

Service: Finance & Resources and Strategy & Partnerships

Subject: Finance Monitoring Report – May 2023

Contents

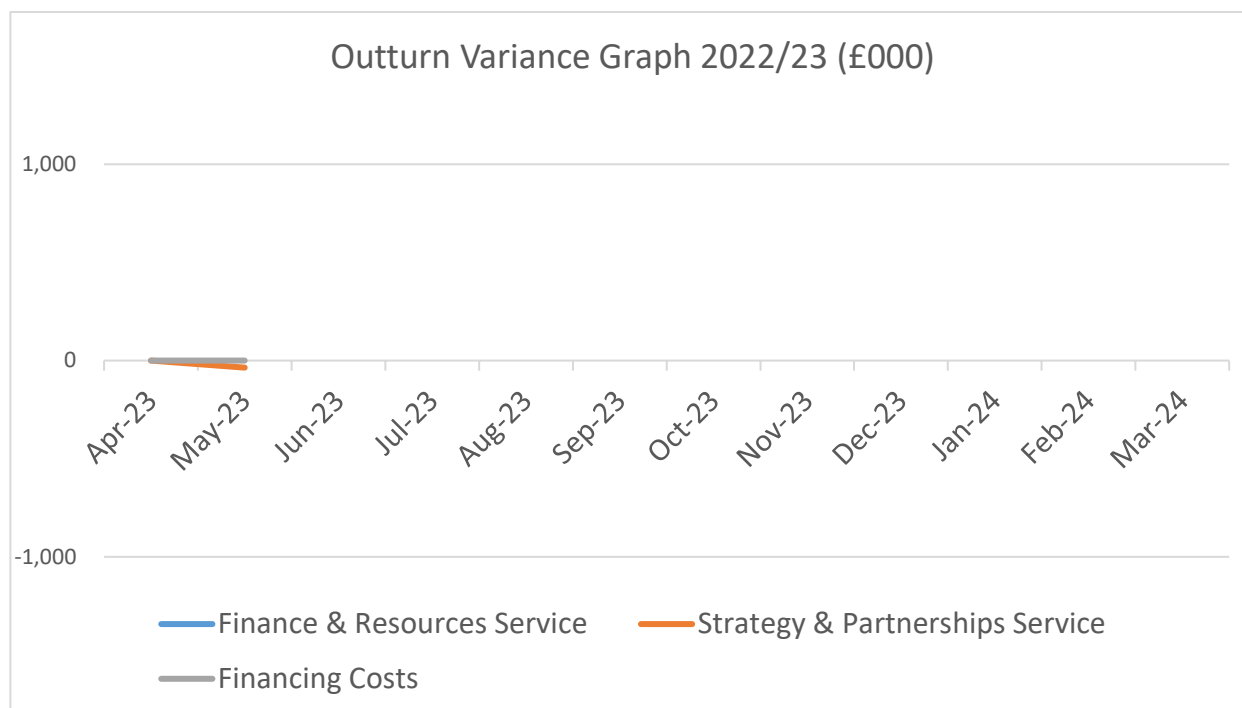
Section	Item	Description
1	Revenue Executive Summary	High level summary of information and narrative on key issues in revenue financial position
2	Capital Executive Summary	Summary of the position of the Capital programme within Finance & Resources and Strategy & Partnerships
3	Savings Tracker Summary	Summary of the latest position on delivery of savings
4	Technical Note	Explanation of technical items that are included in some reports
Appx 1a	Service Level Financial Information	Detailed financial tables for Finance & Resources and Strategy & Partnerships main budget headings
Appx 1b	Service Level Financial Information	Detailed financial tables for Finance & Resources and Strategy & Partnerships main budget headings
Appx 2	Service Commentaries	Detailed notes on revenue financial position of services that have a significant variance against budget
Appx 3	Capital Appendix	This contains more detailed information about the capital programme, including funding sources and variances from planned spend.
<i>The following appendices are included quarterly as the information does not change as regularly:</i>		
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the Business Plan.
Appx 5	Technical Appendix	Each quarter, this will contain technical financial information showing: Earmarked Grant income received Budget virements

1. Revenue Executive Summary

1.1 Overall Position

At the end of May 2023, Finance & Resources Service (including financing costs) is currently forecasting a balanced position.

At the end of May 2023, Strategy & Partnerships Service is currently forecasting an underspend of £36k.



