

Integrated Finance Monitoring Report for Period 8 2025-26

To: Strategy, Resources and Performance Committee

Meeting Date: 29 January 2026

From: Executive Director of Finance and Resources

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2026/001

Executive Summary: This report presents financial information setting out the current financial position of the council and projections for year-end as at period 8 (November 2025). The report covers revenue and capital budgets, and balance sheet items including borrowing and reserves. It also proposes several recommendations dealing with the council's financial management.

Recommendation: The Committee is recommended to:

- a) agree a temporary virement for 2025-26 only to allocate the £5.69m Extended Producer Responsibility Payments grant to the Waste Service within Place and Sustainability to fund waste disposal costs, and to allocate £5.69m of budget to Corporate and Funding Items, as per section 3.1 of Annex A;
- b) authorise the Executive Director of Finance and Resources, in consultation with the Chair and Vice Chair, to receive grant funding of £1.38m for schemes that respond to water scarcity, to make resulting budget revisions and to sign agreements with central government and Water Resources East to take forward the programme, as per sections 4.5.2-8 of Annex A; and
- c) draw-down up to £1.885 million from earmarked reserves per the table at 5.1.3 of Annex A.

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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 whole council, enabling members to be aware of, and to scrutinise, the delivery of the business plan for 2025-26.

2. Background

- 2.1 This integrated report consolidates the individual Finance Monitoring Reports (FMR) that are prepared for each council directorate, and for corporate items. On a quarterly basis, those individual FMRs are reviewed by policy and service committees. The integrated report provides actual and forecast information for our revenue and capital budgets and balance sheet. This is Annex A.
- 2.2 As a policy and service committee itself, this report item also provides the individual FMR covering the enabling services that are within this committee's remit, at Annex B.

3. Main Issues

- 3.1 The detailed Integrated Finance Monitoring Report for period 8 is at Annex A. A memorandum Finance Monitoring Report covering areas of Finance and Resources and Strategy and Partnerships, with services broadly in the remit of this committee, that are not already covered in the main report, is at Annex B. The report notes that the council's directorate structure has changed with effect from 1 January 2026, with former Strategy and Partnerships services being moved under Place and Sustainability and the new Office of the Chief Executive, and that these management accounts will reflect that change from period 10 (January).
- 3.2 The report records that the council is forecasting an improved, but still overspent, revenue position for the year, now at £5.5 million. Significant cost pressures remain within demand-led budgets in children's and adult social care, but further financing mitigations have been identified. Annex A sets out these cost pressures and the mitigations, both new and existing, that have been able to be applied.
- 3.3 The report also updates on the council's capital programme, dedicated schools grant and reserves.
- 3.4 The report includes recommendations that deal with allocating a new source of funding for waste disposal costs, receiving and allocating grant funding dealing with water scarcity in Greater Cambridge, and deploying reserves to meet cost pressures and to deliver on key priorities.

4. Significant Implications

4.1 Finance Implications

This report provides the latest financial information for the council, and makes recommendations relating to financial management, and so has a direct impact on scrutiny and on wider decision making. An overspend position versus the budget for the year would

need to be financed through general reserves, which have a minimum level for ongoing financial sustainability.

4.2 Legal Implications

The council has a legal duty to set and deliver a balanced budget each year, with overspends needed to be financed from available reserves. The council's Chief Financial Officer has to report to Council under s25 of the Local Government Act 2003 on the adequacy of the council's reserves that Council must have regard for. Within that report, the minimum prudent level of the council's reserves is set out. If the council cannot deliver a balanced in year budget (through containing spend to allocated budgets or, failing that, through reserves use) it risks the adequacy of reserves, and also would contravene the statutory duty to do so under s114 of the Local Government Act 1988. Any use of reserves will impact on the subsequent year's s25 assessment by the Chief Financial Officer. Overspends will need to be addressed through mitigations which may impact on service delivery including our ability to deliver statutory services.

4.3 Risk Implications

Actions taken to reduce overspends may impact on the council's performance against its Key Performance Indicators, management of risks, and on legal compliance.

4.4 Equality and Diversity Implications

A continuing overspend jeopardises the council's ability to deliver a balanced budget and meet current spending commitments. Spending reductions that are therefore required may disadvantage certain people more than others within the county.

4.5 Climate Change and Environment Implications

As above, if spending commitments need to reduce, this could impact on our commitment to deliver carbon reduction and deliver on other related priorities.

5. Source Documents

Place and Sustainability Finance Monitoring Report (Period 8)

Children, Education and Families FMR (Period 8)

Adults and Public Health FMR (Period 8)

Finance and Resources and Strategy and Partnerships FMRs (Period 8)