Cambridgeshire County Council

Appendix A

Integrated Finance Monitoring Report November 2022

Contents

1. Executive Summary

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

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

The Council's total service budgets for 2022/23 are:
- Revenue: £456m net budget
- Capital: £153m (with a total programme of over £1bn)

The table below shows the key forecast information by service:

Service	Revenue Budget Variance £000	Revenue Budget Variance %	Net Capital Budget Variance £000	Net Capital Budget Variance %
People Services	3,132	1.0%	-6,975	-10.6%
Place & Sustainability	1,153	1.6%	-1,657	-2.3%
Strategy & Partnerships	0	0.0%	-2,053[1]	-13.3%
Finance & Resources	2,114	18.6%		
Public Health	0	-1.2%	-	-
Capital Financing	-2,380	-7.2%	-	-
Funding Items	-1,357	-12.3%	-	-
Net Spending Total	**2,662**	**0.6%**	**-10,685**	**-7.0%**

Notes on this table:
1. The capital variance of -£2,053k is the combined position across Strategy & Partnerships and Finance & Resources

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

In setting this year's budget, this growth had to be met through additional taxation, savings and government funding. We also have significant budget gaps over the next few years, including at least £13m in 2023/24 after over £10m of mitigations have been found over October and November.

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

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

1.2 Key Issues

We are currently forecasting a small (0.6%) revenue overspend for 2022/23, mainly due to the effects of the expected level of public sector pay inflation for this year, which exceeds the estimates used in budgeting. This is in the context of large budget increases that were planned in for this year as noted above, alongside uncertainty due to the impacts of inflation and patterns of demand.

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

Inflation is also impacting on our capital programme, alongside international supply chain disruption, making deliverability less clear. This is having an in-year impact on capital schemes as well as affecting future years but offsetting this inflationary impact is some slippage on expected delivery of capital schemes. We are now seeing an underspend expected on the revenue cost of the Council's capital programme, mainly reflecting a lower than expected borrowing requirement as the Council's cash balances have been quite high this year.

Due to inflation and difficulty in recruiting, several of our key supplier markets are facing difficulty. The care sector has long been under pressure – we have invested funding to increase rates paid this year and we have committed to paying the real living wage to care staff which should improve recruitment and retention. We are seeing cost pressures in Home to School Transport due to high levels of contract hand-backs and rising costs of new contracts.

Uncertainty has been caused this year by changes in national government, and changing priorities with major pieces of reform such as in adult social care. We have proceeded through much of the year on the basis that social care reform would take place next year, but this has now been pushed back. Instead, government is focussing on trying to reduce hospital discharge pressures and has allocated additional money to councils to help with that.

Our Just Transition Fund investments are continuing to make a difference this year, particularly in our Care Together programme which is improving local care services, and in the Net Zero programme which is moving forwards with planning to deliver the Council's and County's net zero targets.

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

Demand for our services so far this financial year appears to be within original projections in most cases, but remains an uncertainty over the coming months. In particular, the impact of Autumn and Winter on social care budgets is difficult to predict, and the national economic picture may increase demand on Council services.

1.3 Key Issues by Service Area

1.3.1 People Services – Adults

We are seeing financial pressures across Learning Disability, Physical Disability and Mental Health, but at the current time these are being offset by forecast underspends elsewhere, and particularly in the costs of services for Older People. Following on from the pandemic we are continuing to see demand for residential care for Older People at below pre pandemic levels and it is anticipated that this trend will continue for some time to come.

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

Hospital Discharge systems continue to be pressured. The medium-term recovery of clients assessed as having primary health needs upon hospital discharge can return individuals to social care funding streams. In addition, the impact of delayed health care treatments such as operations, will also affect individual needs and health inequalities negatively.

Work is ongoing to assess future demand, cost pressures and the financial implications of the government's social care reforms which have now been postponed to October 2025. This work will feed into business planning for 2023/24 and beyond.

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

Older people aged 65+ receiving long term services	**Budgeted no. of care packages 2022/23**	**Actual Nov 22**	**Actual May 22**	**Trend in service user numbers since May 22**	**Trend in average weekly unit cost since May 22 (budget expects an increase)**
Nursing	617	555	537	Increasing	Increasing
Residential	947	849	837	Increasing	Increasing
Community	2,399	2,228	2,225	Increasing	Increasing

Working Age Adults receiving long term services	Budgeted no. of care packages 2022/23	Actual Nov 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Nursing	37	39	36	Stayed the same	Increasing
Residential	342	332	334	Stayed the same	Increasing
Community	2,626	2,813	2,644	Increasing	Increasing

1.3.2 People Services – Children's & Education

There is some pressure emerging on the Children in Care placements budget as several high-cost placements have been made in recent months. The placement market is highly competitive with demand outstripping supply, and inflation is further cited by providers as a driver of increased costs. We are reviewing the expected starting point of this budget for next financial year.

In order to address continuing difficulty in recruiting to Social Worker posts, which resulted in a significant staffing underspend last financial year, a Programme Board has been established to focus on recruitment, retention and development of the workforce offer. The Programme Board has now completed phase one of its work, and phase two will launch a social work recruitment campaign, to include international recruitment. Whilst this work will start early January 2023 we continue to arrange bespoke teams to support the ongoing demand.

Home to School Transport Special is now forecasting a revised overspend of £2.13m. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported, and transported further, to special schools. The service is facing challenges from contract hand-backs and shortages of drivers; contract costs are rising as providers increase prices to improve attractiveness of route tenders. Inability to contract routes to bus providers increases costs of taxi services, as we still have a duty to transport eligible children to school. This is a national issue affecting bus services and taxi services generally, with particular impacts on Home to School Transport services. In Cambridgeshire, we are increasingly working with the Combined Authority in relation to bus services, which will hopefully mitigate some of the impact on transport budgets.

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

Children in Care	Budgeted no. of care packages 2022/23	Actual Nov 22	Actual May 22	Trend in service user numbers since May 22	Trend in average weekly unit cost since May 22 (budget expects an increase)
Children in Care placements	278	263	260	Stayed the same	Increasing
Fostering and Supervised Contact	242	218	249	Decreasing	Increasing
Adoption	461	409	424	Decreasing	Increasing

1.3.3 Place & Sustainability

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

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

Highways Maintenance Expenditure in a number of areas is low at present. This is due to a number of schemes being programmed for late in the year due to road space availability, as well as and staff resource pressures in the service causing design and costing to be later than expected. The service remains confident of delivery high with road space booked up to the full budget level and the works in the contractors' programmes. The programme is slightly over-committed versus budget to allow for some degree of slippage to take place, and we are assured as part of our highways partnership with the external contractor that work is scheduled in and deliverable through to the end of the year.

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

1.3.4 Corporate Services

Corporate Services are forecasting an overspend due to the expected level of staff pay inflation. The nationally and locally agreed pay awards are higher than the level budgeted. As services will be fully funded for the cost of pay inflation, the pressure is retained centrally and offset in the next year's business planning.

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

The Council's investments, both financial and property, are continuing to perform well and delivering an annual revenue return to us. We are, however, experiencing costs pressures within the Property Service from higher than expected maintenance costs.

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

We are now forecasting an underspend on our capital financing budgets. While this is partly due to slippage on some capital schemes, reported below, it is predominantly due to the Council's cash position being better than expected for much of this year resulting in an overall lower level of borrowing than planned. We aim to retain a minimum cash balance and only borrow when this is projected to be breached. The cash position is better than expected partly due to additional government grants received but not yet fully spent, and generally for councils having more cash in the bank results in having to take out less borrowing thus saving on interest costs.

1.3.5 Public Health

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

The service is forecasting an underspend due to reduced activity on some contracts, alongside difficulty recruiting to a number of posts earlier in the year.

