

## Integrated Finance Monitoring Report for the period ending 30 November 2020

To: Audit & Accounts Committee

Meeting Date: 26 January 2021

From: Chief Finance Officer

Electoral division(s): All

Forward Plan ref:

Key decision: N/A

Outcome: To present financial information to assess progress in delivering the Council's Business Plan.

Recommendation: The committee is asked to note the following recommendations made to General Purposes Committee on 26 January:

- a) Note the allocation of the £1.459m Covid Winter Grant for ringfenced purposes to the People & Communities directorate, to be received in instalments over the coming months, as set out in section 5.1;
- b) Approve the allocation of the currently estimated £760k unringfenced Clinically Extremely Vulnerable (CEV) grant to the People & Communities directorate as set out in section 5.2;
- c) Approve the reinvestment of the £458k contractor rebate as set out in section 5.3;
- d) Note the new ring-fenced capital grant funding for the Decarbonisation Fund scheme as set out in section 6.6;
- e) Note the £2.063m new capital funding for the Abbey Chesterton Bridge scheme as set out in section 6.6.

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## 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

<b>Revenue budget forecast outturn</b>  -£0.7m (-0.2%) forecast year end variance.  <b>Green</b>	This is a £0.292m increase in the revenue underspend since last month's forecast.  Forecast use of grant for Covid-19 pressures has decreased by £1.4m.  There is a £10.8m decrease in the forecast capital year-end variance compared to last month.	<b>Capital programme forecast outturn</b>  -£16.8m (-8.5%) forecast year end variance  <b>Green</b>
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## Number of service users supported by key care budgets

<b>Older people aged 65+ receiving long term services</b>	<b>Nov-20</b>	<b>May-20</b>	<b>Trend since May 20</b>
Nursing	481	472	Stayed the same
Residential	875	898	Stayed the same
Community	1,858	1,861	Stayed the same

<b>Adults aged 18+ receiving long term services</b>	<b>Nov-20</b>	<b>May-20</b>	<b>Trend since May 20</b>
Nursing	69	72	Stayed the same
Residential	351	351	Stayed the same
Community	2,395	2,360	Stayed the same

<b>Children open to social care</b>	<b>Nov-20</b>	<b>Apr-20</b>	<b>Trend since Apr 20</b>
Children in Care	687	730	Decreasing
Child Protection	428	324	Increasing

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 -£0.7m. The pressures are largely within People & Communities (P&C) (+£11.5m), Place & Economy (P&E) (+£2.8m), Commercial & Investment (C&I) (+£2.5m), and LGSS Operational (£0.6m). These are offset by underspends in Funding Items (-£16.7m), CS Financing (-£0.7m) and Corporate Services (-£0.6m). See section 3 for details.
- The Capital Programme is forecasting a year-end underspend of -£16.8m at year-end. This includes use of the capital programme variations budget. See section 6 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 (Oct) £000	Service	Current Budget for 2020/21 £000	Actual (Nov) £000	Forecast Variance (Nov) £000	Forecast Variance (Nov) %	Overall Status	DoT	Covid-19 Financial Impact £000	Non Covid-19 Financial Impact £000
56,470	3,278	Place & Economy	56,443	31,504	2,770	4.9%	Red	↑	4,589	-1,819
275,096	12,144	People & Communities	275,590	175,356	11,516	4.2%	Red	↑	15,429	-3,913
0	0	Public Health	0	-7,936	0	-	Green	↑	157	-157
29,440	-216	Corporate Services	35,029	27,567	-559	-1.6%	Green	↑	491	-1,050
-9,277	2,403	Commercial & Investment	-9,159	-1,208	2,458	-	Red	↓	2,627	-169
29,570	-400	CS Financing	29,570	5,435	-690	-2.3%	Green	↑	0	-690
<b>381,299</b>	<b>17,209</b>	<b>Service Net Spending</b>	<b>387,474</b>	<b>230,718</b>	<b>15,495</b>	<b>4.0%</b>	Red	↑	<b>23,293</b>	<b>-7,798</b>
16,844	-18,166	Funding Items	16,844	7,827	-16,744	-	Green	↓	-	-
<b>398,143</b>	<b>-957</b>	<b>Subtotal Net Spending</b>	<b>404,318</b>	<b>238,545</b>	<b>-1,249</b>	<b>-0.3%</b>	Green	↑	<b>23,293</b>	<b>-7,798</b>
6,286	557	Memorandum items: LGSS Operational	-162	2,235	557	-	Amber	↔	0	557
	<b>-400</b>	<b>Grand Total Net Spending</b>	<b>404,156</b>	<b>240,780</b>	<b>-692</b>	<b>-0.2%</b>	Green	↑	<b>23,293</b>	<b>-7,241</b>
148,989		Schools	148,989							
<b>553,418</b>		<b>Total Spending 2021/21</b>	<b>553,145</b>							