1.2 Summary of Revenue position by Directorate

Forecast Outturn Variance (Previous) £000	Finance and Resources Directorate	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance (May) £000	Forecast Variance (May) %
0	Executive Director	203	35	0	0
0	Customer & Digital Services	14,232	4,300	0	0
0	Finance & Procurement	8,244	1,324	0	0
0	Property Services	4,504	946	0	0
0	Investment Activity	-12,992	-175	0	0
0	Corporate & Miscellaneous	7,995	12	0	0
0	Financing Costs	38,263	-3,659	0	0
0	Total	60,449	2,782	0	0

Forecast Outturn Variance (Previous) £000	Strategy & Partnerships Directorate	Budget 2023/24 £000	Actual £000	Forecast Outturn Variance (May) £000	Forecast Variance (May) %
0	Executive Director	5,486	935	-40	-0.7
0	Legal & Governance	3,310	508	3	0
0	Policy Communities	7,776	-8,021	0	0
0	Total Expenditure	16,391	-6,578	-36	0.2%

Since the approval of the 2023/24 Business Plan at Council in February some new pressures and flexibilities have been identified and these have been addressed by a budget re-set to be approved at Strategy & Resources Committee on 11th July. The budgets contained within this report reflect these changes and assume they are approved by Strategy & Resources Committee.

- Staff pay award increased inflation £2.6m
- Gas and electricity inflation reduction -£661k

The service level budgetary control report for the year 2023/24 can be found in [Appendix 1](#).

1.3 Significant Issues

There are currently no significant variances to report. Within Finance & Resources, there is a risk of the Council-wide staff pay cost increase being higher than budgeted. This is still subject to national and local negotiation and so is unlikely to be known until later in the year. Capital financing budgets are also being reviewed, balancing the lower than expected borrowing position from when budgets were set versus rising interest rates.

Significant variances will be found in Appendix 2.

2. Capital Executive Summary

The revised capital budget for 2023/24 is £14,367k with expenditure at the end of May of £623k.

Expenditure remains below a straight-line profile for a number of schemes, including:

- IT Strategy: delays in recharging staff time from revenue to capital
- Condition Survey Works: this is a capital pot that will naturally be underspent for the first 6 months. This includes multiple buildings with quite different scopes of work that need surveying, tendering, and completing before being billed. We have asked our term contractor where applicable to interim bill for works completed while projects yet to be completed.
- Hawthorns: This project has been delayed due to bats roosting in the building. Awaiting ecological results before work can continue.

Scheme category	Scheme Budget £000	Scheme Forecast variance £000	2023-24 budget £000	2023-24 actuals £000	2023-24 forecast variance £000
Finance & Resources					
Data Centre Relocation	4,339	0	872	30	0
IT Strategy	5,939	0	2,169	119	0
IT Education System Replacement	2,921	0	2,535	25	0
IT Infrastructure refresh	674	0	325	0	0
Development Funding	987	0	50	0	0
Building Maintenance	6,492	0	658	15	0
Condition Survey Works	2,983	0	2,445	160	0
Investment in the CCC asset portfolio	5,398	0	140	0	0
Hawthorns - Intensive Therapeutic Support Hub	3,544	0	3,452	3	0
Woodland Lodge Children's Home Essential Work	256	0	112	127	0
Haviland Way	188	0	188	0	0
March Highways depo	249	0	249	66	0
Asbestos Management Surveys (Schools)	135	0	135	0	0
Wisbech Adventure Playground (The Spinney)	915	0	915	0	0
Local Plans Representations	1,170	0	270	8	0
County Farms Investment	3,000	0	300	46	0
Community Hubs - East Barnwell	1,259	0	198	0	0
Shire Hall Relocation	18,185	0	60	5	0
Mill Farmhouse	563	0	556	0	0
Strategy & Partnerships					
Capitalisation of Policy, Design and Delivery Team	12,612	0	1,682	0	0
Community Fund	5,000	0	1,641	0	0
Histon Library Rebuild	97	0	5	1	0
Libraries - Open access & touchdown facilities	1,172	0	875	16	0
Library Minor Works	85	0	71	0	0

Scheme category	Scheme Budget £000	Scheme Forecast variance £000	2023-24 budget £000	2023-24 actuals £000	2023-24 forecast variance £000
EverySpace - Library Improvement Fund	389	0	310	0	0
Darwin Green Library	152	0	152	0	0
Cherry Hinton Library	55	0	55	0	0
Capital Programme Variations Budget	-7,861	0	-6,366	0	0
Capitalisation of Interest Budget	389	0	313	0	0
TOTAL	70,300	0	14,367	623	0

The increase between the original and revised budget is partly due to the carry forward of funding from 2022/23, this is due to the re-phasing of schemes. The phasing of a number of schemes have been reviewed since the published business plan and are now incorporated in the table above.

