

## Finance Monitoring Report – January 2025-26

To: Adults and Health Committee

Meeting Date: 5 March 2026

From: Executive Director of Adults, Health and Commissioning  
Executive Director of Finance and Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Executive Summary: The report provides an update on the financial position of the Adults, Health and Commissioning Directorate (including Public Health) as at the end of January 2026.

Recommendations: Adults and Health Committee is recommended to:

- a) note the Adults, Health and Commissioning Finance Monitoring Report as at the end of January 2025-26; and
- b) note the update on Adult Social Care debt.

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# 1. A healthy, fair and sustainable Cambridgeshire

1.1 This regular financial monitoring report provides the consolidated management accounts of the Adults, Health and Commissioning Directorate, enabling Members to be aware of, and to scrutinise, the delivery of the business plan for 2025-26 and the corporate vision and priorities within it.

## 2. Background

2.1 Finance Monitoring Reports (FMR) are produced monthly, except for April, by all services. They report on a range of financial information to enable a view of each service's financial position to be taken.

2.2 Budgets for services are agreed by Full Council in the business plan in February of each year and can be amended by budget virements. In particular, the FMR provides a revenue budget forecast showing the current projection of whether services will be over- or under-spent for the year against those budgets.

2.3 The presentation of the FMR enables Members to review and comment on the financial position of services within the committee's remit.

2.4 Generally, the FMR forecasts explain the overall financial position of each service and the key drivers of any budget variance, rather than explaining changes in forecast month-by-month.

2.5 The contents page of the FMR shows the key sections of the report. In reviewing the financial position of services, members of this committee may wish to focus on these sections:

- Section 1 – providing a summary table for services that are the responsibility of this committee and setting out the significant financial issues (replicated below).
- Section 5 – the key activity data for Adult Services provides information about service-user numbers and unit costs, which are principal drivers of the financial position.
- Appendices 1-3 – these set out the detailed financial position by service and provide a detailed commentary for services projecting a significant variance from budget.
- Appendix 4 – this sets out the savings for Adults, Health and Commissioning and Public Health in the 2025/26 business plan, and savings not achieved and brought forward from previous years that are still thought to be deliverable.
- Appendix 5 – contains information on earmarked reserves, grant income and budget virements.

### 3. Main Issues

#### 3.1 Adults, Health and Commissioning overall revenue position

3.1.1 The overall forecast position for Adults, Health and Commissioning budgets for 2025-26 at the end of January 2026 is an overspend of £3,041k (equivalent to 1.3% of the annual budget). This includes an underspend for Public Health of £215k (equivalent to 0.6% of the annual budget).

Forecast Outturn Variance (Previous) £000	Service Area	Gross Budget £000	Income Budget £000	Net Budget £000	Actual £000	Forecast Outturn Variance £000	Forecast Outturn Variance %
-1,559	Executive Director	21,539	-57,495	-35,956	-44,155	-2,113	5.9%
6,900	Learning Disability and Prevention	132,216	-6,867	125,350	111,452	6,649	5.3%
201	Care and Assessment	147,598	-46,915	100,683	89,415	1,062	1.1%
-1,039	Commissioning (incl Mental Health)	57,876	-7,569	50,307	38,183	-2,424	-4.8%
-63	Public Health	36,407	-34,935	1,472	-7,207	-215	-0.6%
<b>4,439</b>	<b>Total Expenditure</b>	<b>395,636</b>	<b>-153,780</b>	<b>241,856</b>	<b>187,688</b>	<b>2,959</b>	<b>1.2%</b>
-226	(Drawdown from) / Contribution to Public Health reserves	-1,472	0	-1,472	-1,262	82	-5.6%
<b>4,213</b>	<b>Total</b>	<b>394,164</b>	<b>-153,780</b>	<b>240,384</b>	<b>186,426</b>	<b>3,041</b>	<b>1.3%</b>

3.1.2 The main reason for the cost pressure is the implications of the ending of the pooled budget with the ICB and associated costs of services for people with Learning Disabilities following the de-coupling at the end of March 2025. The ending of the pooled budget arrangements was expected to reduce costs for the Council and savings were built into previous Business Plans to reflect this; but the actual impact is not achieving those savings in full. Work on a number of joint funded packages is ongoing with proactive actions, focusing on the costs in providing care and support for those people with a learning disability, to help mitigate these cost pressures underway. The remaining pressure is being built into the 2026-27 Business Plan.