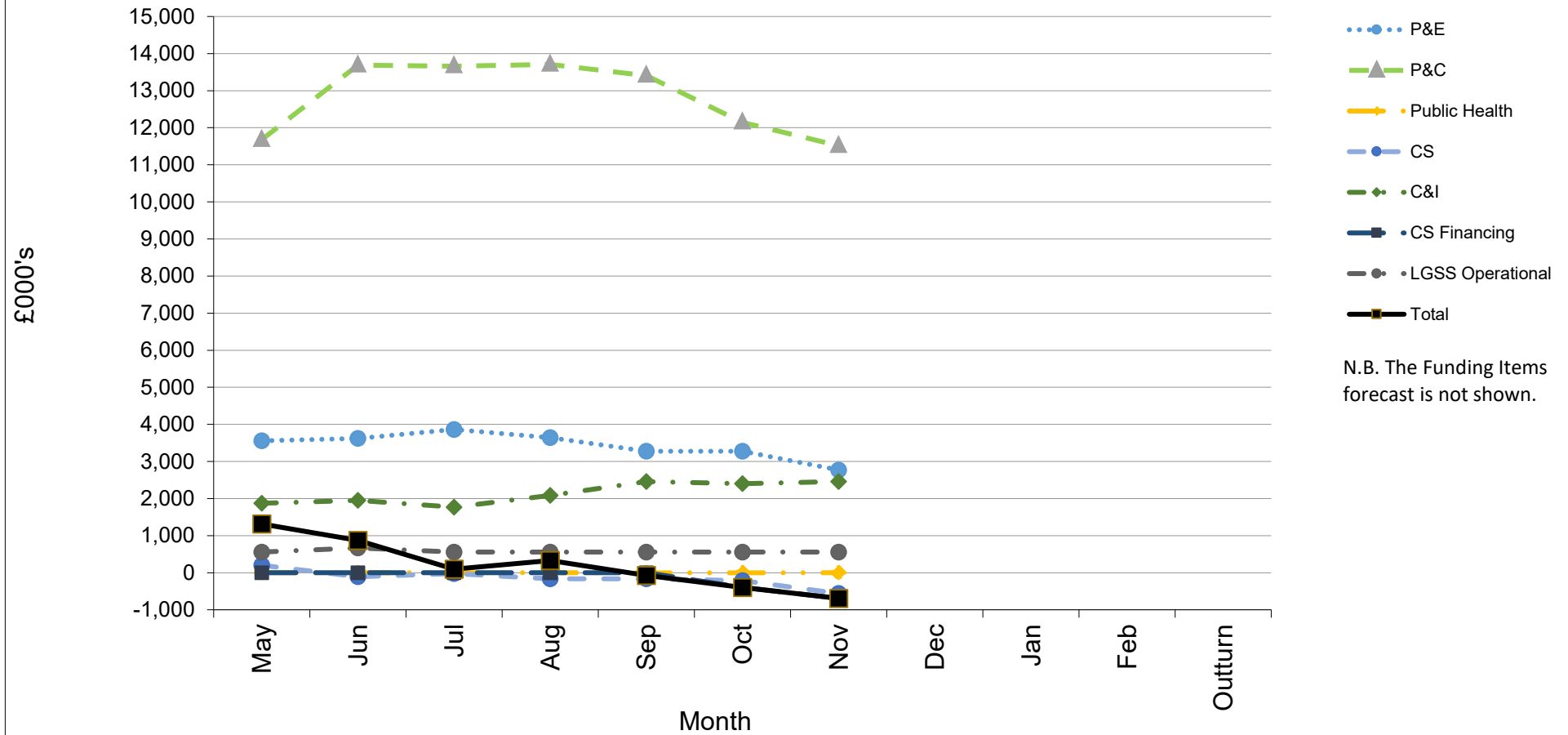
<sup>1</sup> The budget figures in this table are net.

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

<sup>3</sup> The budget of £0k stated for Public Health is cash limit budget. In addition to this, Public Health has a budget of £26.4m from ring-fenced public health grant and £2.5m from Test and Trace Support Grant, which make up its gross budget.

<sup>4</sup> The 'Funding Items' budget comprises the £9.0m Combined Authority Levy, the £416k Flood Authority Levy and £7.4m 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 2020/21



3.1.1 In addition to the County Council forecast shown above for management accounting purposes, the Council is also monitoring and estimating the full potential financial consequences of the pandemic through an additional and enhanced process. The latest position as at 15 January is shown below:

Sum of Gross up	Column Labels												
Row Labels	Ring Fenced Grant	New Commitments	Income forgone	Savings Shortfall	Total	MHCLG	NHS	DSG	PCC	T&T	Other	SFC	Net total
Adults		31,308	416	5,082	36,806		-9,891		-225		-11,577		15,113
C&I		186	2,068	452	2,706								2,706
Communities		3,743	879		4,622				-148		-1,864		2,610
CYP	1,916	5,268	3,201	1,405	11,790			-1,916			-2,326		7,548
GPC		1,530	542	650	2,722				-301	-182			2,239
Health		7,702		17	7,719					-2,311	-5,228		180
E&S		594	291		885								885
H&T		4,187	4,229	990	9,406						-2,142		7,264
<b>Total</b>	<b>1,916</b>	<b>54,518</b>	<b>11,626</b>	<b>8,596</b>	<b>76,656</b>								
						-34,893						-5,466	-40,359
<b>GRAND TOTAL</b>	<b>1,916</b>	<b>54,518</b>	<b>11,626</b>	<b>8,596</b>	<b>76,656</b>	<b>-34,893</b>	<b>-9,891</b>	<b>-1,916</b>	<b>-674</b>	<b>-2,493</b>	<b>-23,137</b>	<b>-5,466</b>	<b>-1,814</b>

#### Key to abbreviations

MHCLG	– Ministry of Housing, Communities & Local Government
DSG	– Dedicated Schools Grant
PCC	– Peterborough City Council
T&T	– Test & Trace
SFC	– Sales, Fees and Charges
C&I	– Commercial & Investment
CYP	– Children and Young People
GPC	– General Purposes Committee
E&S	– Environment & Sustainability
H&T	– Highways & Transport

Other funding includes the Contain Outbreak Management Fund, Infection Control Grant, Transport funding from the Combined Authority, and grants from DEFRA and DWP.