New schemes proposed since the 2023-24 Business Plan –

Scheme	Description	Budget change £000	Notes
March Highways depo	Replacement of existing welfare units which have come to end of the property lifecycle.	249	Approved in 2023/24
Asbestos Management Surveys (Schools)	To carryout Asbestos Surveys and provide Asbestos Management plans of all Schools that come under the direct responsibility of CCC, as required by the HSE.	135	Approved in 2022/23
Woodland Lodge Children's Home Essential Work	Building works required to continue to make the home safe & suitable to live and work in.	256	Approved in 2022/23
Wisbech Adventure Playground (The Spinney)	Funding received from the Youth Investment Fund Pilot Grant (DCMS) for costs associated with site preparation and construction of a youth & community centre.	915	Approved in 2023/24

Existing schemes re-phasing request - the following schemes are proposed to officers or S&R committee depending on size for re-phasing following review of actual spend vs budget in 2022-23 and budget required in the current year to deliver the scheme.

Scheme	Total Scheme Budget £000	Original Budget 2023/24 (as per BP) £000	Re-phased Budget into 2023/24 £000	New Total Budget 2023/24 £000	Notes
Library Minor works	85	0	71	71	Small works in libraries, work needs re-profiling, funded by S106
Histon Library Re-Build	97	0	5	5	Final amount owed
Shire Hall Relocation	18,185	0	60	60	Funding to finish off some new adaptations to the building. Original scheme now fully complete.
EverySpace - Library Improvement Fund	389	301	9	310	Minor movement in the expenditure profile

Scheme	Total Scheme Budget £000	Original Budget 2023/24 (as per BP) £000	Re-phased Budget into 2023/24 £000	New Total Budget 2023/24 £000	Notes
Libraries - Open access & touchdown facilities	1,172	492	383	875	Three final pilot sites going live in July 2023 (March, Rock Road, Soham) with a review of pilot project due by the end of the year and options for future rollout to be taken to CSMI committee.
Community Fund	5,000	1,722	-81	1,641	Funding spent in advance of the profile set, reduce the 2023-24 budget
Haviland Way Children's Home	188	178	10	188	Minor movement in the expenditure profile
Mill Farmhouse	563	338	218	556	Work has made slower progress due to surveys/planning and therefore budget proposed to roll-forward..
Cambs 2020 Spokes Asset Review	5,398	40	100	140	Additional work at Roger Ascham has been identified and this was not carried out before the end of March
Community Hubs - East Barnwell	1,259	107	91	198	Work has not progressed as per profile; review of the budget is needed.
Condition Survey Works	2,983	2,056	389	2,445	The work has already been identified but needs re-phasing due to the schedule of work changing.
Building Maintenance	600	600	58	658	To complete an existing scheme committed in the 2022-23 budget
IT - Education System Replacement	2,921	1,089	1,446	2,535	Large procurement expected later than original profile, funding carried forward for committed expenditure. Likely to be spent by December 2023.
IT Infrastructure Refresh	674	106	219	325	Funding carried forward to support the upgrade of the Eastnet infrastructure
IT Strategy	5,939	1,600	569	2,169	Programme of work has been updated to reflect business service requirements such as move to Cloud, upgrade of core line of business systems and the bringing together of digital engagement projects with optimisation of internal and external customer journey to ensure efficient and effective service delivery.

Re-phasing proposals over £250k in value are proposed separately to S&R committee for agreement.

The schemes with significant variances will be found in Appendix 3. There are no significant variances to report this month.

3. Savings Tracker Summary

The savings trackers are produced quarterly to monitor delivery of savings against agreed plans. The Q1 table will be available in the July report in Appendix 4.

4. Technical note

On a quarterly basis, a technical financial appendix is included as Appendix 5. This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of the directorate from other services, to show why the budget might be different from that agreed by Full Council
- Service earmarked reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

The first technical appendix will appear in July's report.