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

The Public Health Grant increased in 2022/23 by £776k, which was fully invested into the service as follows:

- £350k investment into child weight management services; and
- £426k funding for internal and provider inflationary uplifts.

2 Revenue Budget

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

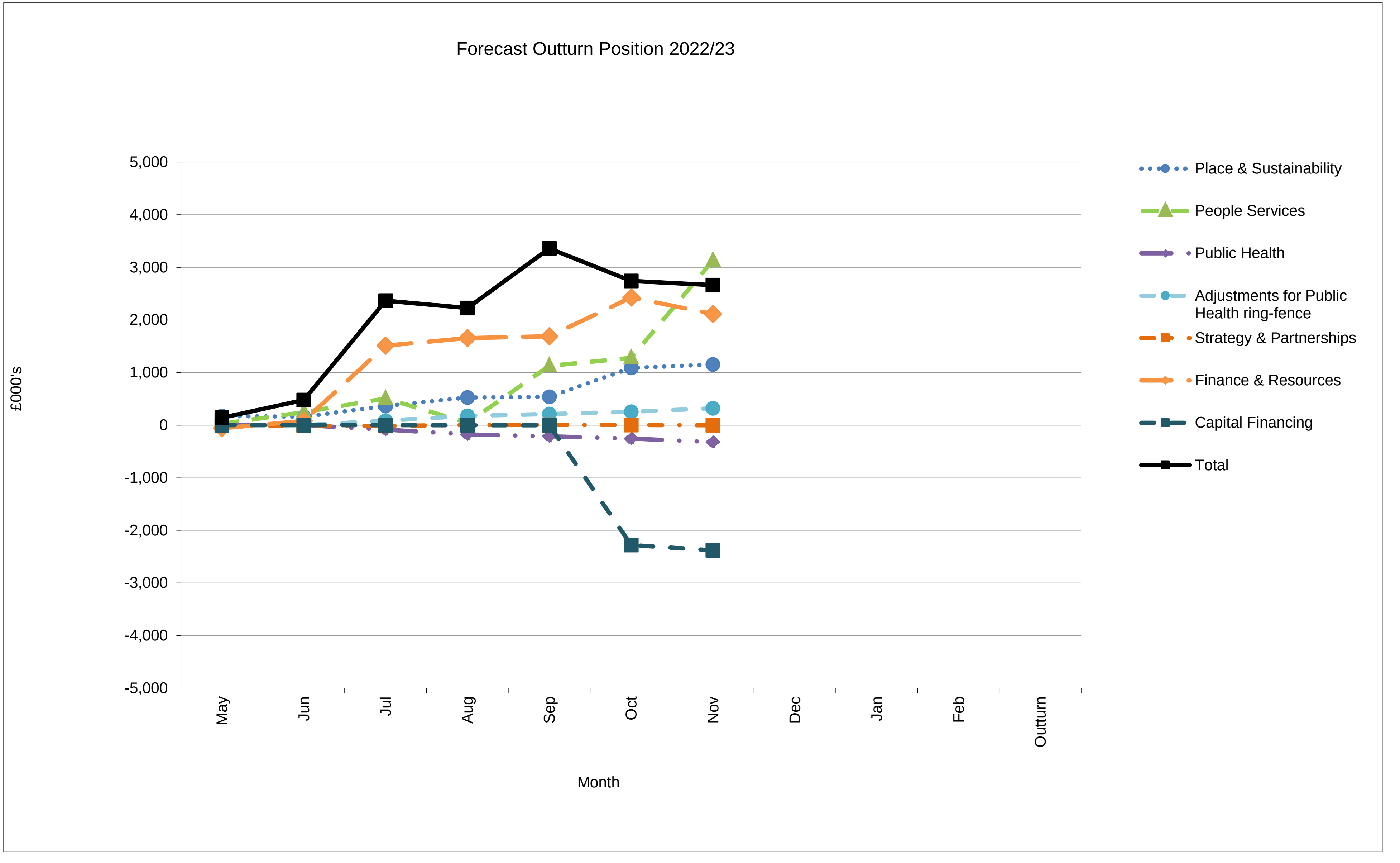
Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
1,281	People Services	312,332	178,270	3,132	1.0%
1,087	Place & Sustainability	72,303	39,337	1,153	1.6%
2	Strategy & Partnerships	15,719	-3,176	0	0.0%
2,427	Finance & Resources	11,385	10,149	2,114	18.6%
-255	Public Health	27,301	7,637	-321	-1.2%
-2,280	Capital Financing	33,275	5,503	-2,380	-7.2%
225	Funding Items	11,047	11,047	-1,357	-12.3%
2,487	**Net Spending Total**	**483,363**	**248,766**	**2,341**	**0.5%**
255	Adjustments for Public Health ring-fence	-27,301	-20,746	321	-1.2%
2,742	**Overall Total**	**456,062**	**228,020**	**2,662**	**0.6%**
-	Schools	149,099	-	-	-

Notes on this table:

1. The budget and actual figures are net
2. The budget column shows the current budget. For virements between services throughout the year see appendix 3
3. The 'funding items' budget consists of the £9.7m Combined Authority Levy, the £433k Flood Authority Levy and £930k 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 positive forecast indicates an adverse variance, i.e. less income received than budgeted.
4. The Adjustments for Public Health ring-fence line shows adjustments needed to the net spending total to account for Public Health Grant income and the year-end transfer to PH reserves of any underspend. The budget line currently only shows the grant element sat within the PH directorate. A small balance is allocated to other directorates and is netted off their totals.
5. The actuals column for Strategy & Partnerships currently shows a negative figure. This is as a result of grant funding not yet applied against spend.

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

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



Forecast Outturn Position 2022/23
£000's
5,000
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
-4,000
-5,000
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
Place & Sustainability
People Services
Public Health
Adjustments for Public Health ring-fence
Strategy & Partnerships
Finance & Resources
Capital Financing
Total

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

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

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

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

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

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

3 Revenue Funding Changes

This section highlights any new in-year changes to revenue budgets or funding that have taken place or that are proposed for agreement by Committee.

There are no changes to report this month.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Service	2022/23 Budget £000	Actuals £000	Net Forecast Variance £000	Forecast Variance %	Total Scheme Budget £000	Total Scheme Forecast Variance £000
0	Place & Sustainability	72,155	35,312	-1,657	-2.3%	589,911	5
-5,689	People Services	65,724	22,457	-6,975	-10.6%	574,760	1,453
-2,079	Corporate Services	15,426	3,562	-2,053	-13.3%	66,979	-357
-7,767	**Total**	**153,305**	**61,331**	**-10,685**	**-7.0%**	**1,231,650**	**1,101**

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4
2. The Budget column also includes an assumed level of variations, called the 'capital variations budget' which is shown in section 4.2
3. The reported Place & Sustainability capital figures do not include the Greater Cambridge Partnership, which has a budget for 2022/23 of £40m and is currently forecasting a balanced position.
4. The columns setting out budgets and forecast variances for total schemes show financial information for all schemes in a service block across all financial years.

4.2 Capital variations budgets

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

4.2.2 Capital variations summary

Service	Capital Variations Budget £000	Forecast Outturn Variance £000	Capital Variations Budget Used £000	Capital Variations Budget Used %	Net Forecast Outturn Variance
Place & Sustainability	-17,736	-19,393	17,736	100.0%	-1,657
People Services	-9,114	-16,089	9,114	100.0%	-6,975
Corporate Services	-3,811	-5,864	3,811	100.0%	-2,053
Total	**-30,661**	**-41,346**	**30,661**	**100.0%**	**-10,685**

4.2.3 As at the end of November, Place & Sustainability, People Services and Corporate Services have all exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£1.7m, -£7.0m and -£2.1m respectively. The current overall forecast position is therefore a -£10.7m underspend; the forecast will be updated as the year progresses.