- 3.1.2 This illustrates a potential financial impact, this year, on the Council of over £76m. The Council's in-year financial position has improved as a result of the confirmation of further government funding, including from the Contain Outbreak Management Fund, meaning that the Council now forecasts that there is sufficient funding in the current financing year to cover the pressures arising this year. The additional restrictions resulting from the higher alert in January alter the types and timing of budget pressures that the Council faces. Our experience to date is that tighter restrictions initially suppress some of the demand in activity-led services, only for this to rise in due course as the more medium term impacts of the pandemic are realised. On the other hand, tighter restrictions also have an impact in terms of additional support to those shielding and reducing income generation. The unused grant received in 2020-21 has been earmarked for use in response to the pandemic and can be carried forward to address any delayed budgetary implications in 2021-22 if necessary. This will be closely monitored and assessed during the final months of the year.
- 3.1.3 This method of anticipating the financial impact on the Council differs from the overall forecast shown on the previous page on a management accounting basis. At this stage there remain major variables and uncertainties about the impact of the pandemic and the approach remains that GPC continues to hold the MHCLG unringfenced funding centrally to offset a variety of risks across different departments of the Council.
- 3.1.4 There is some uncertainty at this stage about the level and duration of Contain Outbreak Management Funding. This funding from the Department of Health is reactive to the level of restrictions impacting local areas. The Council has established a governance process involving representatives from Public Health, Finance, District Councils and other partners to ensure oversight of these funds according to a protocol overseen by the Chief Finance Officer and Director of Public health.

### 3.2 Key exceptions this month are identified below.

#### 3.2.1 Place & Economy:

+£2.770m (+4.9%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details, see the [P&E Finance Monitoring Report](#).

#### 3.2.2 People & Communities:

+£11.516m (+4.2%) pressure is forecast at year-end.

- Strategic Management - Adults

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+7.408	(+120%)

A +£7.408m pressure is forecast. This is an increase of £0.376m on the position previously reported last month. The increase is due to additional provision being made for potential worsening of the financial position across Adult Services over the coming months due to winter pressures.

- Older People's Services

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
+0.546	(+1%)

A +£0.546m pressure is forecast. This is a decrease of £0.500m on the position previously reported last month. The Council's response to the Covid pandemic included reprioritising the activities of preventative services and this was expected to have an adverse effect on demand for social care during the course of the pandemic. This is being reflected though increased levels of community-based care provided since the start of the financial year. Conversely, the Covid pandemic has had a significant impact on existing clients with the most acute needs placed in care homes, resulting in a notable decrease in placements.

New placements out of hospital or to facilitate avoidance of admission into hospital were funded through NHS England as continuing health care in the short term. Clients with assessed social care needs have now returned to local authority funding streams. The financial impact of this is £0.5m lower than previously forecast due to a proportion of clients not requiring long-term bed-based placements.

- Children in Care

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-1.400	(-8%)

A -£1.400m underspend is forecast. This is an increase of £0.350m on the underspend position previously reported last month. This is in respect of the unaccompanied asylum seeker children (UASC) and Leaving care budgets. This is due to an expected improvement of -£300k, based on a review of our pricing fee structure and the current number of placements within the fostering service, and a -£50k change based on the current Unaccompanied Asylum Seeking Children(UASC)/Leaving Care cohort.

- Executive Director

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.729	(-39%)

A -£0.729m underspend is forecast. This is an increase of £0.315m on the underspend position previously reported last month. The main cause of the underspend is a service-wide reduction in mileage spend, now assumed to continue through to at least the end of the third quarter. This line also includes substantial spend on Personal Protective Equipment (PPE); government funding of PPE in the second half of the year has now stabilised resulting in an increased underspend projection on this line.

- A combination of more minor variances sum with the above to lead to an overall forecast outturn of +£11.516m. For full and previously reported details, see the [P&C Finance Monitoring Report](#).

### 3.2.3 Public Health:

A balanced budget is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [PH Finance Monitoring Report](#).

### 3.2.4 Corporate Services:

-£0.559m (-1.6%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

### 3.2.5 CS Financing:

-£0.690m (-2.0%) underspend is forecast for year-end.

- Debt Charges

<b>Outturn Variance £m</b>	<b>Outturn Variance %</b>
-0.690	(-2.3%)

Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a £690k forecast underspend. This is an increase of £290k on the underspend position previously reported last month. Whilst the cost of PWLB borrowing has been significantly higher over the past 12 months, the Council has been able to take advantage of lower rates on Local Authority borrowing in 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.

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

### 3.2.6 Commercial & Investment:

+£2.458m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [C&I Finance Monitoring Report](#).

### 3.2.7 Funding Items:

-£16.744m underspend is forecast for year-end. This relates to forecast usage of the unbudgeted Covid-19 support grant from MHCLG in relation to forecast pressures as a

result of the Covid-19 pandemic. The amount of Covid-19 grant identified as required has decreased by £1.4m since the previous report last month.

### 3.2.8 LGSS Operational:

+£0.557m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details, see the [CS & LGSS Finance Monitoring Report](#).

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

## 4. Key Activity Data

- 4.1 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 Finance Monitoring Report](#) (section 5).

