Appendix A

Integrated Finance Monitoring Report
November 2023

Contents

1. Executive Summary

1.1 This report 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 its website.

The Council's total service budgets for 2023-24 are:

- Revenue: £501m net budget
- Capital: £197m (with a total programme of over £1bn)

As well as this, the Council has a Dedicated Schools Grant (DSG) funded budget of £114m, which mainly relates to High Needs spend.

The table below shows the key forecast information by directorate:

Directorate/Area	Forecast Revenue Budget Variance £000	Forecast Revenue Budget Variance %	Forecast Net Capital Budget Variance £000	Forecast Net Capital Budget Variance %
Children, Education & Families – non-DSG	10,670	8.%	0	0.0%
Adults, Health & Commissioning	-745	-0%	0	0.0%
Place & Sustainability	2,863	4%	0	0.0%
Strategy & Partnerships	339	2%	-446	-13.8%
Finance & Resources	-354	-2%	-551	-4.7%
Public Health	0	0%	-	-
Capital Financing	-1,586	-4%	-	-
Corporate & Funding Items	-5,636	-51%	-	-
Net Spending Total (+ overspend / - underspend)	**5,551**	**1%**	**-997**	**-0.5%**
Children, Education & Families – DSG	10,149	-	-	-

Detailed financial information about each service area is contained in the relevant Finance Monitoring Report. These can be found published at each scheduled committee meeting. Summary financial information in this report is presented with the assumption that any accompanying recommendations to committees will be agreed.

1.2 Key Issues

The Council continues to forecast a £5.6m net overspend across all services for 2023-24. This report sets out in detail the key pressure areas of income generation from renewable energy schemes and looked after children staffing and placement costs. The improvement in forecast is the result of additional one-off mitigation, and the initial impact of concerted efforts to reduce financial pressure in key services through targeted action that has been previously reported. Despite the improved position, pressures remain and cause a risk to our long-term financial picture. The report sets out other pressures that are mitigated in-year but present a risk to the council's longer-term financial position.

The overspend position in the Children, Education and Families directorate is concerning. National issues around the cost of placements for looked after children with the highest needs are impacting us, with constrained supply of places driving costs up. As well as this, we are engaging a large number of agency social workers covering vacant posts, which costs more than the staffing budget available. We are also seeing an overspend expected on home to school transport services. This likewise links to constrained supply and increased needs, particularly linked to the increasing number and complexity of children with special educational needs and disabilities.

Energy generation schemes are expected to deliver income later than forecast, that is now suggested in July 2024-25 and so is a one-off, in-year pressure but also impacts on the 2024-25 gap.

We remain in a position where our waste disposal budget is significantly overspent due to the need to landfill additional waste following the closure last year of the waste management plant at Waterbeach due to odour regulations. We are considering the options available to us regarding the long-term arrangement, but in the meantime additional costs of at least £100k per week are faced. These are mitigated in year by the planned use of reserves, the specific value of which will be confirmed at the end of the year.

Reported pressures within demand-led services have a risk of worsening as the year progresses, in particular adult social care services can be volatile heading into winter.

Departments continue to consider further mitigations to the position to offset pressures both within and across departments to contain income and expenditure within approved budgets for 2023-24, with a requirement for stronger controls to be put in place – but as we are over half way through the year, the impact of any mitigations is reduced. Nevertheless, mitigations may help reduce any ongoing impact of the overspend into next year. These mitigations include constraining expenditure on non-essential items and recruitment to non-essential posts, continuing review of spend considered to be essential, a sustained reduction in the use of agency staff and reviewing local schemes of delegation for spending decisions. Opportunities to reduce or delay capital expenditure are continuing to be explored alongside business planning, and the council's reserves balance are being reviewed to identify any that can be re-allocated to reserves that underpin financial resilience. We are also maximising, where possible, the use of grant funding to substitute existing budgeted spend where allowable by grant conditions.

1.3 Key Issues by Directorate Area

1.3.1 Adults, Health & Commissioning

The overall position for Adults, Health and Commissioning at the end of November 2023 is a small forecast underspend of £745k (0.3% of budget. This masks underlying pressures of £1.2m on care and support costs. However, this is a significant improvement on the position reported in September, largely due to increased expectations around client contributions to care costs. This is an ongoing volatile position with some high-cost packages which can change the forecast quickly. As a result, close attention is paid to changes in demand and costs and income as the year progresses and forecasts are adjusted accordingly.

