT system solution, ensuring that separate reporting for both authorities is preserved. £4.1m is the total cost expected across Cambridgeshire and Peterborough City Council.

3. Savings Tracker Summary

The savings tracker is produced quarterly. The Q2 table can be found in [appendix 4](#)

4. Technical Notes

A technical financial appendix has been included as [appendix 5](#) for Corporate Services.

This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of corporate services from other services (but not within corporate services), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual October 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
-	Customer & Digital Services	-	-	-	-
30	Director, Customer & Digital Services	414	342	30	7%
3	Chief Executive	130	92	6	4%
18	Communication and Information	737	523	25	3%
-146	Customer Services	2,034	1,340	-170	-8%
214	IT & Digital Service	2,563	2,662	245	10%
-1	IT Managed	7,126	5,522	70	1%
0	Elections	170	52	0	0%
-42	Human Resources	1,617	956	-14	-1%
0	Health, Safety & Wellbeing	180	12	0	0%
35	Learning & Development	1,907	1,026	10	1%
111	Customer & Digital Services Total	16,878	12,526	203	1%
	Business Improvement & Development				
3	Policy, Design and Delivery	613	1,011	0	0%
-60	Business Intelligence	1,043	866	-60	-6%
-57	Business Improvement & Development Total	1,656	1,876	-60	-4%
	Resources Directorate				
0	Resources Directorate	373	185	0	0%
0	Professional Finance	1,830	905	0	0%
0	Procurement	613	363	0	0%
0	CCC Finance Operations	338	216	4	1%
0	Shared Finance Operations	434	519	0	0%
0	Insurance	2,229	239	0	0%
0	External Audit	75	-96	0	0%
0	Shared Services	1,082	93	0	0%
0	Resources Directorate Total	6,975	2,423	4	0%
	Legal & Governance				
0	Legal & Governance Services	103	106	0	0%
0	Information Management	875	476	0	0%
16	Democratic & Member Services	325	164	2	1%
-43	Members' Allowances	1,030	564	-50	-5%
-26	Legal & Governance Total	2,333	1,310	-47	-2%
	Corporate & Miscellaneous				
0	Central Services and Organisation-Wide Risks	4,244	0	0	0%
0	Investment in Social Care Capacity	1,300	0	-650	-50%
0	Subscriptions	110	126	16	15%
0	Authority-wide Miscellaneous	94	-157	0	0%
0	Transformation Fund	1,429	1,429	0	0%
0	Corporate & Miscellaneous Total	7,177	1,399	-634	-9%
	Investment Activity				
522	Property Investments	-3,544	-2,624	522	15%
0	Shareholder Company Dividends & Fees	-491	16	0	0%
-24	Housing Investment (This Land Company)	-6,063	-2,894	-24	0%
101	Contract Efficiencies & Other Income	-201	-0	101	50%
-290	Collective Investment Funds	-544	11	-293	-54%
0	Investments	26	131	-157	-603%
0	Renewable Energy Investments	-239	-779	0	0%
310	Commercial Activity Total	-11,056	-6,139	150	1%
	Property Services				
400	Facilities Management	5,274	3,329	400	8%
0	Property Services	799	500	0	0%
0	Property Compliance	204	-65	0	0%
0	County Farms	-4,329	-3,189	0	0%
-9	Strategic Assets	703	-98	-9	-1%
391	Property Services Total	2,650	477	391	15%
	Financing Costs				

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual October 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
0	Debt Charges and Interest	31,295	3,212	-705	-2%
0	Financing Costs Total	31,295	3,212	-705	-2%
729	Total	57,909	17,084	-699	-1%

The full appendices to this report can be viewed in the [online](#) version.