

## Integrated Finance Monitoring Report 2025-26 Period 8, November 2025

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1	Executive Summary	<p>A high-level summary of key information covering both revenue and capital.</p> <p>Narrative on key issues affecting the financial position, both corporately and across the directorates.</p>
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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.
4	Capital Programme	<p>Provides a detailed summary of the capital position by directorate, as well as capital variations budgets and capital funding changes.</p> <p>Any changes to funding or budgets for the capital programme that are proposed for noting or agreement by Committee will be reported here.</p>
5	Balance Sheet	Key information about the council's balance sheet, including reserves, borrowing and debt.
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## 1. Executive Summary

1.1 This report is the consolidated management accounts for the council and presents financial information to assess progress in delivering the council's business plan.

The council's financial accounts are produced annually and are available on our [website](#).

The council's total service budgets for 2025-26 are:

- Revenue: £574m net budget
- Capital: £178m (with a total programme of over £1bn)

As well as this, the council has a Dedicated Schools Grant (DSG) funded budget of £229m, which mainly relates to High Needs spend.

The table below shows the key forecast information by directorate:

<b>Directorate/Area</b>	<b>Forecast Revenue Budget Variance £000</b>	<b>Forecast Revenue Budget Variance %</b>	<b>Forecast Net Capital Budget Variance £000</b>
Children, Education and Families – non-DSG	12,296	8%	-975
Adults, Health and Commissioning	4,214	2%	0
Place and Sustainability	-3,493	-4%	-2,870
Finance and Resources	-616	-3%	-840
Strategy and Partnerships	-1,395	-5%	0
Capital Financing	2,364	5%	0
Corporate Items	-7,844	-118%	0
Capital programme variations			-
<b>Net Spending Total</b>	<b>5,524</b>	<b>1%</b>	<b>-4,684</b>
Children, Education & Families – DSG	34,573		

Movements from the previous position previously reported to committee can be seen in tables below in sections 2 and 4.

The council's directorate structure changed effective from 1 January 2026, with Strategy and Partnerships services being transferred to Place and Sustainability and the new Office of the Chief Executive. These management accounts will be updated from the period 10 (January) report as the first period under the new structure.

Detailed financial information about each directorate/service area is contained in the relevant Finance Monitoring Report. These can be found published quarterly at [committee meetings](#).

## 1.2 Key Issues

- 1.2.1 The council is now forecasting an overspend of £5.5m for the year, a significant improvement from earlier reported forecasts. This latest improvement is predominantly due to the recognition of a new, and uncertain, funding stream for waste disposal (Producer Extended Responsibility Payments, or PERP). Notwithstanding that funding stream, the council's financial position remains challenging, and enhanced financial controls implemented earlier in the year remain necessary to deliver a sustainable budget. Work is therefore still ongoing to deliver mitigations that will impact this year or will improve next year's opening position. Even an overspend at this lower level would deplete the general reserve below its minimum level and, if unaddressed, would require action to top it back up.
- 1.2.2 The underlying forecast overspend position continues to be driven by extremely high costs of placements for our highest need children in care, which locally reflects national pressures for children's social care, increased legal costs mainly associated with the increase in children's social care cases, and higher than expected costs following the ending of a historical pooled budget arrangement with the NHS for learning disabilities.
- 1.2.3 At this stage, additional savings and mitigations are banked and further projected through work such as reducing non-essential spend, even tighter control of workforce related expenditure, ensuring that wherever possible grants are spent in place of core budgets, earlier delivery of savings planned for later years (around contracts and review of social care costs) and the re-purposing of some reserve allocations.
- 1.2.4 This accelerated action targeted areas that could deliver cost reductions and other mitigations quickly and has delivered an improved financial outlook, though at this current projected level the overspend remains unsustainable and action needs to continue through the remainder of the year. At the same time, the overspend causation factors, and identified mitigations, are being considered in terms of impact on 2026-27's budget and the medium-term financial plan.

## 1.3 Directorate Summaries

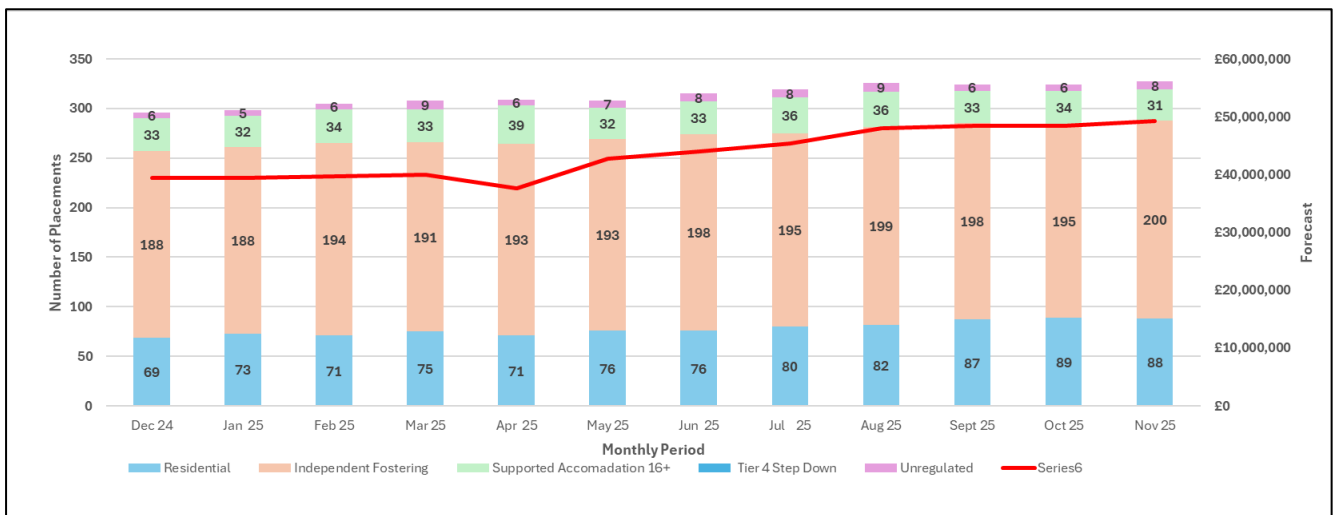
- 1.3.1 **Children, Education and Families:** Cost pressures are primarily within the children's placements budget, driven by an increase in the number of young people requiring care (with Cambridgeshire previously having relatively low numbers of children in care), and the limited availability of suitable foster care homes nationally and in county. This is leading to higher numbers of young people in residential and unregistered placements and a strong upward price pressure. These are often very high cost; for example, a single new secure placement in November has a weekly cost in excess of £20,000.
- 1.3.2 In Cambridgeshire we are currently reporting 55 children per 10,000 are in our care. The per 10,000 figure is used to enable direct comparison with other areas. The most recent data shows that national rate for all of England is 70/10,000. Cambridgeshire is significantly below that, showing that we are keeping more children at home safely than other many other councils. In the Eastern region, which

is comprised of eleven Local Authorities specifically, we have the fourth lowest rate of children in care which demonstrates again that we are supporting many children to remain at home.

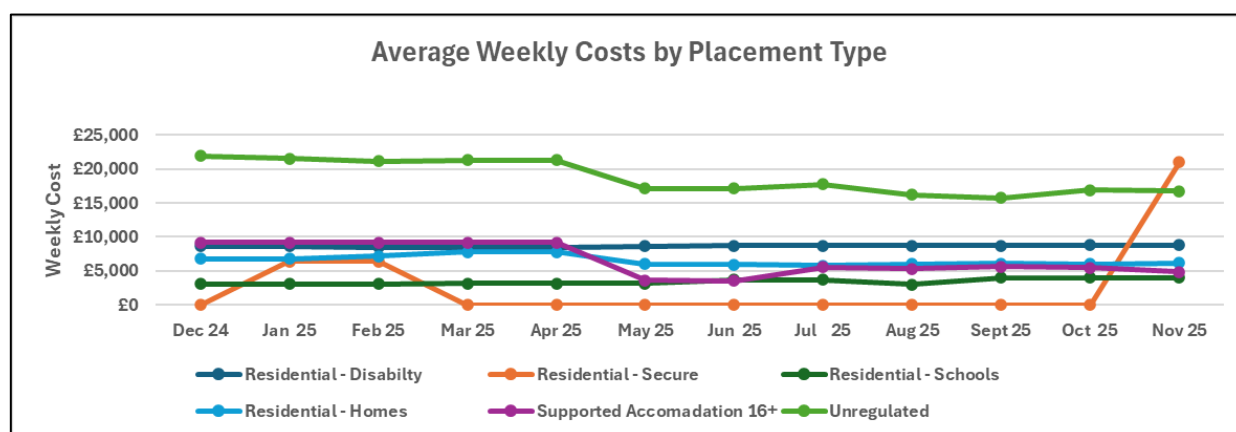
1.3.3 The placement sufficiency issue is a national issue faced by most councils with children’s social care responsibilities. Despite the upward pressure on prices, contract management work in Cambridgeshire has seen unit costs of all types of care remain static or reduce over the last year, albeit from a higher-than-budget position. In addition, it was previously expected that savings from prior year actions would lower demand and costs. These assumptions have been reduced accordingly and are now focussed on achieving cost avoidance due to the overall rise in demand against these statutory duties.