## 5. Funding Changes

### 5.1 Covid Winter Grant

On 8<sup>th</sup> November 2020, the Department of Work and Pensions (DWP) announced a new £170m 'winter grant scheme' for vulnerable families and children, to be distributed to councils. This funding is ringfenced, with at least 80% earmarked to support with food and bills, and will cover the period to the end of March 2021. The County Council has been allocated £1.459m funding with £0.780m (50%) received in December 2020. The remaining two tranches of 25% are due at the end of February 2021 and April/May 2021 respectively subject to the submission of Statements of Grant usage, progress reports and management information returns on eligible expenditure.

General Purposes Committee is asked to note the allocation of the £1.459m Covid Winter Grant for ringfenced purposes to the People & Communities directorate, to be received in instalments over the coming months.

### 5.2 Clinically Extremely Vulnerable (CEV) Grant

Following the Prime Minister's announcement of the November lockdown, the Ministry of Housing, Communities & Local Government (MHCLG) announced Clinically Extremely Vulnerable (CEV) grant funding. This funding is for local authorities to use to support CEV individuals on the Shielded Patient List (SPL). The indicative allocation to the Council is £380k funding for the 28 day second lockdown and a second tranche of £380k to which the Council became entitled when Cambridgeshire entered Tier 4 on 26th December. The funding is unringfenced, however there is an expectation that councils use the funding to deliver the activities and outcomes outlined in the Shielding Framework. This includes the overheads of setting up and managing the local system, contacting CEV individuals within the area of intervention, assessing the food and basic support needs of CEV individuals and facilitating the delivery of that support where necessary, and reporting on the level of support provided.

As this is technically an unringfenced grant, General Purposes Committee is invited to agree allocation of the currently estimated £760k funding to the People & Communities directorate for the purposes of supporting CEV individuals.

General Purposes Committee is asked to approve the allocation of the currently estimated £760k unringfenced Clinically Extremely Vulnerable (CEV) grant to the People & Communities directorate.

### 5.3 Highways contractor cost recovery repayment

The Council has received confirmation from Skanska that it is due to repay CCC £458k in relation to overpayments on the Highways contract as part of a contract management open book review. This income is received centrally to allow General Purposes Committee to decide on the priorities for reinvestment. It is proposed that the funds be allocated as follows:

<b>Item</b>	<b>Amount</b>
Wheatsheaf Crossroads – initial works and safety enhancements	£250k
Enhanced gully cleansing	£130k
Contribution to contract efficiencies target held by Commercial & Investment Committee	£50k
Reimbursement of internal audit days contribution to open book review of Highways contract	£28k
<b>Subtotal</b>	<b>£458k</b>

General Purpose Committee is asked to approve the reinvestment of the £458k contractor rebate as above.

## 6. Capital Programme

### 6.1 Capital financial performance

A summary of capital financial performance is shown below:

Original 2020/21 Budget as per Business Plan £000	Forecast Variance - Outturn (Oct) £000	Service	Revised Budget for 2020/21 £000	Actual- Year to Date (Nov) £000	Forecast Variance - Outturn (Nov) £000	Forecast Variance - Outturn (Nov) %	Total Scheme Revised Budget (Nov) £000	Total Scheme Forecast Variance (Nov) £000
29,051	-	P&E	54,603	19,870	-	0.0%	428,331	-
61,817	3,482	P&C	50,754	27,911	1,432	2.8%	574,180	-2,000
11,006	-3,840	Corporate Services	16,134	3,250	-3,567	-22.1%	74,043	-454
74,569	-5,676	C&I	76,693	27,191	-14,712	-19.2%	433,933	-11,323
-	-	Outturn adjustment	-	-	-	-	-	-
<b>176,443</b>	<b>-6,035</b>	<b>Total Spending</b>	<b>198,185</b>	<b>78,221</b>	<b>-16,848</b>	<b>-8.5%</b>	<b>1,510,487</b>	<b>-13,777</b>

**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 6.2.
2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2020/21 of £37.4m and is currently forecasting an in-year underspend of -£1.0m 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.

## 6.2 2020-21 capital programme variations budgets

6.2.1 A summary of the use of the 2020-21 capital programme variations budgets by services is shown below. As 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 re-phasing exceeds this budget.

Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Nov) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Forecast Variance - Outturn (Nov) £000
P&E	-12,043	-944	944	7.84%	0
P&C	-6,523	-5,091	5,091	78.05%	1,432
CS	-4,010	-7,577	4,010	100.00%	-3,567
C&I	-17,625	-32,337	17,625	100.00%	-14,712
Outturn adjustment	-	-	-	-	-
<b>Total Spending</b>	<b>-40,201</b>	<b>-45,950</b>	<b>27,670</b>	<b>68.83%</b>	<b>-16,848</b>

6.2.2 As at the end of November, C&I and Corporate Services schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£14.7m and -£3.6m respectively. People & Communities are declaring an in-year pressure of £1.4m, as the level of variation is not expected to fully use the -£6.5m P&C capital variations budget. The current overall forecast position is therefore a -£16.8m underspend; the forecast will be updated as the year progresses.

## 6.3 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.

### 6.3.1 Place & Economy:

A balanced budget is forecast at year-end.

- King's Dyke

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
10,400	10,303	-97	-1,337	1,240	0	-97

An in-year underspend of -£0.1m is forecast. This is a decrease of £1.2m on the underspend position previously reported last month. A revised forecast expenditure profile has been received from the contractor and the forecast has been updated accordingly; only a small underspend is now forecast for this year as construction work continues on site alongside the design work. The construction is due to complete by December 2022

- P&E Capital Variation

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
-12,043	-11,099	944	2,120	-1,176	0	944

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 £0.9m underspend is balanced by use of the capital variations budget; the change this month relates primarily to the change in underspend on King's Dyke together with more minor variances.