3.1.3 In addition to the pressures on services for people with Learning Disabilities, there remain a number of challenging savings targets from 2024-25 and 2025-26 which are unlikely to deliver in full in 2025/26. Progress against these targets is reported quarterly but expected shortfalls or forecast over delivery against target are also built into monthly forecasts.

3.1.4 Significant work has been undertaken to seek to reduce the forecast pressure on the Adults, Health and Commissioning budget, and mitigations have been reflected in the forecast. These include work on packages of care emerging from the Learning Disabilities pooled budget, review of the usage of grants to support social care pressures, and proposals for the use of Adult Social Care reserves.

3.1.5 The key factors that are likely to impact the forecast through the remainder of 2025-26 include:

- demand remains difficult to predict and can vary significantly from month to month. This can be reflected both in numbers accessing services, and higher acuity of need of those accessing services;
- the Directorate has a challenging set of savings targets to deliver against. Whilst many are expected to deliver in full, in other areas the work to finalise delivery plans was delayed resulting in forecast under delivery against some of the savings targets in the current financial year;
- vacant posts lead to underspends against staffing budgets and staffing risks were particularly pertinent for the Public Health team through the year whilst a new permanent structure for the Council was implemented;
- pressures with the provider market continued to be felt, particularly related to increasing fee rates, and changes in employers National Insurance commitments. The impacts of inflationary pressures are seen both in the uplifts required for existing care packages, and the price at which new packages are sourced; and
- the position of the care market, particularly around specific types of provision and location, continues to make some placements more difficult to source, particularly at the more complex end of provision.

### 3.2 Update on Adult Social Care debt

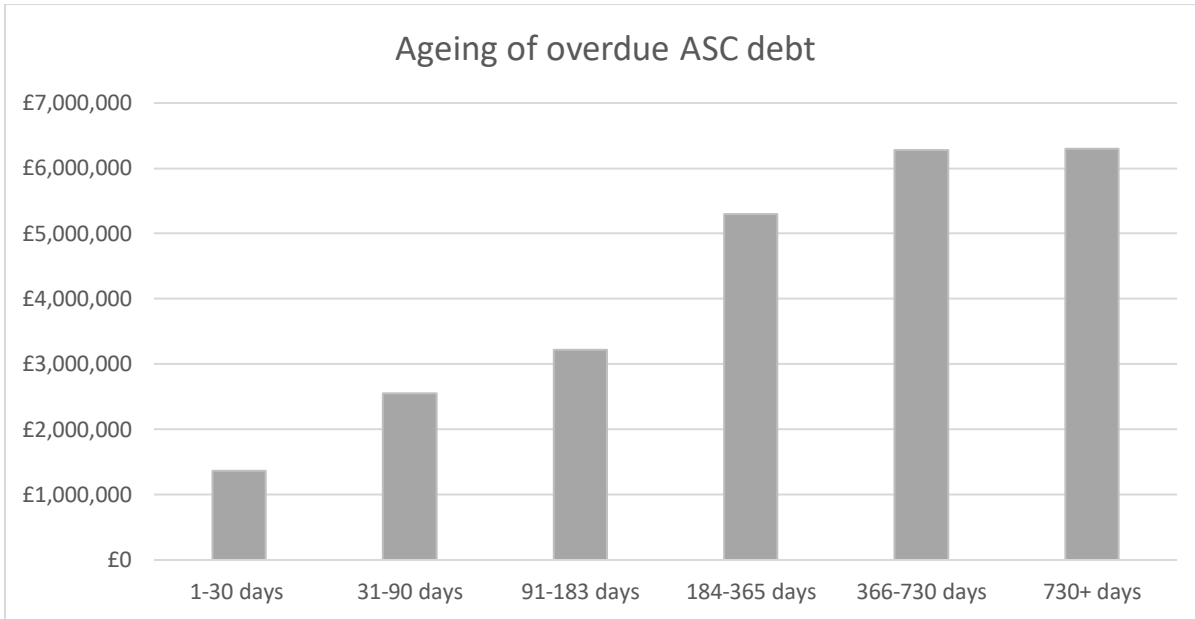
3.2.1 Adults, Health and Commissioning overdue debt (excluding debt with Health partners) stood at £25.0m at the end of January, up from £24.1m at the end of December. Debt over 1 year old was £12.6m at the end of January, up from £12.0m at the end of December. This compares to a balance of £9.3m at the end of March 2024.