1.3.4 In 2024, the authority experienced a rise in the number of children subject to child protection plans. All these plans were developed to ensure that children at risk of significant harm were kept safe. In a small number of these cases, it was not possible for the children to remain subject to a child protection plan and, accordingly, they were brought directly into local authority care. This increase in the number of children being brought into care, as a part of the overall rise in child protection plans in 2024, contributed to the increase in the number of looked after children. By contrast, during 2025, the number of child protection plans being required has stabilised and is closer to the expected rate. Based upon these expected rates continuing, then we project a levelling out and reduction in the number of children entering care over the next 12-18 months. Government reforms such as Families First Partnership are also designed to reduce the numbers of children in Local Authority care by supporting families earlier and increasing support for Kinship Care enabling children to stay within their own family network.

Graph 1.3a: Number of children in care placements and mix



Graph 1.3b: Average unit costs of children in care placement types



1.3.5 The council is seeking to manage this pressure through a range of mitigations, including seeking additional foster carers, focused contract management, placement assessments, and working regionally with other councils to drive more local providers and lower prices within our region. The graph at 1.3.1b shows how over time the placement unit costs for different care types has been controlled well.

1.3.6 Pressures are also faced by the home to school transport service. The demand underpinning escalating transport costs is driven by a combination of a surge in demand for children and young people meeting the criteria for transport (largely through the growth in children with SEND) and the costs associated with meeting this demand where the transport itself is costing more to deliver. To better control and reduce these costs, a change programme is in place that is aiming to reduce demand by a consistent application of the Council's Home to School Transport Policy, alongside a comprehensive review of contractual arrangements and routes.

1.3.7 **Adults, Health and Commissioning:** 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, at this stage, is not achieving those savings. Work on a number of joint funded packages is ongoing, but outcomes to date suggest the anticipated cost reductions may not materialise; with proactive actions, focusing on the costs in providing care and support for those people with a learning disability, to mitigate these cost pressures underway and now starting to reduce the forecast overspend.

1.3.8 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 may struggle to deliver in full. Progress against these targets is reported quarterly but expected shortfalls or forecast over delivery against target are also built into monthly forecasts.

1.3.9 Significant work has been progressing in recent months to seek to reduce the forecast pressure on the Adults, Health and Commissioning budget, and over £2.5m of mitigations have now 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.

- 1.3.10 **Place and Sustainability:** The directorate is forecasting an underspend for the year, following the projection of further mitigations to the overall council position, in many cases through the identification of alternative funding sources to sore council budget, allowing spend to continue as planned but at lower net cost to the council.
- 1.3.11 The directorate is experiencing some pressures on income budgets due to the actual position this year being different to the position assumed at budget setting on energy schemes, highways development management and on energy costs. Already reported mitigations are in the form of savings on the waste disposal contract, through using energy from waste, and on staffing spend, and funding sources other than core budget are being utilised wherever possible.
- 1.3.12 **Finance and Resources:** The minimum revenue provision (MRP) charge related to financing for the council's wholly owned housing company, This Land, is higher than budgeted to account for approved loan restructuring as previously reported. The directorate is taking action to mitigate this and the overall council position through accelerated delivery of contract savings, particularly in digital services, management of building space, controlling workforce spend and a focus on essential expenditure only.
- 1.3.13 **Strategy and Partnerships:** Cost pressures on the centralised legal budget, which is hosted by this directorate but covers most council services, is impacting the forecast outturn position. This is driven mainly by increased costs relayed to legal proceedings in children's social care, with work ongoing to mitigate this through stronger control over legal expenditure and reducing the length of cases where that is within the council's direct control. With the exception of this corporate budget, held on behalf of the whole council, the directorate has balanced its position and is contributing mitigations to the overall council budget position through enhanced workforce expenditure controls, reviewing reserve allocations, targeting grant allocations and ending non-statutory first-class postage.

## 2 Revenue Budget

2.1.1 This table shows summary information for the council's 2025-26 revenue budgets at the end of November 2025 (key variances are reported in appendix 1).

Line	Previous Forecast Variance (Oct 2025) £000	Directorate/Area	Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Forecast Variance £000	Forecast Variance %
1	10,744	Children, Education and Families (non DSG)	185,048	-30,927	154,121	84,063	<b>12,296</b>	8%
2	4,150	Adults, Health and Commissioning	394,164	-153,780	240,384	152,481	<b>4,151</b>	2%
3	63	<i>Of which is Public Health Grant underspend, carried-forward</i>					<b>63</b>	
4	-2,680	Place and Sustainability	121,861	-39,256	82,605	10,863	<b>-3,493</b>	-4%
5	-866	Finance and Resources	45,995	-27,927	18,068	17,947	<b>-616</b>	-3%
6	-1,048	Strategy and Partnerships	39,956	-11,577	28,379	19,092	<b>-1,395</b>	-5%
7	2,364	Capital Financing	54,363	-10,616	43,747	9,497	<b>2,364</b>	5%
8	-2,383	Corporate Items	7,447	-824	6,623	4,169	<b>-7,844</b>	-118%
	<b>10,345</b>	<b>CCC Core Spending Total</b>	<b>848,835</b>	<b>-274,908</b>	<b>573,927</b>	<b>298,113</b>	<b>5,524</b>	<b>1%</b>
9	33,523	Children, Education and Families (DSG)	228,997	-228,997	0	12,207	<b>34,573</b>	-
	<b>43,868</b>	<b>Total including ring-fenced budgets</b>	<b>1,077,832</b>	<b>-503,905</b>	<b>573,927</b>	<b>310,320</b>	<b>40,097</b>	<b>7%</b>
		Funding delegated to maintained schools	140,079	-140,079	0			
		<b>Total Budget</b>	<b>1,217,911</b>	<b>-643,984</b>	<b>573,927</b>			

Notes on this table:

1. The actuals figures are net.
2. Numbers are presented based on current information, with adjustments for any recommendations proposed for Committee in this report.
3. Lines 3 and 9 show ring-fenced budgets, with any outturn variance treated separately to core council budgets. The balance for DSG is subject to separate accounting requirements. More information can be found on the DSG in section 2.2.



## 2.2 Dedicated Schools Grant

2.2.1 The below table summarises the overall DSG position in terms of overall funding for Cambridgeshire schools, funding that flows through the council, and funding that forms part of our budget:

Gross DSG Income to be received	£742.5m
Less Academy Recoupment	-£368.6m
Less Business Rates	-£5.6m
<b>DSG within CCC's gross budget</b>	<b>£368.3m</b>
<i>of which spent or commissioned by CCC</i>	<i>£228.2m</i>
<i>of which delegated to maintained schools</i>	<i>£140.1m</i>
Less High Needs Place Recoupment	-£19.0m
<b>Total DSG to be Received in 25-26</b>	<b>£349.2m</b>

2.2.2 Within the DSG budgets spent and commissioned directly by the council, there is significant pressure particularly on high needs spend. This table shows a summary of the position of the council's Dedicated Schools Grant position before further action:

<b>Opening Deficit Balance 2025-26</b>	£62.8m
<b>In-year movement (Excluding 2025-26 DfE Safety Valve payment and LA contribution)</b>	£34.6m
<b>Closing Deficit Balance 2025-26 (Excluding 2025-26 DfE Safety Valve payment and LA contribution)</b>	£97.4m

2.2.3 The Dedicated Schools Grant (DSG) deficit carried forward into 2025-26 stood at £62.8m. The forecast for period 8 for DSG is a £34.6m overspend for the year, and consequently a projected £97.4m cumulative deficit. This deficit is ringfenced through Government regulations, often referred to as the statutory override, and therefore is not impacting the council's general fund balance. This ringfencing has been extended to the end of 2027-28. While this is welcome in the sense it averts an immediate crisis from the previous end-date of this financial year, it nevertheless ignores that this is a real cash and balance sheet deficit for the council that brings great risk and cost to the council. Like many councils, should the deficit revert back to the general fund it would put the council into an unsustainable financial position. Several councils nationally have DSG deficits that exceed the value of their total revenue reserves; Cambridgeshire County Council is not yet in that position though is forecast to be so by the start of 2027-28.