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

### 6.3.2 People & Communities:

A +£1.4m (+2.8%) in-year pressure is forecast at year-end.

- Site Acquisition and Development

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
2,485	485	-2,000	0	-2,000	-2,000	0

An in-year underspend of -£2.0m is forecast across Site Acquisition and Development schemes. The St Ives site acquisition scheme is no longer required as the current occupant has decided not to sell the land.

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

### 6.3.3 Corporate Services:

A -£3.567m (-22.1%) underspend is forecast at year-end. for full and previously details, see the [CS & LGSS Finance Monitoring Report](#).

- EastNet (CPSN Replacement)

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
273	546	273	0	273	273	0

An in-year pressure of £0.3m is forecast. The EastNet (CPSN Replacement) scheme suffered significant, previously reported, unavoidable delays on the original timeline, and has consequently spent £546k to date, £273k higher than the 2020-21 budget.

The total amount of funding required in 2020-21 is currently being reviewed, but is not expected to increase much further.

#### 6.3.4 Commercial & Investment:

A -£14.712m (-19.2%) underspend is forecast at year-end.

- Investment in the CCC asset portfolio

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
4,793	3,130	-1,663	0	-1,663	0	-1,663

An in-year underspend of -£1.7m is forecast. This is due to delays, mainly due to the impact of Covid on planned construction works and preparatory works.

- Decarbonisation Fund

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
3,000	2,056	-944	353	-1,297	0	-944

An in-year underspend of -0.9m is forecast. This is a change of -£1.3m on the position previously reported in September and relates in full to a change since last month. The revised forecast is based on the cost of all projects approved to date and 50% of the proposed projects being approved.

- Shire Hall Relocation

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Nov) £'000	Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance : Rephasing £'000
14,076	8,000	-6,076	0	-6,076	0	-6,076

An in-year underspend of -£6.1m is forecast. This is mainly due to the initial impact of Covid 19 on planned construction works. The building is now water tight with completion of the roof and glass façade, as well as the internal walls, allowing the first fix of electrical, plumbing and mechanical installations to get underway. Completion is now expected in late summer-early autumn.

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

#### 6.4 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:

#### 6.4.1 Place & Economy:

A total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details, see the [P&E Finance Monitoring Report](#).

#### 6.4.2 People & Communities:

A -£2.0m total scheme underspend is forecast.

- St Ives Site Acquisition

Total Scheme Revised Budget £'000	Total Scheme Forecast Spend - Outturn (Nov) £'000	Total Scheme Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000
2,000	-	-2,000	-	-2,000

A **total scheme** underspend of -£2.0m is forecast on the St Ives site acquisition scheme for the reasons given earlier in section 6.3.2.

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

#### 6.4.3 Corporate Services:

A -£0.454m (-0.6%) total scheme underspend is forecast.

- EastNet (CPSN Replacement)

Total Scheme Revised Budget £'000	Total Scheme Forecast Spend - Outturn (Nov) £'000	Total Scheme Forecast Spend - Outturn Variance (Nov) £'000	Variance Last Month (Oct) £'000	Movement £'000
5,167	5,440	273	-	273

A total scheme pressure of £0.3m is forecast. The EastNet (CPSN Replacement) scheme suffered significant, previously reported, unavoidable delays on the original timeline, and has consequently spent £546k to date in 2020-21, £273k higher than the 2020-21 budget. The total amount of funding required in 2020-21 is currently being reviewed, but is not expected to increase much further. (See also 6.3.3.)

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

#### 6.4.4 Commercial & Investment:

A -£11.323m (-2.6%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously details, see the [C&I Finance Monitoring Report](#).

## 6.5 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 <sup>1</sup> £m	Revised Phasing £m	Additional/Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	17.8	-	5.2	3.6	<b>26.6</b>	26.6	<b>-0.0</b>
Basic Need Grant	20.6	-	-	-	<b>20.6</b>	20.6	-
Capital Maintenance Grant	3.9	-	-	1.2	<b>5.1</b>	5.1	-
Devolved Formula Capital	0.8	1.4	-	<b>-0.0</b>	<b>2.2</b>	2.2	-
Specific Grants	9.0	0.1	2.7	4.9	<b>16.8</b>	16.5	<b>-0.3</b>
S106 Contributions & Community Infrastructure Levy	8.5	2.7	<b>-2.9</b>	3.0	<b>11.3</b>	11.2	<b>-0.1</b>
Capital Receipts	7.3	11.3	0.0	<b>-5.1</b>	<b>13.5</b>	4.2	<b>-9.3</b>
Other Contributions	11.4	0.0	1.7	7.9	<b>21.0</b>	20.4	<b>-0.7</b>
Revenue Contributions	-	-	-	-	-	-	-
Prudential Borrowing	97.1	46.0	<b>-59.7</b>	<b>-2.4</b>	<b>81.0</b>	74.6	<b>-6.5</b>
<b>TOTAL</b>	<b>176.4</b>	<b>61.6</b>	<b>-52.9</b>	<b>13.1</b>	<b>198.2</b>	<b>181.3</b>	<b>-16.8</b>

<sup>1</sup> Reflects the difference between the anticipated 2019/20 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2020/21 Business Plan, and the actual 2019/20 year end position.