4.3 Key capital budget variances are identified by exception and commented upon in appendix 2.

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

4.4 Capital Funding Changes

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

Funding Source	Business Plan Budget £m	Rolled Forward Funding £m	Revised Phasing £m	Additional/ Reduction in Funding £m	Revised Budget £m	Outturn Funding £m	Funding Variance £m
Department for Transport (DfT) Grant	23.9	-5.0	0.2	0.2	**19.3**	22.2	2.8
Basic Need Grant	14.7	0.0	0.0	1.0	**15.7**	15.7	0.0
Capital Maintenance Grant	3.0	2.0	0.0	0.9	**5.9**	5.9	0.0
Devolved Formula Capital	0.8	1.2	0.0	-0.0	**2.0**	2.0	0.0
Specific Grants	19.7	2.4	-2.6	0.7	**20.2**	12.4	-7.8
S106 Contributions & Community Infrastructure Levy	28.0	0.4	-14.2	0.1	**14.4**	15.3	0.9
Capital Receipts	1.5	0.0	-0.1	0.0	**1.3**	1.7	0.3
Other Contributions	10.2	-0.4	-5.3	5.4	**9.8**	8.0	-1.7
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0
Prudential Borrowing	90.6	26.8	-45.3	-7.4	**64.8**	59.5	-5.3
TOTAL	**192.2**	**27.5**	**-67.3**	**0.9**	**153.3**	**142.6**	**-10.7**

Notes on this table:

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

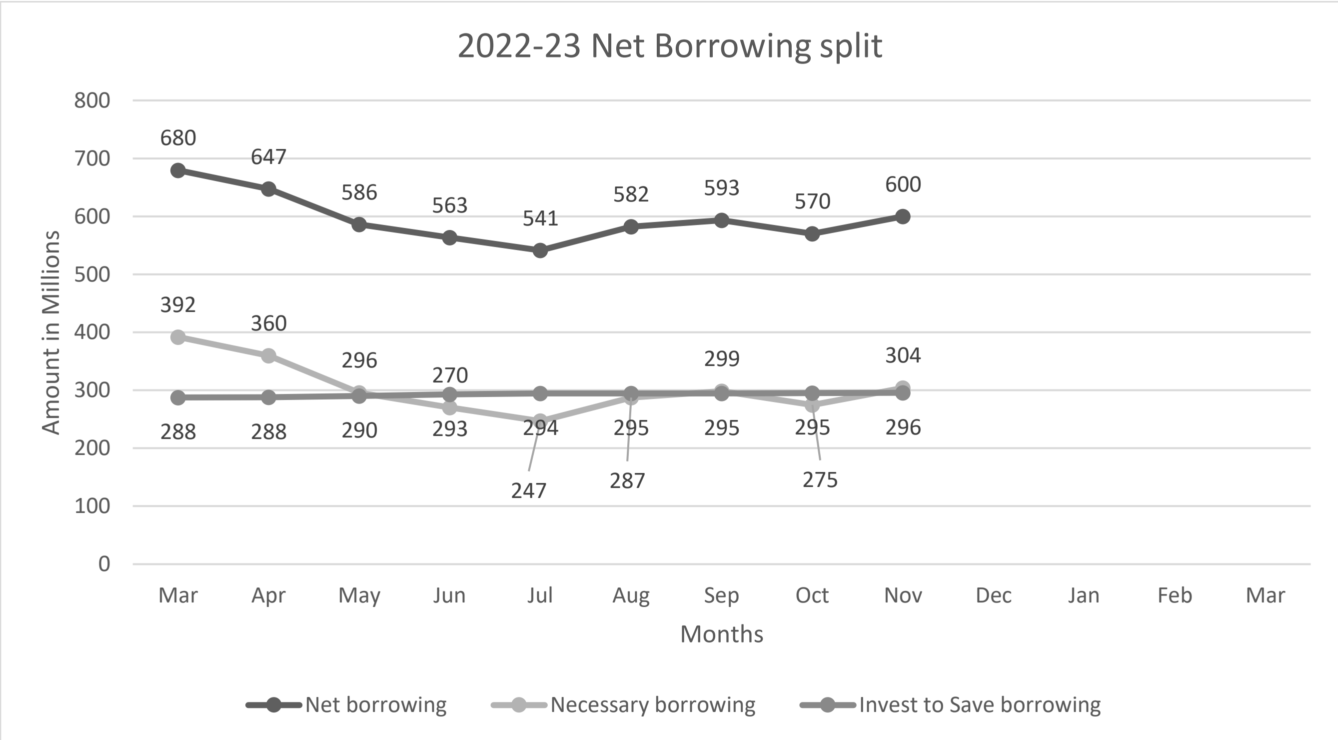
5 Balance Sheet

5.1 Reserves

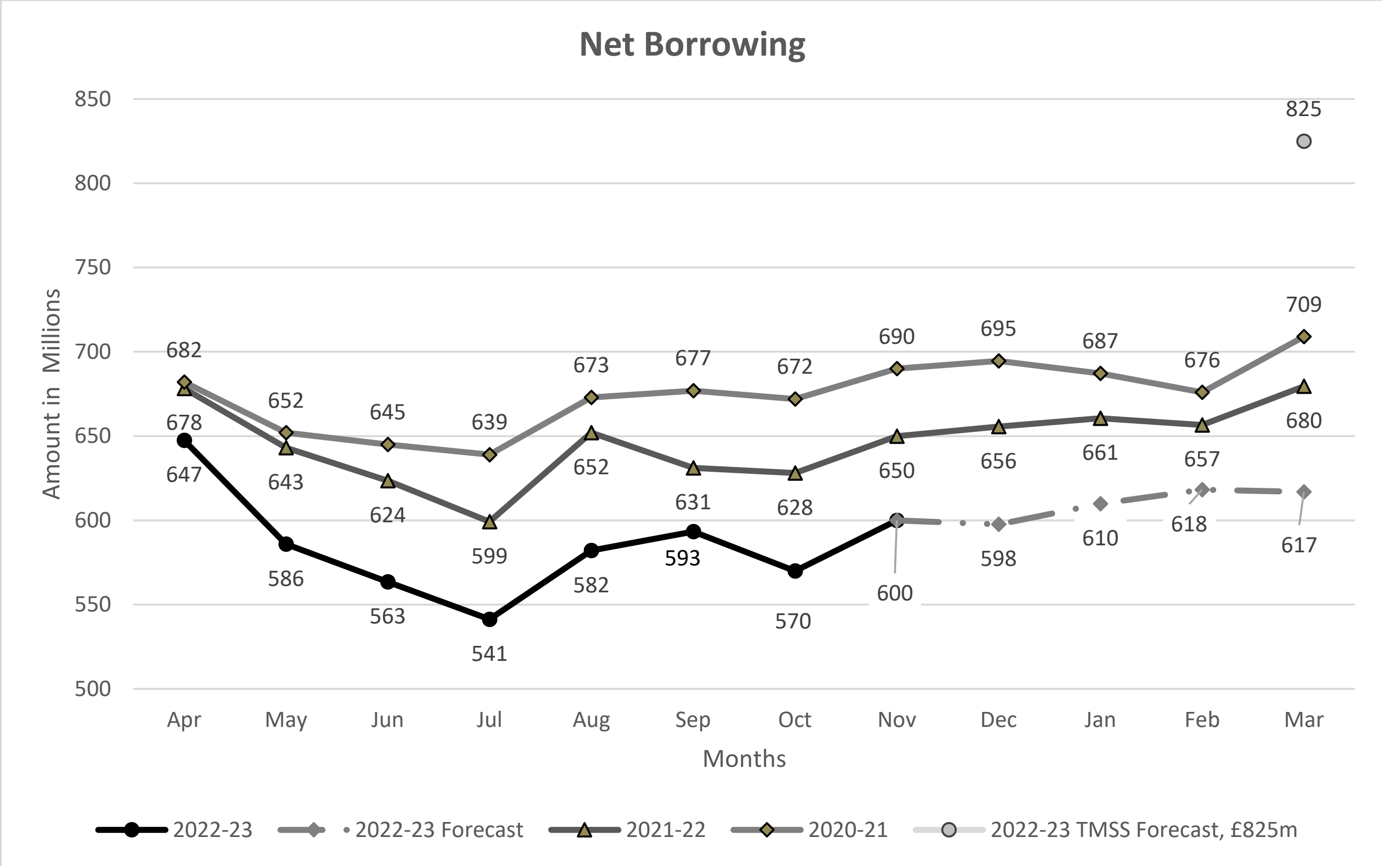
At the end of November, the Council has revenue reserves totalling £160m. Most of these reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.
The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, much of which is already planned into medium-term budgets.