2.2.4 The 2025-26 projected DSG deficit is estimated to cost the council £3.5m in debt financing costs, resulting from the reduction in actual cash available to the council due to the deficit reducing the extent to which the council can internally borrow from its working capital balances (e.g. grants received in advance). This forces the council to borrow externally quicker than it otherwise would, in the current high-interest rate environment.

- 2.2.5 Councils normally only borrow to fund capital expenditure, rather than meeting revenue deficits. We are currently managing the deficit through depletion of cash and working capital balances; once they are exceeded the council may be in a position of needing to borrow in excess of the level required by its capital programme, the legality of which is unclear and something sector groups are taking legal advice on.
- 2.2.6 The rise in High Needs Block spend is driven by significantly increasing numbers of Education, Health, and Care Plans (EHCPs) and the associated complexity of need, resulting in higher-cost placements in independent settings and tuition packages. To address financial sustainability, the council is collaborating with schools through a High Needs Block subgroup within the Schools Forum to reassess funding distribution for SEND, spanning mainstream education, Enhanced Resource Bases, special schools, alternative provision, and independent placements.
- 2.2.7 The approach focuses on "Inclusion for All", aiming to shift more funding toward mainstream provision to meet needs earlier and reduce reliance on costly independent placements. However, without increased council funding, any improvements require redistribution within existing resources, meaning increased funding for one area necessitates reductions elsewhere in the system.
- 2.2.8 As with many other Councils providing SEND services and support for EHCPs, these issues arise both due to local demand increases, but also as a result of no timely reforms to the SEND system being delivered by successive Governments. The current Government has committed to publish a Schools White Paper in the Autumn, which is expected to include proposed reforms to the SEND system, both from a policy and financial perspective. Depending upon the contents of these reforms and the timescale for implementation, the Council's financial position with respect to the DSG deficit could change further.
- 2.2.9 The council continues to engage with the safety valve programme with the Department for Education (DfE), along with other local authorities in a similar position. Updated projections have been submitted to the department along with a request to spread mitigating actions over a longer period to deal with the now higher level of deficit. The council continues to face pressures caused by the delay in two additional special schools expected to be delivered by the DfE.

### 3. Revenue Budget Changes

#### 3.1 Producer Extended Responsibility Payments (PERP)

- 3.1.1 Beginning this year, local authorities with waste disposal responsibilities will receive funding through PERP, which is a national scheme which requires packaging producers to cover the full cost of managing household packaging waste. The council's funding allocation for 2025-26 has only recently been confirmed and payment commenced – that allocation is £5.69m. The funding

is un-ringfenced but nevertheless it is clearly allocated for the purposes of waste disposal costs. It is proposed therefore to recognise the funding within the Waste Service, offsetting an equivalent amount of core budget which is proposed reallocated to Corporate and Funding Items. This is a technical adjustment and does not reduce the Waste Service budget or impact service delivery, and supports the council's overall financial position.

- 3.1.2 This funding stream is uncertain over the longer-term, and would be expected to reduce as packaging producers are incentivised to shift to less-wasteful methods. It is therefore proposed that the necessary budget movement is just for 2025-26 in the first instance.

**Recommendation A:** To agree a temporary virement for 2025-26 only to allocate the £5.69m Extended Producer Responsibility Payments grant to the Waste Service within Place and Sustainability to fund waste disposal costs, and to allocate £5.69m of budget to Corporate and Funding Items.

### 3.2 Impact of ending the Cambridgeshire handyperson service

- 3.2.1 In response to the ongoing financial pressures the council is facing, consideration of opportunities to reduce spend continues. Following a review of the Cambridgeshire Handyperson Service, and the opportunities for residents to access similar services through other routes, including other commissioned services and wider universally available mechanisms, such as 'Trust a Trader', it is proposed that this contract is not renewed.
- 3.2.2 Due to notice periods and for a safe transition, it is proposed to extend for a period into the financial year 2026/27 but will deliver an annual saving of £88,000
- 3.2.3 This decision will also mean financial commitments from district/city councils will also be reduced, as the service is made of contribution from all partners.

## 4. Capital Programme

### 4.1 Capital programme financial position

Previous Forecast Variance £000	Directorate	Gross 2025-26 Budget £000	Capital Variations 2025-26 Budget £000	Net 2025-26 Budget £000	Actuals £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Total Scheme Budget £000	Total Scheme Forecast Outturn Variance £000
0	Place and Sustainability	104,666	-9,929	<b>94,737</b>	31,069	-2,870	-3.03%	528,589	-1,688
0	Children, Education and Families	45,483	-6,739	<b>38,744</b>	19,758	-975	-2.52%	400,453	-2,150
0	Adults, Health and Commissioning	7,216	-75	<b>7,141</b>	5,819	0	0.00%	115,908	0
0	Strategy and Partnerships	3,882	-1,141	<b>2,741</b>	683	0	0.00%	8,330	-11
-236	Finance and Resources	16,369	-4,583	<b>11,786</b>	4,009	-840	-7.12%	48,995	-4,026
<b>-236</b>	<b>Total</b>	<b>177,616</b>	<b>-22,467</b>	<b>155,149</b>	<b>61,824</b>	<b>-4,684</b>	<b>-3.02%</b>	<b>1,102,275</b>	<b>-7,875</b>

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 and Sustainability capital figures do not include the Greater Cambridge Partnership.
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 2025-26 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average lower level of actual spend than budgeted across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There have historically and typically been 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 the forecast exceeds this budget. Directorates do not target a level of slippage and are instead aiming to spend up to their gross budget for schemes, with the variations budget being a technical reflection of potential slippage.

### 4.2.2 Capital variations summary

Directorate	Capital Variations Budget £000	Outturn Variance on Gross Budget £000	Capital Variations Budget Used %	Net Outturn Variance £000
Place and Sustainability	-9,929	-12,799	100.00%	-2,870
Children, Education and Families	-6,739	-7,714	100.00%	-975
Adults, Health and Commissioning	-75	0	0.00%	0
Strategy and Partnerships	-1,141	-148	12.97%	0
Finance and Resources	-4,583	-5,423	100.00%	-840
<b>Total</b>	<b>-22,467</b>	<b>-26,083</b>	<b>116.09%</b>	<b>-4,684</b>

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 +/-£500k

## 4.4 Capital Funding

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	Forecast Outturn Funding £m	Funding Variance £m	Total Scheme Budget £m	Total Scheme Forecast Outturn Variance £m
Department for Transport (DfT) Grant	39.7	1.0	-9.8	6.2	37.1	37.1	0.0	142.6	0.0
Basic Need Grant	9.6	0.0	-1.0	1.0	9.6	9.5	-0.1	41.3	0.0
Capital Maintenance Grant	4.0	0.2	-1.0	1.0	4.1	4.0	-0.1	15.5	0.0
Devolved Formula Capital	0.8	0.0	0.0	-0.0	0.7	0.7	0.0	6.2	0.0
Specific Grants	16.4	1.8	-0.1	4.4	22.5	21.3	-1.2	164.8	-1.4
S106 Contributions and Community Infrastructure Levy	6.2	19.6	-3.9	1.1	22.9	21.1	-1.8	155.3	0.0
Capital Receipts	4.0	0.0	0.0	0.4	4.4	2.5	-1.9	1.3	0.0
Other Contributions	20.1	2.5	-2.7	7.9	27.9	26.0	-1.8	228.7	-1.4
Revenue Contributions	0.0	0.1	-0.0	0.1	0.1	0.4	0.2	0.3	0.0
Prudential Borrowing	60.1	-5.6	-17.5	-11.2	25.8	27.9	2.1	346.3	-5.1
<b>TOTAL</b>	<b>160.8</b>	<b>19.6</b>	<b>-36.0</b>	<b>10.8</b>	<b>155.1</b>	<b>150.5</b>	<b>-4.7</b>	<b>1,102.3</b>	<b>-7.9</b>

Notes: The 'rolled forward funding' column reflects the difference between the anticipated 2024-25 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2025-26 Business Plan, and the actual 2024-25 year-end position.