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

Funding	Service	Amount (£m)	Reason for Change
Additional/ Reduction in Funding (Specific Grants)	C&I	£1.5	<p>The County Council has been awarded £2.5m by the Public Sector Decarbonisation Scheme, a £1bn fund from the Department for Business, Energy &amp; Industrial Strategy (BEIS), administered by Salix Finance, aimed at decarbonising heat in public buildings. £1.5m will be spent this financial year and £1m in 2021/22. The total scheme budget will remain at £15m with the awarded grant reducing the borrowing requirement by £2.5m</p> <p>General Purposes Committee is asked to note the new ring-fenced capital grant funding for the Decarbonisation Fund scheme as above.</p>
Addition/Reduction in Funding - S106 contributions	P&E	£2.1	<p>The Chisholm Trail and Abbey Chesterton Bridge project has experienced a significant number of issues that are forecast to lead to time and cost increases. These include unanticipated delays and costs related to:</p> <ul style="list-style-type: none"> <li>• Access to land required to deliver the scheme</li> <li>• Design and fabrication issues</li> <li>• Ecology</li> <li>• Third party agreements and approvals</li> <li>• Protracted approval process with Network Rail to work in proximity of the railway</li> <li>• Impact of the Coronavirus pandemic</li> </ul> <p>Due to additional costs incurred for this scheme, Highways &amp; Transport Committee, 1<sup>st</sup> December 2020 agreed to seek additional section 106 funding of £2.063m for the Abbey Chesterton Bridge through the Greater Cambridge Partnership Executive Board. The Greater Cambridge Partnership Executive Board approved the funding on December 10<sup>th</sup>.</p> <p>General Purposes Committee is asked to note the £2.063m new capital funding for the Abbey Chesterton Bridge scheme as above.</p>