5.2 Borrowing

The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2022/23, it is estimated that £296m 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.



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 November 2022, investments held totalled £158.2m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £758.1m, equating to a net borrowing position of £599.9m.



5.3 General Balance Sheet

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

Measure	Year End Target	Actual as at the end of Nov 2022
% of income collected (owed to the council) within 90 days: Adult Social Care	85%	85%
Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£12.81m
Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£2.96m
% of invoices registered on ERP within 2 working days	98.0%	99.6%
% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%
% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	84.4%

6 Treasury Management

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

6.2 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2022-23 TMSS was set in February 2022, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2021-22 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £617m by the end of this financial year.

6.3 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings 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.

6.4 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.

Appendix 1 – Revenue – commentaries on exceptions

1. People Services

- An overall pressure of £3.132m is forecast for year-end.

New commentaries

1a Learning Disabilities

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.5	+2%

A £1.471m pressure is forecast. This is largely due to demand on the budget for externally commissioned care placements. At the beginning of the year, it was proving incredibly challenging to find placements in the external provider market for service users transitioning from children's services, and for existing service users who needed placement moves. Over the last couple of months, we have seen more placements being made and the number of service users supported by the Young Adults team has exceeded the number of transitions anticipated from children's services. There are also new service users entering the locality teams directly. It remains incredibly challenging to source care placements and prices charged by the market have increased and continue to increase. This is in part due to providers struggling with staffing shortages, high agency costs and a high level of general inflation. Young people are also transitioning to adult services with more complex needs, so there are fewer suitable placements available and those that are available are higher cost in order to meet service user needs. The locality area budgets are seeing similar challenges when service users' needs increase, and they need new placements.

There is also a substantial risk around provider uplifts as the Council is still in negotiations with some providers over the level of inflationary uplift, they will be awarded in 2022-23. The budget for uplifts was set before the current inflationary pressures were known, so most providers are making uplift requests over and above the budgeted amount as they are facing cost pressures themselves, particularly around staffing.

The budget for service user transport is facing particular pressures with a forecast pressure of ~£600k. Driver shortages and fuel price inflation have increased transport costs, with fewer suppliers willing to cover routes. The transport retender has stabilised costs for the set routes, although the cost for these routes is in excess of the budget set for them, but there remains uncertainty around the cost of individual and ad hoc transport commissioned for service users.

The in-house provider services have a small underspend due to staff vacancies. The level of vacancies means that some units are currently not able to operate at full capacity. The service is working hard to fill the vacancies so more service users can be supported by the in-house units.

The Learning Disability Partnership (LDP) are working on strategies to control escalating demand and placement costs in the medium to long term, but there are limited short term solutions. A Transitions Panel has been set up to better plan young people's transitions from children's to adults' services with the aim that transitions planning will happen from a younger age and adults' services will have more time to plan care and source placements. However, currently most of the panel's work is focussed on young people approaching their 18th birthday.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for our service users, both now and looking to future needs. This should lead to more choice when placing service users with complex needs and consequently reduce costs in this area, but this is a long-term programme. The LDP social work teams and Adults Commissioning are also working on strategies to increase the uptake of direct payments, to deliver more choice for service users and decrease reliance on the existing care market.

1b Children in Care Placements

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+2%

A £0.500m pressure is forecast. The biggest impact on the Placement Budget has been three high-cost placements for children with exceptional behaviours and complex needs. These costs have been incurred during August, September, October, and part of November. These children have been the subject of multiple placement searches, two of whom moved to reduced cost provisions in November. Costs for one child remain excessive whilst endeavours are being made to find suitable alternative reduced cost provision capable of meeting need.

The placement market is highly competitive with demand outstripping supply, this results in providers cherry-picking when matching placements within their residential provision; this coupled with excessive demand means that placement costs are in some cases 30% + higher than pre-pandemic levels.

A number of providers have justified fee uplift requests in response to the high inflation levels currently being experienced, this is in particular in regard to Independent Fostering Agencies (IFA) placements where the cost-of-living increases are affecting fostering families. The last few months have seen a decrease in our ability to access in-house provision with a greater number of placements being made in the independent sector.

1c SEND Specialist Services

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

A £0.250m pressure is forecast in the Education Psychology service. It was hoped that some of this could be offset by underspends in other areas, but this is now not the case. The service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for Education, Health and Care Needs Assessments (EHCNA) that continued over the summer. The locum spend has helped to get the numbers of advice unallocated or late down significantly (19% submitted on time to around 60%, above national average, on time by October). Without the use of locums this would not have been possible. This feeds into the DfE expectations of Cambridgeshire in terms of meeting deadlines.

Previously reported commentaries, updated since last month:

1d Strategic Management - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.0	0%

A balanced budget is forecast, which is a decrease of £0.770m on the pressure previously reported last month. There are some key variances behind the balanced forecast:

i) The 2022-23 Business Plan assumed an increased contribution of £1.1m from the NHS to the Learning Disability Pooled budget as a result of joint work being undertaken to reassess the cost sharing agreement between the Council and Health. The review of packages required to agree a revised split of costs for the pool has not yet commenced, and there is an increasing risk as the year progresses that the revised contribution will not be agreed in the current financial year creating a budgetary pressure.

ii) Adult's transport is expected to be overspent by £68k in the current financial year as a result of inflationary pressures on transport costs;

iii) Offsetting these pressures, income is expected to exceed target by £413k. This is principally due to the Better Care Fund contribution from Health increasing from 2021/22 to 2022/23 at a higher percentage rate than anticipated in the Business Plan. This funding increase is held centrally to contribute to demand pressures across Adult Social Care; and

iv) There is a forecast underspend on the Council's Learning Disability budget held outside of the Learning Disability Partnership which is partially offsetting the forecast pressure reported in note 1a above.

1e Older People and Physical Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.0	-3%

A -£2.000m underspend is forecast, which is a £0.800m increase in the underspend position previously reported last month. Older People's and Physical Disabilities Services have undergone a service redesign for the start of 2022-23 to realign the Long-Term care teams into single locality-based community care teams and a specialist care home team. As part of this redesign, a cohort of over-65 clients previously allocated to the Physical Disabilities care budget have been realigned to the Older People's care budget, which means that the Physical Disabilities care budgets relate to working-age adults only.

The service as a whole is forecasting a net underspend of -£2m. Demand patterns that emerged during 2021/22 are continuing into 2022/23, and these are reflected in the individual forecasts for the service.

Ongoing analysis will be carried out 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.

Older People's North & South
It was reported throughout 2021/22 that despite high levels of activity coming into service, driven largely by Hospital Discharge systems, net demand for bed-based care remained significantly below budgeted expectations, and there was no overall growth in the number of care home placements over the course of the year. This trend is continuing into 2022/23 and a high proportion of new placements are being made within the Council's existing block bed capacity, which is resulting in a significant underspend. This is being partially offset by a significant increase in demand for domiciliary care with the month-on-month increase in service users exceeding budgeted expectations. We are reporting a net underspend of -£3.517m.