## 4.5 Capital Funding Changes

4.5.1 This section sets out any changes to capital funding.

### 4.5.2 Water Scarcity Grant

4.5.3 Following liaison with the Department for Environment, Food and Rural Affairs (DEFRA) and MHCLG, the County Council has been requested to receive grant funding of £1.38m (under section 31 of the Local Government Act 2003) to fund local projects that improve water management and supply in the Cambridge sub-region. The funds come from the Agricultural Local Resource Options programme and are connected with other related initiatives by the Cambridge Delivery Group. Water scarcity is widely recognised as one of the major barriers to growth in the sub-region, impacting economic potential, housing supply and associated infrastructure. This funding is aimed specifically at reducing use of the potable water supply for agricultural purposes and is one of several ongoing or planned programmes.

4.5.4 The grant amount of £1.38m is predominantly capital but includes revenue funds of £60k for administration and costs of delivering the activities. The County Council has reviewed in draft the terms of grant. Other than the capital stipulation the funding is not ringfenced nor returnable. This is an initial grant, but central government have advised that further funding has been requested for up to four more years.

4.5.5 To most effectively deploy the funds received, the intention would be to work with a delivery partner. Water Resources East (WRE) Ltd has been identified, with central government, to undertake this role. WRE is a company limited by guarantee which is an independent, not-for-profit membership organisation that enables collaboration across public bodies, utilities providers, environmental organisations, landowners, developers and communities which works to deliver a cross-sector approach to integrated water management planning in Eastern England. The County Council is a member of WRE.

4.5.6 It is envisaged that the County Council will receive the funds supplied by central government grant during 2025-26. In 2026-27, the intention is that County Council will hold and deploy the funds to grant recipients which are likely to be in the agricultural sector, and work with WRE to design, implement and monitor a grant funding process to part fund initiatives. The type of schemes that are envisaged to be eligible to apply for funding could include on-farm works to facilitate winter abstraction of surface water, aquifer recharge schemes, improved irrigation networks and improved rainwater harvesting on agricultural premises. Bidders will be expected to part-fund schemes, with grants enabling works that would not otherwise be financially viable.

4.5.7 The grant process will accord with the County Council's *Grants to External Organisations policy* including taking account of subsidy control requirements. It is expected that WRE will provide the professional lead on evaluation of proposals and monitoring of selected schemes and reporting to central government, with the County Council's natural environment team overseeing the programme for the local authority's, as part of water and flood management functions. Following liaison with property (rural estates) and finance officers, the Place and Sustainability

management team supports the request set out in this section to receive the grant and proceed as described.

- 4.5.8 At this stage, this Committee is requested to authorise the section 151 officer to accept the funding, include the sums within the council's budget and enter into agreements with central government and WRE to enable the collaboration described above to be setup. The central government grant arrangements are set out in a non-binding memorandum of understanding. The respective obligations between the council and WRE are set out in a proposed legal agreement. A report and request for delegated authority will then be made to the council's Environment and Green Investment Committee, in due course, to seek approval for deployment of the funds outwards from the County Council on to grant recipients.

**Recommendation B:** Authorise the Executive Director of Finance and Resources, in consultation with the Chair and Vice Chair, to receive grant funding of £1.38m for schemes that respond to water scarcity, to make resulting budget revisions and to sign agreements with central government and Water Resources East to take forward the programme

## 5. Balance Sheet

### 5.1 Reserves

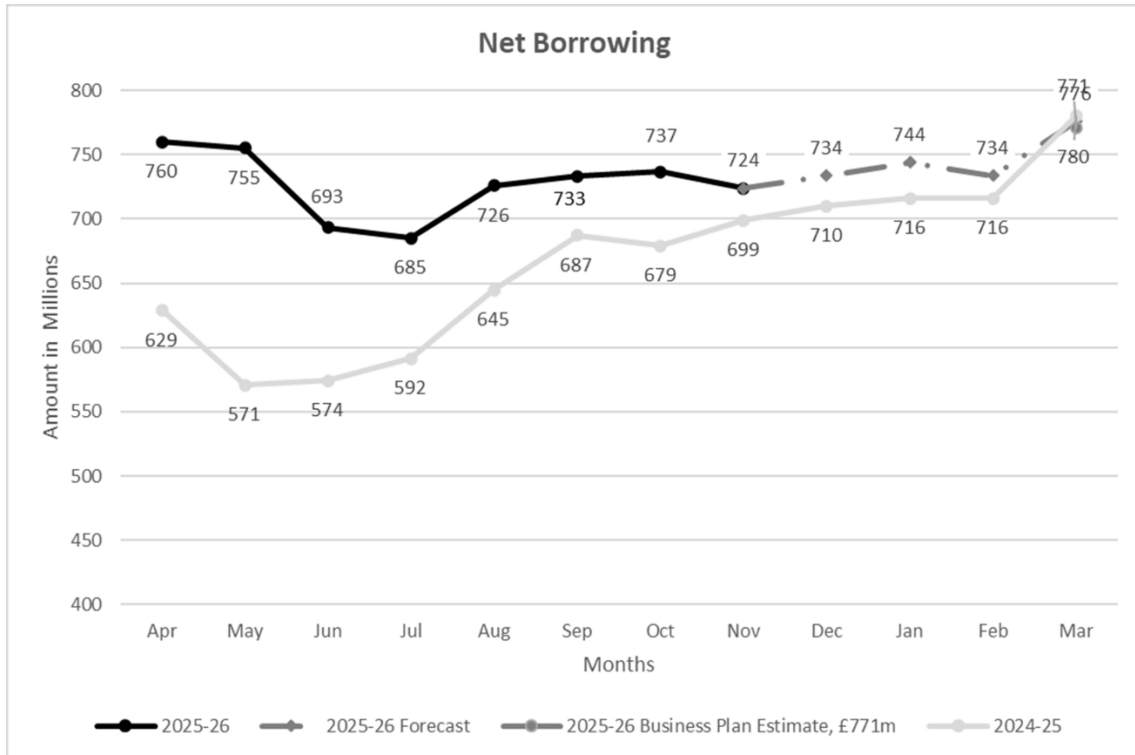
- 5.1.1 At the end of November, the council has revenue reserves totalling £158m, of which £26.7m is the general reserve. Other than the general reserve, these reserves are earmarked for specific purposes, and the breakdown of these can be seen in Appendix 3.
- 5.1.2 The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, which is planned into medium-term budgets.
- 5.1.3 The following proposals for reserve draw-downs are recommended to committee for agreement. These draw-down requests follow an exercise to fully review committed revenue reserves earlier in the year in the context of the council's in-year financial pressures, with the aim of identifying reserves that may not be fully required for intended purposes, particularly where alternative or mitigating funding streams or work is in place. These draw downs have been included in forecasts since period 5 and reported narratively, and are now able to be formally recommended ahead of year end. Broadly, these either deal with cost pressures from available risk reserves, or propose to fund key priorities from alternative sources of funding.

Directorate	Reserve	Amount	Remarks
S&P	Just Transition Fund / Communities Reserves	£500k	The 2025-26 holiday free school meal voucher programme will exceed funding allocated to it through the Household Support Fund. To enable the final holiday payments of the financial year, it is proposed to fund from this allocation agreed in the business plan for anti-poverty work, leaving £1.7m of that allocation for spend into 2026-27.
Corporate	Covid Grant Reserve	£500k	This legacy reserve has been committed for expenditure through the business plan, but alternative funding sources for that spend identified, and consequently this can be drawn down to fund demand pressures (many of which remain legacy from the pandemic).
P&S	Just Transition Fund	£585k	Part of funding allocated to work across the directorate on key climate-related work. Through a combination of alternative funding sources and revised plans, this funding is not fully required for its original purpose and is proposed to be drawn-down to fund the climate change and flood teams.
AHC	Adults risk reserve	Up to £300k	To fund pressure from community equipment provider change.