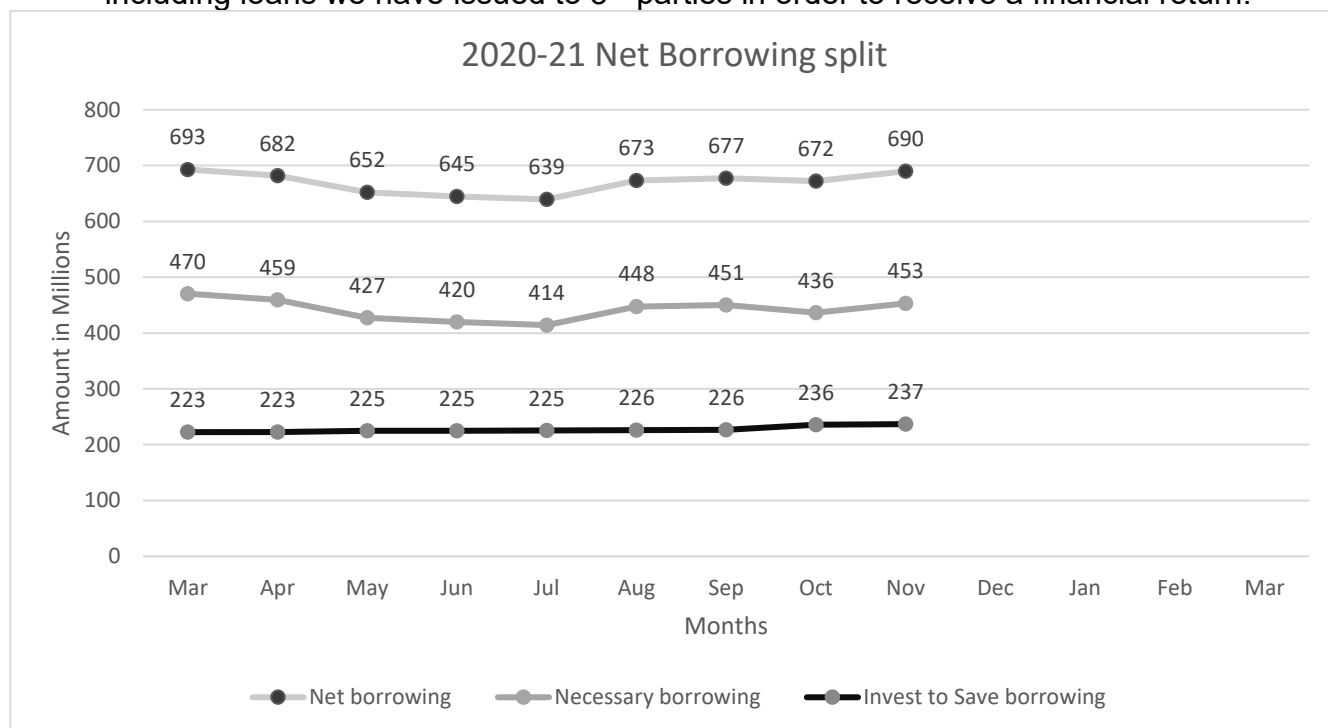
## 7. Balance Sheet

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

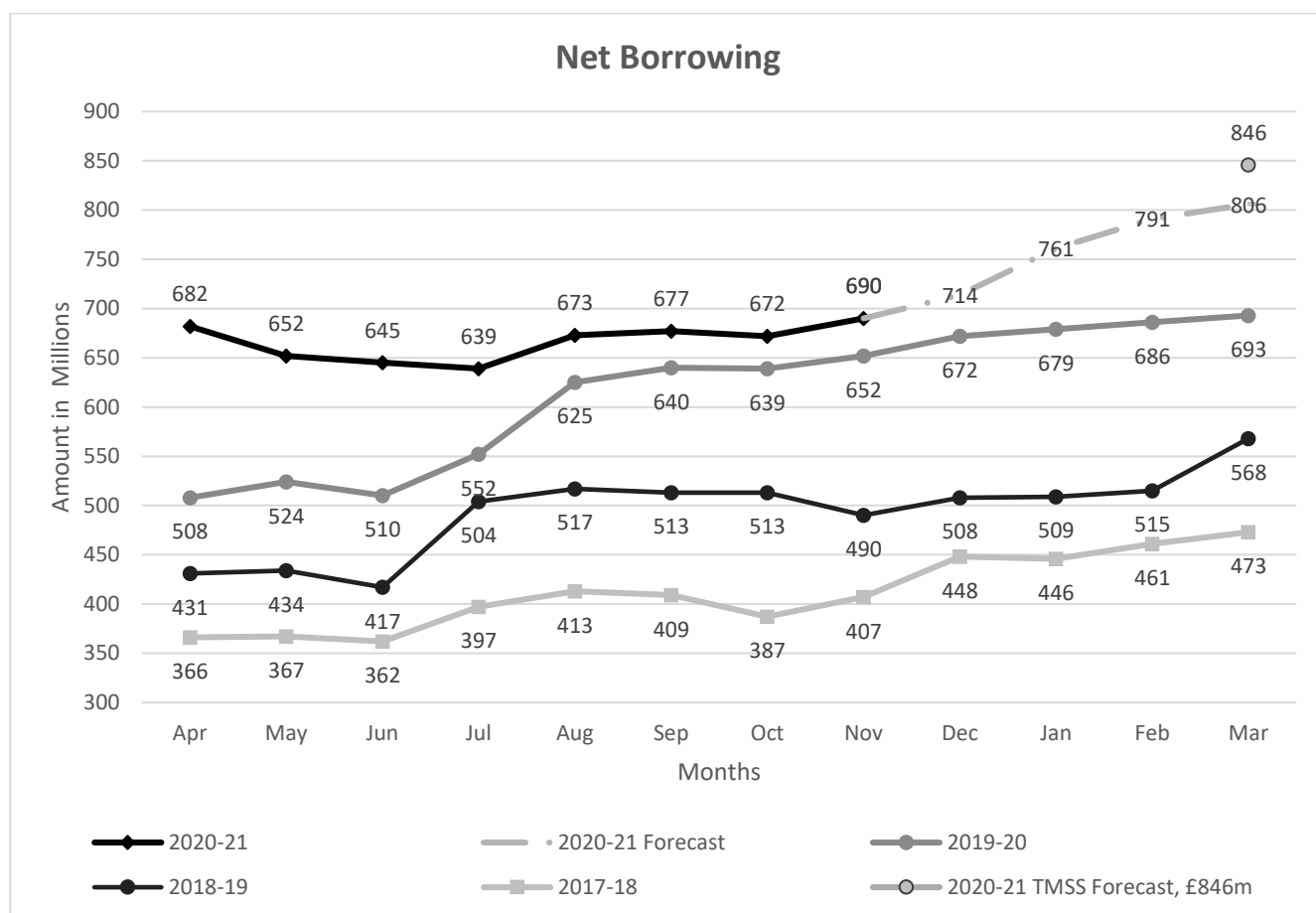
Measure	Year End Target	Actual as at the end of Nov 2020 <sup>1</sup>
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£3.37m	£8.13m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£1.71m	£2.33m
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	97.5%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	85.0%	82.0%

<sup>1</sup> The debt figures from Oct 19 onwards 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 £3.90m. 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.

7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2020-21, it is estimated that £237m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3<sup>rd</sup> parties in order to receive a financial return.



7.3 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of November 2020, investments held totalled £92.6m (excluding all 3<sup>rd</sup> party loans) and gross borrowing totalled £782.6m, equating to a net borrowing position of £690.0m.



- 7.4 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 2019-20 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2020-21 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.
- 7.5 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 2020-21 TMSS was set in February 2020, it anticipated that net borrowing would reach £846.0m by the end of this financial year. Based on the 2019-20 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £806.0m by the end of this financial year.
- 7.6 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.
- 7.7 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.

- 7.8 Further detail around the Treasury Management activities can be found in the latest [Treasury Management Report](#).
- 7.9 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](#).

## 8. Alignment with corporate priorities

### 8.1 A good quality of life for everyone

There are no significant implications for this priority.

### 8.2 Thriving places for people to live

There are no significant implications for this priority.

### 8.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

### 8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

## 9. Significant Implications

### 9.1 Resource Implications

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

### 9.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

### 9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

### 9.4 Equality and Diversity Implications

There are no significant implications within this category.

### 9.5 Engagement and Consultation Implications

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

### 9.6 Localism and Local Member Involvement

There are no significant implications within this category.

## 9.7 Public Health Implications

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Chris Malyon

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS 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

## 10. Source documents

### 10.1 Source documents

P&E Finance Monitoring Report (November 20)

P&C Finance Monitoring Report (November 20)

PH Finance Monitoring Report (November 20)

CS and LGSS Cambridge Office Finance Monitoring Report (November 20)

C&I Finance Monitoring Report (November 20)

Capital Monitoring Report (November 20)

Report on Debt Outstanding (November 20)

CCC Prompt Payment Report (November 20)