Physical Disabilities North & South
There has been a significant increase in demand for community-based care above budgeted expectations. The increase in demand largely relates to home care, both in terms of numbers of clients in receipt of care and increasing need (i.e. average hours of care) across all clients. During 2021/22, this impact was offset by a reduction in demand in the over-65 cohort that have been realigned to the Older Peoples budget. This, in conjunction with a reduction in income due from clients contributing towards the cost of their care, is resulting in the reported forecast overspend of £1.517m.

1f Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	+5%

A £0.815m pressure is forecast within Mental Health Services, which is an increase of £0.188m on the pressure position previously reported last month. The pressure reflects significant additional demand pressures within the Adult Mental Health service. This is partially offset by an expected underspend against the Section 75 Contract.

Adult Mental Health services are continuing to see significant additional demand within community-based care, particularly there has been a notable increase in the volume of new complex supported living placements made since the start of the year.

Older People's Mental Health services had previously seen a reduction in demand for community-based support. This is now returning to match budgeted expectations. Activity in bed-based care remains high, as reported last year, and this is contributing to the reported budget pressures this year.

1g Central Commissioning - Adults

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.7	-5%

A -£0.672m underspend is forecast within Central Commissioning – Adults, which an increase of -£0.080m on the underspend position previously reported last month.

Savings of -£575k have been made through the decommissioning of six local authority funded rapid discharge and transition cars as part of the wider homecare commissioning model. This offsets the pressure and delivers a net underspend on the budget. The long-term strategy is to decommission all the local authority funded cars, meeting the need for domiciliary care through other, more cost-effective means, such as:

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

There are some additional small underspends on recommissioned contracts, with the additional £80k underspend forecast in November being due to additional underspends on contracts being identified, including on a budget for consultancy where it was possible to deliver some of the contract review work internally.

1h Adoption

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-5%

A -£0.300m underspend is forecast, which is an increase of -£0.050m on the underspend position previously reported last month. The underspend is primarily against Special Guardianship Orders, which is the continuation of savings realised from changes made to allowances following the introduction of a new means-testing tool, in line with DfE recommendations.

1i Home to School Transport – Special

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.1	+12%

A £2.130m pressure is forecast, which is increase of £1.030m on the pressure position previously reported last month. Following the retender of 330 routes for Sept 2022, average contract costs have gone up by 18.5% from 2021 reflecting the strong impact of inflation. In addition, there has been an increase in the number of pupils being transported to special schools. The lack of special school places available locally has necessitated longer and less efficient transport routes and has added to the pressure on this budget.

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Uncertain market conditions have led to an unprecedented number of contract hand backs across the service. The expected position at the end of the autumn term will be a total of 200 hand backs. There is a lack of providers bidding on contracts for post-16 provision, many courses only require transport for 3 days a week which has made these routes less attractive to the market and has led to an increase in cost. Operators are not able to find the drivers and passenger assistants for these routes, preferring to bid on whole week contracts. There is also a lack of providers in the Cambridge South area, which means that contractors are coming in from Peterborough and Huntingdon to cover these routes at a high cost. The Stagecoach retendering exercise has also contributed to the additional pressure. Whilst all routes were covered this has led to an increased spend of around £543 per day.

1j Home to School Transport – Mainstream

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	+7%

A £0.711m pressure is forecast, which is an increase of £0.411m on the pressure position previously reported last month. As with all the transport budgets, driver shortages and inflation have increased contract costs. In addition, several areas in the county have a lack of local places meaning that pupils must be transported further at higher cost.

There are the same issues with transport provision as stated above for the SEN budget. In addition, the lack of bus operator and drivers has resulted in one school needing to be covered with 5 taxis, as a 53-seater bus could not be procured, despite multiple tenders and market testing.

The lack of places continues to generate extra taxis provision. This has been higher in the Cambridge South area, where refugee guests are taking up places that had already been forecasted for, resulting in pupils being transported further afield.

Previously reported commentaries, unchanged since last month:

1k Children in Care Transport

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+18%

A £0.300m pressure is forecast. There has been an increase in transport demand arising from an increasing shortage in local placements, requiring children to be transported further. In addition, transport requests for Children In Care pupils as part of their care package have increased due to carers feeling unable to meet the increased fuel costs.

1l SEND Financing – DSG

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

An £11.800m pressure is forecast within the high needs block of the Dedicated Schools Grant (DSG). Due to the continuing increase in the number of children and young people with Education, Health and Care Plans (EHCPs), and the complexity of need of these young people, the overall spend on the High Needs Block element of the DSG funded budgets has continued to rise. The current in-year forecast reflects the initial latest identified shortfall between available funding and current budget requirements.

1m Financing - DSG

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

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

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

2. Place and Sustainability

- An overall pressure of £1.153m is forecast for year-end.

New commentaries

2a Waste Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+1%

An in-year pressure of £0.547m is forecast on Waste Management. The Waste PFI budget has an underlying risk of both an additional £0.700m landfill gate fee pressure and a further £0.490m green waste pressure for the cost of diverting waste due to Best Available Techniques conclusions (BATc) changes required to the Waterbeach facilities. It is expected that these pressures will be partially offset by cost reductions from reduced energy use, reduced costs for In Vessel Compost (IVC) facility oversize disposal etc. although it will take a while to get to a conclusion with Thalia (formerly known as Amey) to agree the level of cost reductions and clarify our legal position.

In addition to these major BATc related costs, we are also seeing forecasted variance in a number of different areas. There are increased costs due to backdated Thriplow rents and leases, RECAP partnership contributions and increased levels of ad-hoc waste. These are being offset by increased volumes of trade waste being collected and a reduction in forecast recycling credits.

All combined, we are currently forecasting a pressure of £0.547m.

Previously reported commentaries, updated since last month:

2b Lost Sales, Fees & Charges Compensation

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

Parking Enforcement

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

Variance on these two budget lines is linked. Funding is held on the Lost Sales, Fees & Charges Compensation to offset the impact of Covid on parking enforcement income. The pressure on income collection is reported on the Parking Enforcement line. The amount of funding held in offset is greater than the pressure, resulting in a net underspend of £0.335m between the two lines, which is a reduced underspend of £0.030m since last month.

2c Park & Ride

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.8	-%

An in-year pressure of £0.780m is forecast on the Park & Ride budget, which is an increase of £0.143m on the pressure position previously reported last month. There is a pressure on the Guided Bus Maintenance due to the installation of a temporary fence on the Southern Section of the Guided Busway, between the station and the Addenbrookes spur, and implementation of the safety measures as recommended in the Mott Macdonald safety report. A Health & Safety Executive (HSE) investigation continues regarding the busway.

Post Covid, busway services have still not recovered to pre-Covid levels. This means less access charge income coming into the busway budget. The access agreement allows increases each April to the access charges to cover full maintenance costs of the busway. This would allow for some increase in April 2023. However, unless patronage increases between now and then the capacity for the operators to absorb a large increase is questionable. Even then, the access charge increase could not be used to pay for the additional expenditure on the maintenance track (cycleway/bridleway), additional safety works required by HSE as this would be regarded by the Bus operators as non-maintenance/non-busway expenditure.

2d Energy Projects Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+100%

An in-year pressure of £0.300m is forecast on the Energy Project Director budget. This is an increase of £0.001m on the pressure position reported last month. Income and maintenance costs for the St Ives P&R Smart Energy Grid forecast for this year have been pushed back into 2022/23. This is due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers.

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

3. Finance & Resources

- An overall pressure of £2.114m is forecast for year-end.

New commentaries

3a Property Compliance

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-206%

A -£0.459m underspend is forecast in Property Compliance. This is due to unused reserves held for the demolition of an educational site on Arbury Road, Cambridge. This work is complete and did not cost as much as the amount reserved.