**Recommendation C:** To draw-down up to £1.885m from earmarked reserves per the table above.

## 5.2 Borrowing

5.2.1 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 2025, investments held totalled £121.3m (excluding all 3rd party loans and This Land) and gross borrowing totalled £845.4m, equating to a net borrowing position of £723.8m.



5.2.2 The original forecast net borrowing position for 2025-26 set out in the approved Treasury Management Strategy Statement (TMSS) was £771.1m. The latest forecast based on the outturn position for 2025-26 and will include any subsequent revisions to the capital programme. This will continue be monitored throughout the year and could be subject to further change depending upon delivery of the capital programme and ability to utilise cash-backed resources in lieu of borrowing.

### 5.3 General Balance Sheet

5.3.1 An overview of other key balance sheet health issues is shown below. This highlights a key focus is the recovery of Adult Social Care Debt, a position that is reflected nationally. The debt indicators have been refreshed, as they are nationally, to reflect decisions taken in the business plan around the provision for bad debt.

	<b>Measure</b>	<b>Target</b>	<b>Year to date at the end of Nov 2025</b>
1	% of income collected (owed to the council) within 90 days on rolling 12 month basis: Adult Social Care	80%	71%
2	Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£16.1m	£19.9m
3	Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£7.1m	£3.9m
4	% of invoices registered on ERP Gold within 2 working days	98.0%	99.8%
5	% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	99.4%
6	% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	98.4%

5.3.2 Indicators 1 and 2: Performance remains impacted by increased billing in respect of care contributions which have been £6m higher than the forecast position. In particular the council made progress with reducing its financial assessment waiting list in 2024-25 which has a knock on impact to debt recovery following on. Raised levels of adult social care debt remains common across councils. The council is continuing to implement improvements to its debt recovery activities to ensure that the improvements seen last year and the flattening of an upward trend of overdue debt are maintained. Digital initiatives are underway to make setup of paperless direct debits easier for customers as well as moving a number of invoices from printed to digital delivery.

5.3.3 Indicator 3: The level of sundry debt has decreased due to income having been received from the NHS Cambridgeshire and Peterborough Integrated Care Board (the ICB). Early in 2025-26, a settlement was reached between the council and the ICB which is clearing the historic debt for those pooled budgets, and for 2025-26 the learning disability pool (which is by far the largest of the two) has ceased.

## 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 2024-25 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year. Grants are received in advance of spend. The 2025-26 net borrowing position is expected to follow a similar path, rising more substantially towards the end of the financial year

as capital projects were progressed to completion and financed, as well as the increased cost of funding the high needs deficit on the DSG discussed earlier in this report.

- 6.2 The Treasury Management Strategy outlines the council's upcoming treasury management activities for the year, including expected levels of borrowing and investment based on their financial position and capital program forecast. Each quarter, the key treasury management indicators are presented to this committee, in this case as a separate item on the agenda.
- 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.
- 6.5 A full update on the outturn treasury management position is subject to separate discussion at Strategy, Resources and Performance Committee in December 2025 with subsequent consideration by Full Council.

## Appendix 1 – Revenue – commentaries on exceptions

Narrative is given below where there is a forecast variance greater than +/-£500k.

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
1	Updated	Adults, Health & Commissioning	Learning Disabilities	107,424	6,755	6%	<p>As of 1 April 2025, the Learning Disability Partnership has formally dissolved its pooled budget arrangement with Health. The process of disaggregating the budget remains complex, with ongoing work to determine the appropriate health-related funding splits within the service.</p> <p>The original budget was built on an overestimation of health needs, and as joint funding agreements are now being made based on lower levels of health need, this has created significant financial pressure. The current forecast indicates a projected overspend of £6.755 million. This figure remains highly volatile and is subject to daily changes as various disaggregation workstreams are completed.</p> <p>Mitigation plans are in place, focusing on reviewing different areas of service spend. To date, these efforts have delivered £2.1 million in savings. However, new in-year demand is projected at £2.25 million. Following a period of lower demand last year, activity is now returning to previous levels, adding further strain to the budget.</p> <p>The savings achieved so far have started to reduce the overspend but £1.1m is continuing to offset some of the increased demand pressures.</p> <p>In addition corporate funding of £2.9m has been allocated to support with offsetting the pressure, which has reduced the reported overspend to £6.75m</p>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
2	Updated	Adults, Health & Commissioning	Executive Director - Adults, Health & Commissioning	-40,499	-1,983	-4%	<p>On the savings target for review of in-house provision, review work has largely been completed but savings have not yet been delivered creating a pressure of up to £1m in year. Work is ongoing to understand savings opportunities and some mitigation in year may be possible</p> <p>This pressure is more than offset by:</p> <ul style="list-style-type: none"> <li>Ø work to review priorities around the use of external grant funding which has released £1.9m of grant monies to contribute to care pressures;</li> <li>Ø the release of unspent inflation contingency from 2024/25 of £364k;</li> <li>Ø a forecast over delivery against the budget for in year savings from vacant posts of £575k;</li> <li>Ø Quality Assurance Forum work being undertaken without the need for using the £100k associated investment in year; and</li> <li>Ø £200k of additional substitutions into Adult services from Public Health in year.</li> </ul> <p>The forecast also includes allowance for the write back to revenue of costs previously charged to the Independent Living Scheme capital project in East Cambs which will not now proceed in its current form.</p>
3	Updated	Adults, Health & Commissioning	Mental Health	28,585	-766	-3%	<p>Mental Health services are forecasting an overall underspend of £766k, with an underspend on the cost of care of £650k in November. This is being driven by a reduction in spend for Homecare and Supported Living in Adult Mental Health and Nursing Care within Older People Mental Health services. There remains a risk that more young people with complex needs transition into adult social care than expected and this is being monitored. In addition to this, a £65k underspend on staffing within the Mental Health Social Work Section 75 Agreement has been declared due to vacancies and staff turnover.</p>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
							Good progress has been made in addressing a £1.1m savings target across 2024/25 and 2025/26 with £900k identified to date.
4	New	Adults, Health & Commissioning	Older People's and Physical Disabilities Services	87,762	984	1%	<p>Older People's and Physical Disabilities services are forecasting a £984k pressure, which is an adverse movement from a previously reported underspend of £2k. This movement is a result of two main factors. The first is that while net activity levels year-to-date remain lower than budgeted, we have seen a recent increase in demand for bed-based care. The second factor is an under-recovery against budgeted income from client contributions due to an adjustment (reduction) to the forecast for backdated charges. In combination an increased demand, and a reduced forecast of income, result in a revised forecast pressure of £984k.</p> <p>With regards to savings as part of the forecast, the budget assumes in-year savings delivery of £3.35m. Current progress suggests an underachievement of £770k against this savings target. Additionally, there remain uncertainties around the potential impact of high levels of adult social care debt.</p>
5	New	Adults, Health & Commissioning	Service Director - Commissioning	2,950	-755	-26%	Negotiations with providers over 2025-26 inflationary uplifts are now coming to a conclusion allowing the partial release of the risk budget held back awaiting the outcome of inflation awards.
6	Unchanged	Children, Education & Families	Executive Director CEF	1,295	-1,480	-114%	The Vacancy Factor for Children Education Families (CEF) is now forecast to overachieve by £800k. £650k of one-off funding identified as part of the business planning process in 2025/26 to support delays in delivery of savings has now also been applied. Additional reductions in external venue hire are also anticipated to release a further £30k in savings over the remainder of the year.

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
7	Updated	Children, Education & Families	Fostering and Supervised Contact Services	10,008	757	8%	Fostering and Supervised Contact Services is now forecasting an overspend of £757k due to an increase in Regulation 24 and Connected Persons compared to previous years, alongside a recalculation of the forecasts of the remainder of the current financial year. The increase in Regulation 24 arrangements should be seen as a positive outcome as reduces reliance on more expensive external placements; there is potential for this overspend to worsen as more children are placed.
8	Updated	Children, Education & Families	Home to School Transport – Special	28,141	1,961	7%	Home to School Transport is forecasting an increased overspend of circa £3.198m. A review has been carried out to improve efficiency and service, the recommendations from which are now being taken forward. These measures take time to implement as they require policy and process changes, and consultation on some proposals.
9	Updated	Children, Education & Families	Home to School Transport – Mainstream	14,083	1,236	9%	
10	Updated	Children, Education & Families	Children in Care Placements	36,692	9,400	26%	The children's external placements budget is now forecasting a revised overspend of £9.4m. This is primarily driven by an increase in the number of young people requiring care, and limited availability of suitable and in county providers leading to higher numbers of Young People in Residential and Unregistered placements.
11	Unchanged	Children, Education & Families	Schools Financing	2,246	-1,612	-72%	Budgeted underspend on the Central School Services Block (CSSB) to support overall DSG pressures.
12	Updated	Children, Education & Families (DSG)	SEND Specialist Services – DSG	117,744	36,678	31%	Continuing pressure on the High Needs Block reflecting the increase in numbers of Educations Health and Care Plans (EHCPs) and complexity of need resulting in higher cost placements in independent settings and pupils on tuition packages.