3.2.2 Overdue debt with Health partners stood at £4.1m at the end of January, up from £2.5m at the end of December. This increase is driven by the late payment of invoices related to the Integrated Community Equipment services (ICES). These invoices were cleared in early February. Work continues with Health partners to address the remaining Health debt outstanding.

3.2.3 Adult Social Care debt at the end of January with trend performance is set out below.

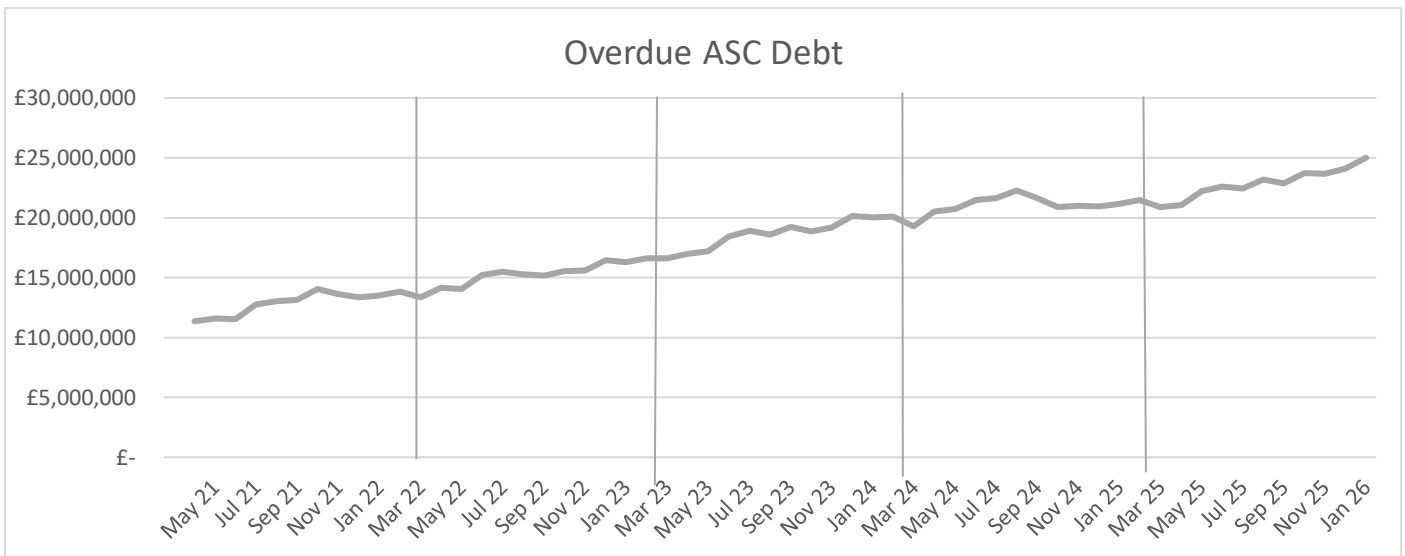
Overall Age Debt position					
Directorate	Overdue			Trend performance	
	January	October	Last Year	Monthly	Yearly
Adults, Health and Commissioning	£25,016,864	£23,751,039	£21,161,510	↓	↓
NHS Services (mainly AHC)	£4,056,338	£2,399,286	£10,328,599	↓	↑