Previously reported commentaries, updated since last month:

3b Facilities Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.9	+14%

A +£0.870m pressure is forecast in Facilities Management, which is an increase of £0.400m on the pressure position previously reported last month. This is due to the continued cost of running the old Shire Hall site. Most of the expenditure is for business rates and progress is being made to reduce costs. The cost of maintaining the corporate buildings is expected to cause a further budget pressure.

3c Contract Efficiencies & Other Income

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.4	+100%

A £0.365m pressure is forecast across Contract Efficiencies & Other Income, which is an increase of £0.060m on the pressure position previously reported last month.

Contract Efficiencies: This is due to ongoing difficulties with supply chains – relating to increasing inflationary cost pressures and continued impact from the pandemic – opportunities to renegotiate current contracts without a change to specification is extremely limited. A procurement three-year pipeline is being created alongside a programme of contract review by the Head of Due Diligence and Best Value; it is anticipated savings will be identified through those processes once they commence fully.

External Income: This target originally focused on the achievement of surplus income generation from advertising and sponsorship. Activities in advertising and sponsorship have also been limited not only due to available revenues from businesses wishing to advertise but also the capacity to manage our assets for advertisement/sponsorship and our more exclusive intent for relevant policies to remove or reduce junk food, fossil fuels, etc. Further opportunities for other income are being explored.

3d Central Services and Organisation-Wide Risks

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.5	+108%

A £1.518m pressure is forecast across Central Services and Organisation-Wide Risks, which is a decrease of £0.102m on the pressure position previously reported last month. This budget line holds the inflation allocation for staff pay increases across the Council until a pay award is set at which point budget is allocated to services. The latest pay offer from the national employers, if it was replicated across the council, exceeds the budget provision made. We have assumed in this projection that due to the levels of vacancies across the organisation that the impact of the difference between budget (based on the staffing establishment) and actual pay inflation will be reduced.

4. Public Health

- An overall underspend of -£0.321m is forecast for year-end. (This will be transferred to the Public Health ring-fenced grant reserve at year-end, leading to a balanced budget overall.)

New commentaries:

4a Public Health Directorate Staffing and Running Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-10%

A -£0.279m underspend is forecast on Public Health Directorate Staffing and Running Costs. This is due to vacant posts. In addition, an element of grant funding needed to fund inflationary increases for providers in future years is not required in 2022/23 due to vacant posts in those provider services, creating a further in year underspend.

5. Capital Financing

- An overall underspend of -£2.380m is forecast for year-end.

Previously reported commentaries, updated since last month:

5a Capital Financing

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.4	-7%

A -£2.380m underspend is forecast across the Capital Financing budgets, which is an increase of £0.100m on the underspend position previously reported last month. The position is primarily due to forecast underspends on interest payable, Minimum Revenue Provision (MRP) and interest receivable.

- Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving a forecast £847k underspend. Whilst the cost of taking out PWLB borrowing has been significantly higher over this financial year due to rising interest rates, the Council has instead taken advantage of lower rates on shorter-term Local Authority borrowing when refinancing existing loans, as well as taking the opportunity to fix deals several months in advance to lock in lower rates. The cashflow position has been such that the Council is now forecasting to require less borrowing by the end of the financial year; as a result, some maturing loans will not need to be refinanced. 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 2021/22 and how they were funded, the MRP payment for 2022/23 has been recalculated and the forecast year-end position is £846k lower than budgeted. This analysis takes some time following conclusion of the preceding financial year and production of statements of accounts.
- The forecast interest receivable is a £687k over achievement of income (which a £100k increase on the forecast since last month) primarily due to the effect of increased interest rates on our short-term investment income.

6. Funding Items

- An overall underspend of -£1.357m is forecast for year-end.

New commentary

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.4	-12%

A -£1.357m underspend is forecast within Funding Items. This is primarily due forecasting to recognise £1.5m Homes for Ukraine unringfenced grant centrally in Funding Items. This is the current estimate and will be updated as the year progresses.

Appendix 2 – Capital – commentaries on exceptions

1. People Services

- Overall in-year forecast outturn variance of -£6.975m underspend.

New commentaries:

1a Additional Countywide SEN places

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,350	-1,150	0	-1,150

An in-year underspend of -£1.150m is forecast on the Additional Countywide SEN places scheme. Alongside the DfE safety valve work, schemes for enhanced resource bases are being considered, which is taking slightly longer than anticipated.

Schemes previously reported on, unchanged since last month:

1b Northstowe 2nd Primary

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

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

1c St Philip's Primary

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

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

1d Soham Primary Expansion

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
49	700	0	641

An in-year pressure of £0.641m is forecast on the Soham Primary Expansion scheme. Completion and delivery of works has been rephased one year from 2025-26 to 2026-27 but land purchase has completed ahead of expectation.

1e Waterbeach New Town Primary

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
350	300	0	300

An in-year pressure of £0.300m is forecast on the Waterbeach New Town Primary scheme. This is due to expected accelerated spend to cover redesign fees which will be incurred this financial year.

1f Alconbury Weald Secondary and Special

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,500	-11,000	1,000	-12,000

An in-year underspend of -£11.000m is forecast on the Alconbury Weald Secondary and Special scheme. A new tendering approach is being taken for the procurement of this project following increases in the estimated cost for SEN works. The SEN School will now be delivered one year later in July 2024 at the same time as the secondary; a combined approach will hopefully achieve a single agreed MS4 sum and overall reduced contract period.

1g Sir Harry Smith Community College

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,200	-500	0	-500

An in-year underspend of -£0.500m is forecast on the Sir Harry Smith Community College scheme. The start on site has been delayed from 24.10.22 to early November 2022 to allow additional time to value-engineer the project to budget.

1h Cambourne Village College Phase 3b

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
14,000	-2,000	0	-2,000

An in-year underspend of -£2.000m is forecast on the Cambourne Village College Phase 3b scheme. Rephasing of £2.000m is expected as it has taken time to ensure the project can be delivered on budget. A slightly longer programme schedule is anticipated with project completion now expected in April 2024.

1i LA Early Years Provision

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

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

1j Temporary Accommodation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
750	-299	-299	0

An in-year underspend of -£0.299m is forecast on the Temporary Accommodation scheme. There has been a significant reduction in the number of new temporary solutions required across the county, realising a £0.299m underspend in 2022/23.

1k Independent Living Service: East Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,084	-523	0	-523

An in-year underspend of -£0.523m is forecast on the Independent Living Service: East Cambridgeshire scheme. This is due to rephasing in the project, caused by a delay in the purchase of land. The NHS is not able to release the site until they have received approval for their own capital project, which has been delayed

1l People Services Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-9,114	9,114	0	9,114

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, £9.114m of the overall £16.089m underspend is balanced by use of the capital variations budget.

2. Place and Sustainability

- Overall in-year forecast outturn variance of -£1.657m underspend.

New commentaries

2a Local Infrastructure Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,241	-340	0	-340

An in-year underspend of -£0.340m is forecast. The majority of the work for these schemes has been committed but by the very nature of these schemes, it is expected that a certain amount of expenditure will fall into next financial year.

2b £90m Highways Maintenance schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,365	293	0	293

An in-year pressure of £0.293m is forecast on £90m Highways Maintenance schemes. This relates to the scheme at Cromwell Road, Wisbech carriageway resurfacing. There was an extended duration on site due to unearthing further drainage issues and delays due to unidentified utilities including BT cables which had to be worked around. Cold and wet weather also caused several shifts on site to be cancelled which then delayed the overall delivery, (the work was all being delivered overnight due to the location).

2c Waste Infrastructure

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,808	-1,537	0	-1,537

An in-year underspend of -£1.537m is forecast on Waste Infrastructure. It was originally planned to carry out some of the early design and construction work for Milton Household Recycling Centre (HRC) in this financial year, but this has now been delayed for a period of 15 months and the decision supported by Capital Programme Board. Some of the design work for March HRC is still planned, with a more detailed forecast to be available in the new year. The Best Available Techniques conclusions (BATc) forecast reflects invoices to date and current estimates for progress on the FEED study and Thalia's additional staffing costs incurred in this financial year.