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
13	Unchanged	Children, Education & Families (DSG)	0-19 Organisation & Planning - DSG	2,340	-569	-24%	A revised forecast underspend has been identified within the retained growth fund held to support mainstream schools with increasing numbers to meet basic need.
14	Unchanged	Place & Sustainability	Executive Director including staffing pay inflation	435	-778	-179%	The Directorate is mitigating risks within the budget through an increase in the management of vacancies to support the delivery of a balanced budget.
15	Updated	Place & Sustainability	Local Highways Maintenance	17,654	-2,093	-12%	<p>£600k of this underspend relates to the capitalisation of preventative crack sealing work, which was planned to be funded from revenue in 25/26.</p> <p>A further £200k is in relation to anticipated income from work being undertaken to reclaim the cost of accident damage done to highways assets in prior years. This can be reclaimed from motorists' insurance companies. The remainder of the underspend reflects a review of highways maintenance budget forecasts at the half-year point.</p> <p>In November £983k of unspent commuted sums money was identified. This is money received from developers to pay for the maintenance of highways assets and should be drawn down to pay for the spend as it occurs.</p> <p>The balance is due to increased grant income during 25-26 which can be used to fund core highways maintenance funding in 25-26.</p>
16	Updated	Place & Sustainability	Energy Services – Specialist Projects	484	1,844	381%	Forecast overspend of £1,844k across the energy projects includes a £1,411k pressure representing the income loss for 25-26 on North Angle solar farm. This is mainly due to curtailment from the electricity network operator being much more significant than anticipated, as the network doesn't have the capacity to absorb all the generation during

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
							<p>peak hours. There has also been technical issue resulting in generation downtime. Working with the operations and maintenance contractor, mitigation measures are being put in place to reduce this downtime going forward.</p> <p>£370k of the forecast overspend is due to the delayed connection date for the Babraham Park and Ride site following identification of a cable fault. The site was energised in October.</p> <p>Additionally, there is delay to the availability of Electric Vehicle chargers at both Babraham Park and Ride and St Ives Park and Ride and a delay in connecting the private wire customer to the St Ives Smart Energy Grid, which has subsequently reduced forecast income for 2025-26.</p> <p>The forecast outturn has improved by £275k in November, largely due to updated information on the debt charges being applied for these schemes, which are lower than previously forecast.</p>
17	Updated	Place & Sustainability	Mitigations	0	-2,291	0%	<p>A transfer from the on-street parking reserve will be made to fund the pressure in parking enforcement.</p> <p>Additionally, £1m will be drawn down of an un-ringfenced one-off payment given to the council by National Highways when it adopted the A14. This will be used to fund highways maintenance work in 25/26.</p> <p>£485k of Just Transition Funding will be returned. This is as a result of a combination of the following:</p> <ul style="list-style-type: none"> <li>• Some projects identified by partner agencies no longer commencing,</li> </ul>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
							<p>so the match funding is no longer required.</p> <ul style="list-style-type: none"> <li>• Anticipated consultancy spend has not materialised, as officers have been able to produce the documents internally and can now provide the revenue saving back.</li> <li>• Repurposing of funds has meant that uncommitted funds can be returned.</li> </ul> <p>£150k drawn down to fund energy projects</p>
18	Updated	Place & Sustainability	Parking Enforcement	-5,616	657	12%	<p>On-street pay and display parking is lower than anticipated and a forecast of £636k shortfall is projected, an improvement of £62k on the October forecast. Options have been formulated to address this in future financial years. The parking reserve account may need to be used to offset the income shortfall this year.</p> <p>The remaining £21k of the forecast overspend reflects the council's one-off funding contribution to civil parking enforcement in Fenland in 25-26.</p> <p>Please note that this is mitigated in 25/26 through the use of the parking reserve.</p>
19	Unchanged	Place & Sustainability	Waste Management	52,625	-1,122	-2%	<p>An underspend of -£1,122k is forecast, reflecting anticipated savings from increased volumes of waste being diverted to third party Energy from Waste (EfW) facilities in the latter half of the year and from reductions in garden waste disposal costs seen over the summer months owing to a lack of rainfall.</p>
20	New	Place & Sustainability	Highways Development Management	-3,400	-686	-20%	<p>An £299k pressure on the in-year income target is linked to income being lower than expected. The level of growth in the development sector is thus far lower than expected at the time of budget planning.</p>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
							This is offset by income of £980k relating to the release of reserves held following fees applied to developers to cover inspection and administration costs associated with adoption of new roads. These fees have been held in reserve to ensure costs can be met as they are incurred across a development's construction phase, which can span several years. However, it is agreed that future costs can be met from an ongoing pipeline of new sites and the existing reserves do not need to be retained to meet future costs.
21	Updated	Finance & Resources	Facilities Management	6,253	1,094	17%	<p>The following savings have been forecast:</p> <ul style="list-style-type: none"> <li>• Cleaning efficiencies made to the contract for 10 months - £110k</li> <li>• Car park additional income from usage and revised charge – £248k</li> <li>• Savings estimated on maintenance contract for not meeting KPIs £90k and changes to the contract updated in this month to reflect further savings - £315k.</li> <li>• Gas savings seen due to usage and due to de-carbonation programme, replacing gas, -74k.</li> <li>• Additional savings are forecast this month related to corporate office supplies £10k, grounds maintenance £17k, waste £21k and business rates £20k.</li> </ul> <p>The following pressure have been forecast:</p> <ul style="list-style-type: none"> <li>• Electricity contract is now higher than anticipated £453k due to the non-energy costs being charged in arrears, forecasting for business planning is difficult, particularly following a change in supplier and this year we underestimated the amount.</li> <li>• Water inflation greater than assumed has meant a pressure of £61k is forecast</li> <li>• Accommodation Improvement programme – a change in scope due to Local Government Reorganisation (LGR) now means this won't be met as planned in 2024-25 and 2025-26, £662k pressure offset with</li> </ul>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
							<p>£241k from unused reserve funds agreed from previous years, with one off cost of 152k related to removals and staff allowances now being funded under the FUoCR criteria.</p> <ul style="list-style-type: none"> <li>Running old Shire Hall site for 2025-26 is estimated as a cost of £461k, the majority is related to business rates. This is expected to be the final year of this pressure.</li> <li>Continued increased service charges for rental properties remains high £135k but is offset with some additional rental income £75k.</li> <li>Abortive capital schemes Hawthorns, Horizon and Whittlesey Scaldgate of £279k.</li> <li>The amount of reactive maintenance work is now forecast to cost an additional 266k this year.</li> </ul> <p>These pressures will need to be offset by management of the repair and maintenance programme.</p>
22	Updated	Strategy & Partnerships	Legal & Governance Services	5,871	560	10%	<p>The cost of legal work continues to remain higher than the budget due to demand led pressures. The budget includes a saving of £125k that has not been achieved. Targeted action is in place for reducing spend in areas that are seeing pressures that are demand led (Children and Adults), including in Children's addressing social worker workloads, retention and recruitment and addressing process inefficiencies which will reduce the length of cases and therefore cost. There is also work being done to reduce the cost of disbursements and external legal fees, reviewing caseloads, and implementing constraints to access to legal support. There have been some signs that these are having an impact in some areas (Commercial and Procurement), but this will not substantially reduce the overspends in the demand led areas.</p>

Note	Status	Directorate	Service Area / Budget Line	Net Budget £000	Forecast Outturn Variance £000	Forecast Outturn Variance %	Commentary
23	New	Strategy & Partnerships	Executive Director: Strategy & Partnerships	756	-523	-69%	The vacancy factor budget is expected to over-deliver through active management of vacancies, and the funding of some staffing spend where appropriate from capital receipts.
24	Unchanged	Corporate & Funding Items	Corporate Grants	-74,335	-1,557	-2%	This underspend relates to the Business Rates Compensation Grant with £1.5m being surplus grant in 2025-26.
25	Unchanged	Corporate & Funding Items	Business Rates	-78,699	-826	-1%	Linked to above, and following confirmation from billing authorities, more business rates income is expected than budgeted for this year. Because of the government freezing business rates increases, they compensate councils by grant. Consequently, the same underlying cause impacts through both grants and direct business rates income.
26	New	Corporate & Funding Items	Extended Producer Responsibility Funding	5,262	-5,262	100%	The council will receive the new extended producer responsibility grant this year. Funding was announced early in 2025, but we have only recently received confirmation of the amount, the extent of new burdens associated with it and its conditions. The grant needs to be used primarily to fund waste disposal costs, and consequently Strategy, Resources and Performance Committee will be asked to agree a virement that allocates income budget to the Waste service, with the remaining net budget allocated here and reported as an underspend.
27	Unchanged	Capital Financing	Capital Financing	43,747	2,364	5%	The cost of financing borrowing for the Council's capital programmes is expected to increase by £2.3m in 2025-26 which has been offset with agreed funds from corporate risk budget of £1.8m.