Appendix 1a – Detailed Financial Information – Finance & Resources

Previous Forecast Outturn Variance £000's	Committee	Service	Budget 2023/24 £000's	Actual May 2023 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance%
Executive Director of Finance & Resources						
0	S&R	Executive Director	203	35	0	0%
Customer & Digital Services						
0	S&R	Customer Services	2,244	368	0	0%
0	S&R	IT Services	11,988	3,932	0	0%
Customer & Digital Services Total			14,232	4,300	0	0%
Finance & Procurement						
0	S&R	Service Director of Finance & Procurement	364	52	0	0%
0	S&R	Professional Finance	2,205	488	0	0%
0	S&R	Procurement	879	147	0	0%
0	S&R	CCC Finance Operations	63	53	0	0%
0	S&R	Insurance Fund	2,421	889	0	0%
0	S&R	Lead Authority Services	2,110	41	0	0%
0	S&R	External Audit	202	-346	0	0%
Finance & Procurement Total			8,244	1,324	-0	0%
Property Services						
0	S&R	Facilities Management	7,305	1,414	0	0%
0	S&R	Property Services	978	174	0	0%
0	S&R	Property Compliance	359	85	0	0%
0	S&R	County Farms	-5,010	-55	0	0%
0	S&R	Strategic Assets	873	-673	0	0%
Property Services Total			4,504	946	0	0%
Investment Activity						
0	S&R	Property Investments	-4,825	-530	0	0%
0	S&R	Company Dividends & Fee	-574	0	0	0%
0	S&R	This Land	-6,063	341	0	0%
0	S&R	Contract Efficiencies & Other Income	-214	-0	0	0%
0	S&R	Collective Investment Funds	-1,078	136	0	0%
0	S&R	Renewable Energy Investments	-239	-121	0	0%
Investment Activity Total			-12,992	-175	-0	0%
Corporate & Miscellaneous						
0	S&R	Central Services & Organisation-Wide Risks	8,545	-236	0	0%
0	S&R	Local Government Subscriptions	128	31	0	0%
0	S&R	Authority-wide Miscellaneous	-678	218	0	0%
0	Corporate & Miscellaneous Total		7,995	12	0	0%
Financing Costs						
0	S&R	Capital financing costs & minimum revenue provision	38,263	-3,659	0	0%
0	Financing Costs Total		38,263	-3,659	0	0%
Overall Total			60,449	2,782	0	0%

Appendix 1b – Detailed Financial Information – Strategy & Partnerships

Previous Forecast Outturn Variance £000's	Committee	Service	Budget 2023/24 £000's	Actual May 2023 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
0	S&R	Executive Director: Strategy & Partnerships	-32	9	2	5%
0	S&R	Chief Executive's Office	244	37	0	0%
0	S&R	Communications	781	189	0	0%
0	S&R	Elections	190	0	0	0%
0	S&R	Human Resources	1,990	315	-13	-1%
0	S&R	Learning & Development	2,013	385	-28	-1%
0	CSMI	Local Assistance Scheme	300	0	0	0%
		Legal & Governance				
0	S&R	Internal Audit	466	70	3	1%
0	S&R	Legal & Governance Services	185	38	0	0%
0	S&R	Information Management	1,009	164	0	0%
0	S&R	Democratic & Member Services	435	65	0	0%
0	S&R	Members' Allowances	1,035	171	0	0%
0		Legal & Governance Total	3,130	508	3	0%
		Policy, Insight & Programmes				
0	S&R	Policy, Design and Delivery	588	297	0	0%
0	S&R	Business Intelligence	1,473	352	0	0%
0	S&R	Emergency Planning	154	31	0	0%
		Communities Employment & Skills				
0	CSMI	Strategic Management - CES	38	-8,884	0	0%
0	CSMI	Public Library Services	3,861	714	0	0%
0	CSMI	Cambridgeshire Skills	0	72	0	0%
0	CSMI	Archives	400	68	0	0%
0	CSMI	Cultural Services	118	-7	0	0%
0	CSMI	Communities Service	1,144	-174	0	0%
0	CSMI	Changing Futures	0	-491	0	0%
0		Communities Employment & Skills Total	5,561	-8,701	0	0%
0		Policy & Communities Total	7,776	-8,021	0	0%
0		Overall Total	16,391	-6,578	-36	0%

Appendix 2 – Service Commentaries on Forecast Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

There are no variances to report on this month.

Appendix 3 – Capital Position

4.1 Capital Expenditure

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found below:

There are no variances to report on this month.

4.2 Capital Variations Budget

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 budget is –£11,187k for Finance & Resources and -£3,180k for Strategy & Partnerships.

4.3 Capital Funding

Capital Programme 2023/24				
Original 2023/24 Funding Allocation as per BP £000	Source of Funding Finance & Resources Schemes	Revised Funding for 2023/24 £000	Forecast Spend £000	Variance £000
-	Grant Funding	915	915	-
7,348	Prudential Borrowing	10,272	10,272	-
7,348	TOTAL	11,187	11,187	-

Capital Programme 2023/24				
Original 2023/24 Funding Allocation as per BP £000	Source of Funding Strategy & Partnerships Schemes	Revised Funding for 2023/24 £000	Forecast Spend £000	Variance £000
1,343	Capital Receipts	1,078	1,078	-
127	Grant Funding	130	130	-
	Other Contributions	113	113	-
229	Developer Contributions	169	169	-
2,214	Prudential Borrowing	1,690	1,690	-
3,913	TOTAL	3,180	3,180	-