2d Waterbeach Waste Treatment Facilities

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,047	453	0	453

An in-year pressure of £0.453m is forecast on the Waterbeach Waste Treatment Facilities scheme. The Strategy & Resources Committee approved a capital virement for the Waste BATc works to move £11.8m of existing capital budget from 2022/23 to 2023/24 to reflect the updated timelines. Spend is now ahead of the expected budget profile.

2e St Ives Smart Energy Grid Demonstrator scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,978	-294	0	-294

An in-year underspend of -£0.294m is forecast on the St Ives Smart Energy Grid Demonstrator scheme. This is due to an incorrect forecast provided by contractors at the end of 2021-22. It was anticipated that a higher proportion of works would be completed within 2021-22 than what was actually achieved and invoiced for. Evidence of the forecast has been provided.

2f North Angle Solar Farm, Soham

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
7,963	-3,981	0	-3,981

An in-year underspend of -£3.981m is forecast on the North Angle Solar Farm, Soham scheme. The North Angle Solar Farm project budget also includes the majority of the budget (£7.3m) for the Cambridgeshire Private Electricity Network, the cable connecting North Angle Solar Farm to Burwell Local and Swaffham Prior Community Energy Centre. It was anticipated that most of this budget would be spent in 2022-23, however, due to various delays in securing easements and planning there has been a slippage in spend of approximately £4m.

2g Connecting Cambridgeshire

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
4,628	-1,911	0	-1,911

An in-year underspend of -£1.911m is forecast on Connecting Cambridgeshire. The expenditure budget was originally set to include the full costs of the project whereas some of this will be incurred by our partners. As a result an underspend is forecast on the CCC budget; the funding will also reduce accordingly. In addition, there has been a small rephasing of the Cambridgeshire and Peterborough Combined Authority expenditure and contributions of £0.3m to next financial year.

Schemes previously reported on, updated since last month:

2h Safety Schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,480	-1,230	0	-1,230

An in-year underspend of -£1.230m is forecast on Safety Schemes. This is an increase of -£0.233m on the underspend position previously reported last month. The majority of the budget relates to two schemes, Puddock Road Ramsey and Swaffham Heath Crossroads. For both of these schemes it is expected that the majority of construction work will take place next financial year. For Swaffham Heath, discussions are currently being held with the landowner and should be clearer in December.

2i Delivering the Transport Strategy Aims: Highway schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,542	-875	0	-875

An in-year underspend of -£0.875m is forecast on Delivering the Transport Strategy Aims: Highway schemes. This is an increase of -£0.133m on the underspend position previously reported last month. Although expenditure is low at present, detailed design work is currently ongoing, and it is expected that delivery will begin across several projects in quarter 4. However, the following projects in the programme will be delayed due to,

- a mixture of legal and landownership issues: A605 Elton NMU, Merivale Way Ely,
- roadspace requirements and having to work over the Easter holidays: Maids Causeway, A603 Barton Road, Ely City 20mph, PROW improvements in Brampton
- delays caused by third parties: 20mph Quick Win projects.

2j Delivering the Transport Strategy Aims- Other Cycling schemes

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,092	-696	0	-696

An in-year underspend of £0.696m is forecast on the Delivering the Transport Strategy Aims- Other Cycling schemes. This is an increase of £0.195m on the underspend position previously reported last month. The underspend relates to three schemes: B1049 A14 Histon junction, Eddington to Girton and Ditton Lane, Fen Ditton. For each of these schemes, feasibility and preliminary design work will be undertaken this financial year to establish likely construction costs. Any construction will take place in 2023/24 and the funding will be rephased for this.

2k B1050 Shelfords Road

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

An in-year underspend of £0.800m is forecast on the B1050 Shelfords Road scheme. This project is currently going through detailed design. Indications are that the £6.8m budget identified for works will be inadequate to carry out the works required. The current estimate is £10m with low confidence in the longevity of the solution. This project is being put on hold pending a review of all soil damaged roads across the network to ascertain the scale of the issue and to seek alternative cost effective options. User safety will be maintained through regular safety maintenance interventions.

2l Swaffham Prior Community Heat Scheme

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,943	-2,399	0	-2,399

An in-year underspend of -£2.399m is forecast on the Swaffham Prior Community Heat Scheme. The split of costs for the Private Wire has been adjusted between the two projects (North Angle Solar Farm and Swaffham Prior Community Heat Project) to better reflect where the main benefits of the private wire will accrue and therefore how the costs should be apportioned. The North Angle Solar Farm as the generator of clean electricity will benefit more from energy sales as a result of the private wire.

2m Babraham Smart Energy Grid

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
5,630	-3,037	0	-3,037

An in-year underspend of -£3.037m is forecast on the Babraham Smart Energy Grid scheme. This is an increase of -£1.247m on the underspend position reported last month. The construction of this project is now being delivered in three phases. This has directly impacted on the timescales for delivery, extending the programme by 14 weeks. In addition, the complexities associated with altering the programme for construction delayed the start date of the works by 16 weeks.

2n Fordham Renewable Energy Network Demonstrator

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
609	-509	0	-509

An in-year underspend of -£0.509m is forecast on Fordham Renewable Energy Network Demonstrator scheme. This is an increase of -£0.100m on the underspend position reported last month. Capacity constraints within the team meant that this project was unable to be progressed as quickly as had been intended. The forecast reflects the associated delay in expenditure on the development of this project.

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

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
0	431	0	431

An in-year pressure of £0.431m is forecast on the Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme scheme. This is an increase of £0.028m on the position previously reported last month. Last year the schools low carbon heating programme sat together with the Council's office buildings low carbon heating programme but this is now separated out. This will allow closer monitoring of the additional Council's Environment Fund contributions for low carbon heating for maintained schools to match fund any Government Public Sector Decarbonisation Scheme funding. This change was implemented post March 2022 and will therefore be seen as a variance all year.

2p Place & Sustainability Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-17,736	0	0	17,736

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, £17.736m of the net £19.393m underspend is balanced by use of the capital variations budget. The £9.298m increase since last month is primarily due to the underspends on Waste Infrastructure, Swaffham Prior, the Babraham Smart Energy Grid scheme, the North Angle Solar Farm, Soham scheme and Connecting Cambridgeshire as reported above.

Schemes previously reported on, unchanged since last month:

2q Girton to Oakington cycling scheme

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

Completion of Phase 2 detailed design and the acquisition of third party land is to be undertaken during 2022/23. The remaining budget will not be adequate to complete construction, so other funding sources are being investigated. There may be additional funding which would move the project forward in 2022/23.

2r Carriageway & Footway Maintenance incl Cycle Paths

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
9,298	-500	0	-500

An in-year underspend of -£0.500m is forecast on the Carriageway & Footway Maintenance incl Cycle Paths scheme. Although expenditure is low at present, work is committed (£6.8m) or underway and it is expected that expenditure will be in line with the total budget. A robust and realistically resourced forward delivery programme is in place and agreed with our contractor and their suppliers which takes us up to the end of this financial year. Due to network constraints a number of high value surfacing schemes had to be delivered in quarter 4, whilst others in the drainage programme are currently going through detailed design to end of November before being priced and delivered in February / March 2023. Network constraints also mean the A505 VRS budget (£950k) will likely only be around 50% spent in year, with work starting in February and running through to May 23, so £500k is projected to carry into quarter 1 23/24.