## Appendix 2 – Capital – commentaries on exceptions

Narrative is given below where there is a forecast variance greater than +/-£500k.

Ref	Commentary vs previous month	Directorate	Scheme	Scheme Budget £m	Budget for 2025-26 £m	Forecast Outturn Variance £m	Cause	Commentary
1a	New	P&S	A14 De-trunking	24.8	3.4	1.0	Phasing	Structures and safety fencing planned work has been brought forward from 26/27 into the current year to ensure that work could be aligned with work already planned. This has reduced disruption on the network and allowed further safety fencing repairs and work to address waterproofing and other structural issues in year.
1b	New	P&S	St Neots Future High Street Fund	7.9	2.0	-1.7	Total scheme variance	This scheme is now complete and the spend has come in lower than anticipated. The scheme is funded by Huntingdonshire District Council so the grant claim will be reflective of spend and funding will be reduced accordingly.
1c	New	P&S	A141 and St Ives Improvement	6.0	2.5	-1.3	Phasing	The reduction in spend for FY25/26 is due to programme extension for delivery of the full Outline Business Case. This has impacted the forecasted expenditure, and the scheme has been reprofiled, with costs now slipping into future financial years
1d	New	P&S	A10 Ely to A14 Improvements	4.0	1.6	-1.1	Phasing	The reduction in spend is due to the extension to the programme for the Outline Business case to allow for an external review of the A10 scheme undertaken by the Combined Authority. Consequently, the expenditure has slipped into future financial years. The scheme has been reprofiled
1e	New	P&S	Southern Busway Widening –	2.9	1.7	-1.7	Total scheme variance	Per the decision of Highways and Transport Committee in July 2025, unspent budget from the

Ref	Commentary vs previous month	Directorate	Scheme	Scheme Budget £m	Budget for 2025-26 £m	Forecast Outturn Variance £m	Cause	Commentary
			widening of maintenance track					southern busway widening scheme has been utilised to support the Busway Safety Works scheme.
1f	New	P&S	Guided Busway Safety Works	22.3	3.6	1.7	Phasing	Increased spend in 2025/26 to support accelerated delivery of fencing and prioritisation of installation in areas identified as requiring higher specification due to the increased risk profile of these sections as determined by detailed risk assessments
1g	New	P&S	Waste Infrastructure- March HRC	3.9	1.9	-1.3	Phasing	The main construction planned for 2025-26 will slip into 2026-27.
1h	New	P&S	Waste Infrastructure - Milton HRC	4.9	1.7	-1.2	Phasing	The main construction planned for 2025-26 will slip into 2026-27.
1i	Updated	P&S	Wheatsheaf Crossroads	6.8	4.0	-3.9	Phasing	Delays to the land acquisition have resulted in a programme delay for the construction of the Wheatsheaf crossroads junction, now expected to be delivered into 2026-27.
1j	Unchanged	P&S	Safety Schemes	2.9	1.7	-0.9	Phasing	The slippage is due to us delivering a small section of verge reinforcement as a trial this financial year, rather than the whole scheme. This will be monitored over the winter months and then rolled out as an entire scheme next financial year if successful.
1k	Unchanged	P&S	March Area Transport Study Phase 2	10.3	4.3	-2.3	Phasing	Procurement for the construction contract is currently underway with works expected to commence in January 2026 and run through into financial year 2026-27 and the NILR business case work has currently been paused, therefore the forecast has been rephased to reflect the updated programme.

Ref	Commentary vs previous month	Directorate	Scheme	Scheme Budget £m	Budget for 2025-26 £m	Forecast Outturn Variance £m	Cause	Commentary
1l	Unchanged	P&S	Street Lighting LED	13.3	6.0	1.3	Phasing	Spend on this scheme has accelerated due to implementation of LED programme advancing more quickly than originally expected. This will have a positive impact on the revenue position due to reduced energy costs.
2a	New	CEF	Waterbeach New Primary	19.9	1.5	-0.5	Phasing	Delays with confirming costs and MS4 means earliest start on site will now be late February 2026.
2b	New	CEF	Children's Residential Services Capacity	1.0	1.0	-0.9	Total scheme variance	The decision has been taken to stop the main part of the scheme from continuing.
2c	Updated	CEF	Willingham Expansion	0.9	0.8	-0.6	Phasing	Slippage due to signing off pre-commencement planning conditions. Start on site has now slipped to December 25.
2d	Updated	CEF	Highfields Littleport - Expansion	8.0	6.0	-0.9	Total scheme variance	Savings from unspent risk register items and contingency allowances now project is getting closer to completing on site.
2e	Unchanged	CEF	Witchford Rackham Expansion	5.0	1.2	-1.0	Phasing	Delay to the MS2 sign-off following additional scope outside and approval of increased budget. Work will now not start on site in 25-26 as originally planned and programmed, but summer 26-27.
2f	Unchanged	CEF	Abbey College Expansion	10.6	0.7	-0.5	Phasing	Project delayed while the school governing body examines options around Academy led delivery and Council led delivery. Anticipated design will not probably start until December 2025 now.
2g	Unchanged	CEF	Decarbonisation Fund - School Low Carbon Heating Programme	2.3	1.0	-0.9	Phasing	In 25/26 for the PSDS4 works planned at Samuel Pepys, Clarkson Infant and Huntingdon Primary along with the Heat Decarbonisation Plans will only incur design costs. Programme agreed with Salix won't incur construction costs until the 26/27 financial year.

Ref	Commentary vs previous month	Directorate	Scheme	Scheme Budget £m	Budget for 2025-26 £m	Forecast Outturn Variance £m	Cause	Commentary
2h	Unchanged	CEF	Transfer of Section 106 funding to Astrea Academy Trust	2.1	0.9	-0.8	Phasing	Passporting of funds yet to be considered by CYP committee. Design unlikely to start before the end of the January 2026.
3a	Updated	F&R	IT Strategy	9.0	1.5	-0.8	Total scheme variance -£0.799m/ Phasing -£0.040m	The budget is not fully committed this year and has been suggested as a saving to reduce borrowing for the additional requirement to complete the Education programme. The planning system will need £40k of budget rephasing into 2026/27 due to the new timeline.
3b	Updated	F&R	Condition Survey Works	21.8	3.7	-0.8	Total scheme variance	The budget is not fully committed this year and has been suggested as a saving to reduce borrowing.
3c	Updated	F&R	Accommodation Improvement Programme (AIP)	1.6	1.4	-0.9	Total scheme variance -£0.882m/ Phasing -£0.050m	With a reduced scope of work now expected to take place at Stanton House, Hereward Hall, Awdry House, Amundsen House and Sunley House. The replacement of Fawcett House investment needed is hoped to be reduced due to actively seeking proposals to stay within our existing portfolio. Removed Ely Library office refurbishment £80k.
3d	Updated	F&R	Decarbonisation Fund - Council buildings low carbon heating	11.5	4.2	-2.6	Total scheme variance	Following the recent asset challenge work undertaken, based on the condition and uncertainty of the long-term use for some of the buildings in scope, it was decided to reduce the programme at this stage.
3e	Unchanged	F&R	IT Education System Replacement	2.9	0.9	0.8	Total scheme variance	Following a final stage of testing and governance review, the decision was made to delay the EYES Programme go-live to June 2026. This ensures reduced risk and supports successful delivery by allowing:

Ref	Commentary vs previous month	Directorate	Scheme	Scheme Budget £m	Budget for 2025-26 £m	Forecast Outturn Variance £m	Cause	Commentary
								<ul style="list-style-type: none"> <li>• Completion of critical data migration and defect resolution.</li> <li>• Stabilisation of system modules.</li> </ul> The revised timeline reflects a commitment to quality, operational readiness, and stakeholder confidence.
3f	Unchanged	F&R	Community Hubs - East Barnwell	1.4	1.0	-0.9	Phasing	The re-development work has started, but the CCC contribution is not due until 2027-28 and therefore the scheme has been re-phased.