3.2.4 The breakdown of overdue debt by number of days overdue is set out below:

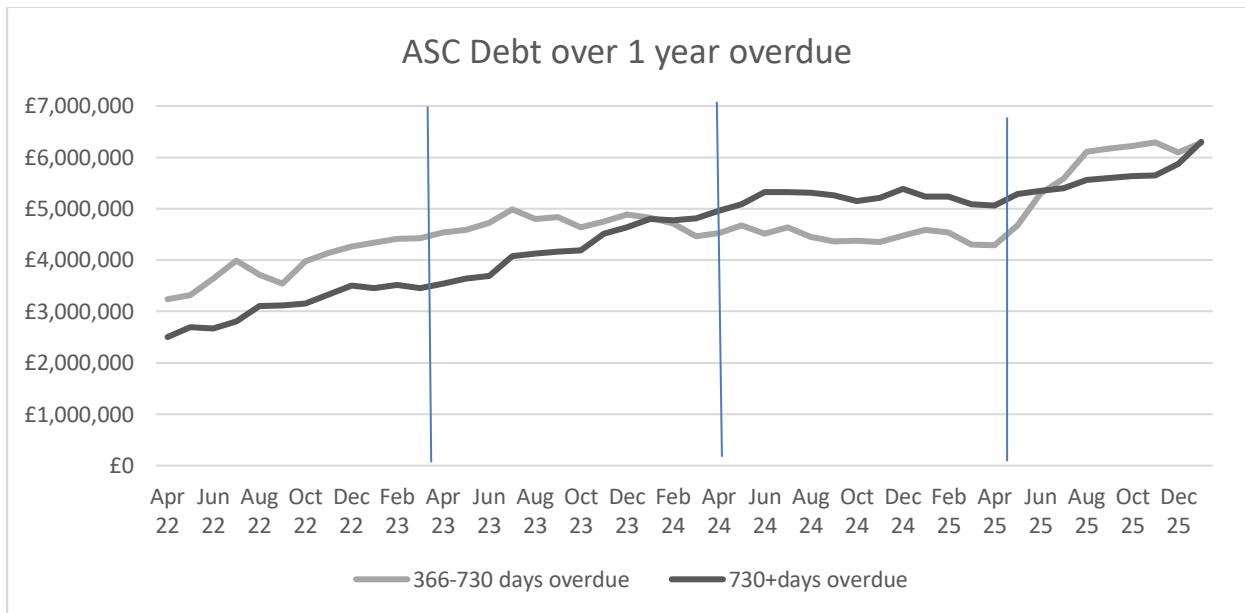


### 3.2.5 ASC Debt Analysis – Headlines (end of January)

- ASC overdue debt is currently £25.02m, an increase of £3.86m from this time last year.
- Debt collection tends to drop off marginally over the festive period when debt collection activity is reduced and some payments are delayed into the new year which impacts January numbers.



- ASC overdue debt percentage versus revenue raised is at 41.82%, which is 7.06 percentage points worse than this time last year. Revenue raised in 2026-27 is running at a similar level to the value raised in 2025-26.
- Debt within the age bracket 365-730 days has increased by £1.98m since 1st April 2025, which is largely a direct impact of the back dated charges rolling into this age profile.
- Debt over 730 days has increased by £1.21m since 1st April 2025.



- The Finance Assessments backlog has been cleared, which resulted in a higher level of back dated charges, which have rolled into 365 plus aged category.
- Debt collection and service improvement activity continues and further investigations are being done into the reasons for recent increases in debt levels. A working group has been set up to forensically review aged debt. Particular workstreams include:
  - review of full cost cases with high levels of debt and many with backdated charges. This debt can be particularly complex to recover, especially where it has not been possible to complete a financial assessment, where clients have become used to paying a lower provisional charge over a prolonged period, or where charges are billed a significant period after death and the estate has been distributed;
  - review of legal cases;
  - review of payment plans; and
  - review of particularly aged debt.
- During January and February progress has been seen on a number of high value cases with final actions in place to clear £700k of high value debt included in this report. This includes mediation, payment settlements, reassessments, credits and write offs - some of which are already approved and some requiring Committee approval via Strategy, Resources and Performance Committee. Of this, £412k relates to debt over 365 days overdue.
- The volume of ASC customers with debt over 365 days is 842, compared to 840 in January 2025.

## 4. Significant Implications

### 4.1 Finance Implications

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

### 4.2 Legal Implications

There are no significant implications within this category.

### 4.3 Risk Implications

There are no significant implications within this category.

### 4.4 Equality and Diversity Implications

There are no significant implications within this category.

## 5. Source Documents

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

5.2 Location

[Finance monitoring reports | Cambridgeshire County Council](#)