2s Wisbech Town Centre Access Study

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

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

2t St Neots Future High St Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
831	-502	0	-502

An in-year underspend of -£0.502m is forecast on the St Neots Future High St Fund scheme. The district council governance/approval process required has been accommodated and construction is now programmed to commence in May 2023 therefore no construction expenditure is expected during the current financial year, resulting in reduced forecasted figures.

2u St Ives local Improvements

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,000	-725	0	-725

An in-year underspend of -£0.725m is forecast on the St Ives local Improvements scheme. Design work is currently being undertaken and it is not expected that any construction will take place until next financial year.

3. Corporate Services

- Overall in-year forecast outturn variance of -£2.053m underspend.

Schemes previously reported on, updated since last month:

3a Community Fund

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
2,429	-1,696	0	-1,696

An in-year underspend of £1.696m is forecast on the Community Fund scheme. This is a decrease of £0.026m on the underspend position previously reported last month. From the original £5m allocated to the Community Capital Fund some elements remain unallocated, some projects have failed to go forward as planned and some have been subject to delay. The C,S&I Committee has determined that returned/allocated money will be used to deliver a new fund (Cambridgeshire Priorities Capital Fund). Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

Schemes previously reported on, unchanged since last month:

3b Data Centre Relocation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,530	-872	0	-872

An in-year underspend of £0.872m is forecast on the Data Centre Relocation scheme. Post Data Centre migration we can now seek further convergence of IT infrastructure and services and realise further economies; some of these opportunities also have the potential to migrate to a Cloud based model. Consequently, the shift from a ‘like for like’ replacement approach has extended the overall timelines for the selection and implementation of some products and services which subsequently requires a rephasing of the budget.

3c Condition Survey Works

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
1,841	-909	0	-909

An in-year underspend of £0.909m is forecast on Condition Survey Works. The underspend is primarily due to work being delayed on the Hereward Hall heating system and also reprofiling of other smaller projects.

3d Hawthorns - Intensive Therapeutic Support Hub

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
3,227	-1,600	0	-1,600

An in-year underspend of £1.600m is forecast on the Hawthorns - Intensive Therapeutic Support Hub scheme. The forecast reflects the new timescale for completion.

3e Mill Farmhouse

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
450	-338	0	-338

An in-year underspend of £0.338m is forecast on the Mill Farmhouse scheme. There has been a delay with the planning process. Rephasing into 2023-24 will be required; the total scheme forecast is unaffected.

3f CS Capital Variation

Revised Budget for 2022/23 £'000	Forecast Outturn Variance (Nov) £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
-3,811	3,811	0	-3,811

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, £3.811m of the overall £5.864m underspend is balanced by use of the capital variations budget.

Appendix 3 – Budget transfers between services in 2022/23

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

Budgets and Movements	People Services £'000	Place & Sustainability £'000	Public Health £'000	Strategy and Partnerships £'000	Finance and Resources £'000	Capital Financing £'000	Financing Items £'000
Opening Cash Limits as per Business Plan	321,579	66,101	45	0	27,811	34,044	5,777
Post BP, pre initial budget load adjustments between CS and P&E-Energy Schemes		-336			336		
Allocation of unringfenced grant £1,143k Domestic Abuse Act Statutory Duty funding 22-23 to People & Communities as per S&R 29th March 2022	1,143						
Children's Homes Building Maintenance and Children & Safeguarding restructure transfer	-45				45		
Budget transfer for 1.75% pay award for 21-22	1,829	191			-2,020		
Transfer of Market sustainability full grant budget to P&C	-750						
Budget resetting movements as approved by S&R 27th June (May IFMR)	-3,454	2,251			1,520	-769	655
22-23 BP virements to replace expenditure budgets with reserve draw down lines	-3,606	-455	-45		-155		4,261
Allocation of unringfenced grant £10k Biodiversity Net Gain Grant carry forward to Place & Economy		10					
Allocation of unringfenced grant £100k ASC Charging Implementation Support Grant to Adults Services	100						
Transfer of IT budget P&C to CS	-13				13		
Transfer of Qtr 1 Mileage Savings	-156	-5			161		
Transfer re postage P&C to CS	-20				20		
Place Planning transfer P&C to CS	-26				26		
Sept 2022 Directorate restructure	-8,467	3,798		14,629	-9,961		
Vacancy savings transfer		-15		-367	381		

Cambridgeshire County Council

Budgets and Movements	People Services £’000	Place & Sustainability £’000	Public Health £’000	Strategy and Partnerships £’000	Finance and Resources £’000	Capital Financing £’000	Financing Items £’000
Correction of Public Health income budgets to match 2022/23 MoU	-68			68			
Transfer of Qtr 2 Mileage Savings	-130	-5		-18	153		
Transfer towards central savings target		-31		31			
CLT restructure virements	90	10		437	-493		-44
Transfer of Public Health reserve contribution budgets	-400						400
Pay Award 2022-23 transfers	4,722	790		912	-6,423		
Current budget	**312,330**	**72,304**	**0**	**15,719**	**11,386**	**33,275**	**11,048**
Rounding	-2	0	0	0	1	0	1

Cambridgeshire County Council

Appendix 4 – Reserves and provisions

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

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 (or in budgeting) £000s	Balance at 30 Nov 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
General Reserves - **County Fund Balance**	46,475	-18,260	28,215	28,215	
General Reserves subtotal	46,475	-18,260	28,215	28,215	
1 Insurance	4,719	5	4,724	4,724	
2 People Services & Schools	15,247	844	16,091	8,505	
3 PH	8,503	-400	8,103	4,661	
4 Place & Sustainability	10,852	1,186	12,038	5,794	Includes reserve for Waterbeach waste facility works- revenue impact of plant closure
5 Strategy & Partnerships	2,464	-258	2,206	2,285	
6 Finance & Resources	4,262	-191	4,071	2,467	
7 Just Transition Fund	0	13,605	13,605	10,033	Starting balance of £14m, with allocations made totalling £9.9m across medium-term
8 High Needs Block Offset Reserve	0	12,435	12,435	12,435	
9 Transformation Fund	25,012	-21,322	3,691	652	Balance for legacy Transformation projects
10 Cultivate Cambs Fund	442	350	792	390	
11 Corporate- COVID	26,987	-4,573	22,414	21,164	Includes remainder of COVID-19 Support Grants. Allocated over medium-term.
12 Specific Risks Reserve	2,140	1,429	3,569	3,569	
13 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
14 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
15 Collection Fund Volatility & Appeals Account	3,690	544	4,234	4,234	
16 Local Government Settlement phasing reserve	0	4,324	4,324	4,324	Applying the temporary elements of the 2022/23 finance settlement over multiple years
17 Post-pandemic recovery and budgeting account	0	7,017	7,017	7,017	
18 Business change reserve	0	3,896	3,896	3,750	
19 Grant carry forwards	14,031	-14,031	0	0	Carry forward of unspent ring-fenced grants
Earmarked Funds subtotal	127,139	4,860	132,000	104,794	
SUBTOTAL	**173,614**	**-13,400**	**160,214**	**133,008**	
20 People Services	6,116	0	6,116	0	
21 Place & Sustainability	4,063	0	4,063	0	
22 Finance and Resources	13,857	691	14,548	14,057	
23 Corporate	73,787	18,142	91,928	81,141	
Capital Reserves subtotal	111,016	18,833	116,656	95,198	
GRAND TOTAL	**284,630**	**5,433**	**276,870**	**228,207**	

Fund Description	Balance at 31 March 2022 £000s	Movements in 2022-23 £000s	Balance at 30 Nov 2022 £000s	Forecast Balance at 31 March 2023 £000s	Notes
1 Place & Sustainability	0	0	0	0	
2 People Services	16	0	16	16	
3 Finance & Resources	2,093	0	2,093	2,093	
Short Term Provisions subtotal	2,109	0	2,109	2,109	
4 Finance & Resources	4,746	0	4,746	4,746	
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,855**	**0**	**6,855**	**6,855**	