### 10.2 Location

1<sup>st</sup> Floor,

Octagon,

Shire Hall,

Cambridge

## 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	Public Health £'000	P&E £'000	CS Financing £'000	Corporate Services £'000	C&I £'000	LGSS Op £'000	Financing Items £'000
<b>Opening Cash Limits as per Business Plan</b>	275,096	0	56,470	29,570	29,441	-9,277	6,286	16,844
Greater Cambridge Partnership budgets not reported in CCC budget					-649			
Cambridgeshire Music and Outdoor Education - moving from C&I to P&C	-72					72		
Integrated Finance- moving from LGSS to Corporate Services					6		-6	
Transfer re Social Work recruitment	31				-31			
Transfer for temporary relocation of Babbage House staff					-15	15		
Transfer from Democratic Services to School Organisation and Planning Service	29				-29			
Transfer from Fostering to Communications	-34				34			
Transfer of IT trainer budgets from LGSS to Corporate Services IT & Digital Service					262		-262	
Transfer of IT CCC SLA, Customer Services, Desktop and laptop charges to LGSS to replace annual recharging	-20				-655		675	
Transfer of Ely Archives property costs from P&C to County Offices	-78					78		
County Offices and Early Help District Delivery Service adjustments	-5					5		
Transfer of Recruitment team from P&C to Corporately Managed	-212				212			
Transfer budget for additional Information Management storage					20	-20		
Transfer IT networks budget from IT Managed to IT Operations					-202		202	
Transfer Children's Centres CPSN and VOIP budgets	-9				9			
Transfer Desktop and Application support budgets to IT Operations					-175		175	
Centralisation of postage budgets	-93		-40		133	0		
Transfer of P&E Management restructure savings from PCC Shared Service			-22		22			
Transfer Non-Exec Director fees budget to C&I					35	-35		
Budget for New Homes Bonus contribution no longer required for Greater Cambridge Partnership					376			
Repatriation of Procurement from LGSS to Corporate Services					373		-373	
Repatriation of Finance Operations from LGSS to Corporate Services					45		-45	
Repatriation of Human Resources from LGSS to Corporate Services					1,340		-1,340	
Repatriation of Health, Safety & Wellbeing from LGSS to Corporate Services					182		-182	
Repatriation of Learning & Development from LGSS to Corporate Services					1,586		-1,586	
Repatriation of Finance Assessments from LGSS to P&C	569						-569	
Repatriation of IT & Digital Services from LGSS to Corporate Services					340		-340	

Repatriation of IT Managed from LGSS to Corporate Services				2,807		-2,807	
Budget allocation to cover extra 0.75% LGE pay increase	389	0	35	-440	4	12	
<b>Current budget</b>	<b>275,592</b>	<b>0</b>	<b>56,443</b>	<b>29,570</b>	<b>35,029</b>	<b>-9,159</b>	<b>-162</b>
Rounding	0	0	0	0	0	0	1
							0

## Appendix 2 – Reserves and Provisions

Fund Description	Balance at 31 March 2020 £000s	Movements in 2020-21 £000s	Balance at 30 Nov 2020 £000s	Forecast Balance at 31 March 2021 £000s	Notes
<b>- County Fund Balance</b>	17,658	1,829	19,487	20,179	
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	825	-228	597	284	
<b>General Reserves subtotal</b>	18,483	1,601	20,084	20,463	
5 Insurance	4,165	-1,742	2,423	3,587	
<b>Specific Earmarked Reserves subtotal</b>	4,165	-1,742	2,423	3,587	
6 P&C	0	0	0	0	
7 P&E	0	0	0	0	
8 CS	3	-3	0	0	
9 C&I	0	0	0	0	
<b>Equipment Earmarked Reserves subtotal</b>	3	-3	0	0	
10 P&C	1,097	0	1,097	1,097	Includes liquidated damages in respect of the Guided Busway
11 PH	2,728	167	2,895	2,069	
12 P&E	4,669	122	4,791	1,312	
13 Corporate Services	5,423	-2,456	2,967	5,319	Savings realised through change in MRP policy.
14 C&I	705	0	705	0	
15 Transformation Fund	24,593	7,594	32,186	26,846	Includes COVID-19 Support Grant 1st, 2nd, 3rd and 4th tranches
16 Innovate & Cultivate Fund	972	21	993	156	
17 Corporate	14,612	20,282	34,894	0	
<b>Other Earmarked Funds subtotal</b>	54,799	25,730	80,529	36,799	
<b>SUBTOTAL</b>	<b>77,450</b>	<b>25,586</b>	<b>103,036</b>	<b>60,849</b>	
18 P&C	2,518	0	2,518	0	Section 106 and Community Infrastructure Levy balances.
19 P&E	5,024	7	5,031	0	
20 C&I	11,632	-35	11,597	12,518	
21 Corporate	60,761	5,687	66,448	55,940	
<b>Capital Reserves subtotal</b>	79,935	5,659	85,594	68,458	
<b>GRAND TOTAL</b>	<b>157,385</b>	<b>31,245</b>	<b>188,629</b>	<b>129,307</b>	

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:

<b>Fund Description</b>	<b>Balance at 31 March 2020 £000s</b>	<b>Movements in 2020-21 £000s</b>	<b>Balance at 30 Nov 2020 £000s</b>	<b>Forecast Balance 31 March 2021 £000s</b>	<b>Notes</b>
1 P&E	0	0	0	0	
2 P&C	224	-24	200	200	
3 Corporate Services	2,093	0	2,093	2,093	
4 C&I	0	0	0	0	
<b>Short Term Provisions subtotal</b>	<b>2,317</b>	<b>-24</b>	<b>2,293</b>	<b>2,293</b>	
5 Corporate Services	3,613	0	3,613	3,613	
<b>Long Term Provisions subtotal</b>	<b>3,613</b>	<b>0</b>	<b>3,613</b>	<b>3,613</b>	
<b>GRAND TOTAL</b>	<b>5,930</b>	<b>-24</b>	<b>5,906</b>	<b>5,906</b>	