### Appendix 3 – Reserves and provisions

This section shows the reserves available to the council:

Fund Description	Balance at 1 April 2025 £000s	Movements in 2025-26 £000s	Balance at 30 November 2025 £000s	Forecast Balance at 31 March 2026 £000s	Notes
<b>General Reserve</b>	<b>29,093</b>	<b>-2,393</b>	<b>26,700</b>	<b>16,136</b>	Overspend financed here
<b>Strategic Framework Priorities Reserves</b>					
Improvement programme reserves					Committed over the medium-term
<i>Just Transition Fund</i>	6,947	-1,456	5,491	2,967	
<i>Change and Digital Reserve</i>	4,638	-224	4,414	2,728	
<i>Other service change reserves</i>	1,446	0	1,446	982	
Improvement programme subtotal	<b>13,032</b>	<b>-1,681</b>	<b>11,351</b>	<b>6,676</b>	
Investment reserves	3,962	184	4,146	1,395	Reserves committed by business plan to support revenue position over medium-term
Invest to save reserves	156	125	281	82	
MTFS support	5,739	-400	5,339	4,361	
<b>Strategic Framework Priorities Reserves Total</b>	<b>22,889</b>	<b>-1,772</b>	<b>21,117</b>	<b>12,514</b>	
<b>Risk Reserves</b>					
Risk contingencies					This is per the business plan and links to historic changes in minimum revenue provision calculation and matching that against risks. Related to timing of loan interest payments  Links to safety valve agreement  Committed in 2025-26 business plan Fully committed to busway over medium-term
<i>This Land Credit Loss and Equity Offset</i>	11,981	0	11,981	9,981	
<i>This Land minimum revenue provision risk</i>	811	0	811	0	
<i>This Land Income Phasing</i>	6,914	0	6,914	7,919	
<i>Revaluation and Repair (Buildings)</i>	2,940	0	2,940	2,940	
<i>Local taxation volatility and appeals account</i>	2,819	-245	2,574	2,574	
<i>High Needs Block Offset</i>	7,875	-259	7,616	7,616	
<i>Adults Risk Reserve</i>	6,281	-1,538	4,743	4,375	
<i>Children's risk reserve</i>	3,208	-3,100	108	0	
<i>Major infrastructure cost reserve</i>	25,188	-1,000	24,188	17,170	
<i>Ukraine Specific Risk Reserve</i>	4,776	0	4,776	3,906	
Risk contingencies subtotal	<b>72,793</b>	<b>-6,142</b>	<b>66,651</b>	<b>56,481</b>	
Specific legal/contractual risks reserves	3,477	2,276	5,752	4,571	

Fund Description	Balance at 1 April 2025 £000s	Movements in 2025-26 £000s	Balance at 30 November 2025 £000s	Forecast Balance at 31 March 2026 £000s	Notes
Funding Review Shortfall Reserve	6,206	0	6,206	6,206	
Risk - Smoothing	3,247	0	3,247	3,379	
Insurance Reserve	5,329	-11	5,319	4,825	
<b>Risk Reserves Total</b>	<b>91,052</b>	<b>-3,877</b>	<b>87,175</b>	<b>75,462</b>	
<b>Ringfenced Reserves</b>					
Ringfenced contribution	20,824	-5,530	15,294	10,762	Mainly ringfenced grant balances
Ringfenced - Unusable	0	0	0	0	
Ringfenced account	2,171	0	2,171	1,364	Segregated by regulations, eg parking
Ringfenced - Developer Fund / Commuted Sum	3,032	-94	2,938	2,639	
<b>Ringfenced Reserves Total</b>	<b>26,027</b>	<b>-5,624</b>	<b>20,403</b>	<b>14,765</b>	
<b>Sinking Fund</b>	2,656	-448	2,208	1,890	Cyclical spend, eg elections
<b>Unallocated</b>	0	0	0	0	
<b>Unusable</b>	425	0	425	375	
<b>Total Revenue Reserves</b>	<b>172,143</b>	<b>-14,115</b>	<b>158,028</b>	<b>121,141</b>	
Children, Education and Families	16,426	0	16,426	7,158	
Adults, Health and Commissioning	33	0	33	0	
Place and Sustainability	28,880	101	28,981	854	
Finance and Resources	0	2,081	2,081	2,176	
Corporate	33,449	-3	33,445	21,147	Section 106 funding is applied to applicable capital schemes at year-end.
<b>Capital Useable Reserves subtotal</b>	<b>78,788</b>	<b>2,179</b>	<b>80,967</b>	<b>31,335</b>	
<b>Reserves Grand Total</b>	<b>250,930</b>	<b>-11,936</b>	<b>238,995</b>	<b>152,476</b>	

Provisions on the balance sheet are:

<b>Department</b>	<b>Balance at 1 April 2025 £000s</b>	<b>Movements in 2025-26 £000s</b>	<b>Balance at 30 November 2025 £000s</b>	<b>Notes</b>
Finance & Resources Short Term Provisions	2,093	0	2,093	Insurance short term provision
Specific Risks Short Term Provisions	5,000	1,000	6,000	Provision for busway fine, due in 2028
Finance & Resources Long Term Provisions	4,999	0	4,999	Insurance long term provision
<b>GRAND TOTAL</b>	<b>12,092</b>	<b>1,000</b>	<b>13,092</b>	

## Appendix 4 – Budget transfers between directorates / areas in 2025-26

This table shows budget movements between service blocks in 2025-26, subject to rounding errors:

Budgets and Movements	CEF		AHC		P&S		S&P		F&R		Capital Financing		Corporate Items	
	£000s		£000s		£000s		£000s		£000s		£000s		£000s	
	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income
<b>Opening Budgets as per Business Plan</b>	185,192	-34,649	385,701	-147,364	121,243	-38,355	38,052	-11,918	44,340	-28,101	52,563	-10,616	17,860	-773
Adjustments during detailed budget build to reflect inputs made by budget managers	-3,126	3,127	6,868	-6,867	1,275	-1,275	38	-30	-89	132				-51
Increase in existing unringfenced grant, increases net budget	750													
Adjustments between gross and income budgets	-744	744	-339	339	-374	374	-371	371	-42	42				
Transfer of responsibility for energy management					-65				65					
Transfer of contract budget	356		-356											
Centralisation of postage budget					-3		3							
Centralisation of legal budget			-150				150							
Transfer of lease cars budget					57				-57					
Consolidation of Comms budget	38		-215		-209		463							

Budgets and Movements	CEF		AHC		P&S		S&P		F&R		Capital Financing		Corporate Items	
	£000s		£000s		£000s		£000s		£000s		£000s		£000s	
	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income	Gross	Income
Allocation of public health grant uplift not otherwise allocated in business plan	11	-149	-213	112									239	
Staffing cost increase					14									-14
Transfer of role	-61						61							
Transfer of budget for Highways depots maintenance as part of corporate landlord model					-120				120					
NI allowance change from 25-26 for members							38							-38
Transfer of budget for Display Energy Certificates					-2				2					
2025-26 Pay Award Funding, equalisation of estimates	-13		-9		31		-5		-5					
Centralisation of Staff Training budget	-37		-23		-29		127		-38					
Allocation of corporate funding approved at SRP 23 Oct 2025	2,800		2,900				1,400		1,700		1,800		-10,600	
<b>Current budget</b>	<b>185,048</b>	<b>-30,927</b>	<b>394,164</b>	<b>-153,780</b>	<b>121,862</b>	<b>-39,256</b>	<b>39,956</b>	<b>-11,577</b>	<b>45,996</b>	<b>-27,927</b>	<b>54,363</b>	<b>-10,616</b>	<b>7,447</b>	<b>-824</b>