The current in year pressures are mainly driven by movements in the net numbers of older adults supported in bed-based care. In the years immediately following the covid pandemic we had seen reduced numbers of net placements into care settings, for Older Adults, compared to pre pandemic levels. As such it has proven more challenging to use historical trends to forecast future demand and activity. Net placements during 2023-24 have been rising once more and exceeding forecast numbers built into our budget for 2023-24. Mitigations through the application of grants are in place for 2023-24, but much of this funding is one off and will not be available in 2024-25. Therefore, the current increases in net care placements will lead to continuing pressures in the years ahead as the full year effect of current year increases is seen.

Further mitigating actions involve a review of those people in receipt of services in areas where the overspend is reported, to ensure forecasts for the remainder of the year for both expenditure and income reflect planned activity. There is also a deep dive review of domiciliary care, along with the use of bed-based care against the forecast budget, in particular for discharges from hospital to ensure the correct pathways are being maximised.

The legacy of Covid is still being felt, and impact on Adult Social Care is not fully understood, on demand for our broad range of services, as well as with capacity of providers to deliver our requirements and continue to provide support to markets. Adult Social Care continues to feel the consequences of paused work and backlog on teams, and of reviews and assessments, changing demographics projections and the demand for services. The care market also manages the impact with both resident population and staff recruitment and retention a factor.

Whilst there has been significant investment into the care sector, including workforce, primarily through Adult Social Care Market Sustainability and Improvement Fund which has helped, the whole adult social care market remains fragile to other factors that may impact on it. Care providers are continuing to report cost pressures related to both workforce issues and the current cost of living crisis. The position of the care market, particularly around specific types of provision and location, is making some placements more difficult to source, particularly at the more complex end of provision.

Hospital Discharge systems continue to be pressured to manage flows and demand on their services, with a subsequent focus on timely, safe and effective discharges into the correct pathways; although additional funding has been provided to both the Council and wider partners to help address these issues. The long-term legacy of the impact of the pandemic remains unclear and the implications this has on future demand for services, greater need for community support due to backlogs in elective surgery, and the availability of a skilled and experienced workforce and the wider health inequalities on our communities.

The budget for 2022-23 assumed an increased contribution from the NHS towards Learning Disability packages reflecting a shift in the percentage of packages that should be funded from Health budgets. For the current financial year we have made provision for this increased contribution, but the joint project between the ICB and CCC to review those packages required to agree a revised split of costs going forwards for the pool did not proceed as expected. The Council has now served notice to end the cost sharing arrangements of the pooled budget. There is a risk of short-term financial pressures from this decoupling as we move to separate budgets for health and social care.

1.3.2 Children, Education & Families

In line with national trends, we currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. A reduced forecast of £5.737m is now being reported against Children in Care Placements, this reduction is a result of step-downs in high-cost placements to bring young people into sustainable placements that are at a more manageable cost. We still currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, and whilst the service is working hard with relevant agencies to secure placements at more manageable costs, it is proving extremely difficult to secure appropriate regulated placements for these young people, due to a combination of complexity of need and a saturated external market. This has led to an increase in the length of some of the very high-cost placements being forecast, which has worsened the forecast overspend position. This position is being carefully monitored and the service is working hard to control cost where possible, including the weekly complex placement meeting to track all unregulated and high-cost placements and ensure all agencies are working towards more suitable, stable and cost-effective placements for these children. We are also continuing our market engagement with our providers to develop more cost-effective arrangements for current and future children needing placements.

A revised net forecast overspend of £1.285m is now being reported across Children and Safeguarding. Worsening forecast overspends in Legal services spend (now £180k and increase of £95k compared to last month) and Integrated Front Door additional staffing arrangements (now £2,070k, an increase of £114k since last month) have been offset by an underspend in Family Safeguarding due to the early cessation of a contract, keeping the overall forecast overspend at the same level as last month.

A net forecast overspend of £758k is being reported across Education (excluding Home to School Transport). As a result of delays in implementing a new Education ICT service, the proposed efficiency savings of £223k are now unlikely to be delivered until the 2025-26 financial year. The ICT Service is now also reporting an increased pressure of £126k due to reduced income from schools. SEND Specialist Services are reporting a forecast of £500k across the Education Psychology (EP) service and SEND Head of Service. The EP service is experiencing a continuing increase in demand for Education Health and Care Needs Assessments (EHCNA) which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. We have seen a 24% increase in the number of requests for assessments for SEND. The SEND Head of Service pressure is a result of additional speech and language therapy costs and back care training costs. Both service areas are in discussion with relevant health organisations around performance and responsibility for payment.

A revised forecast of £3.508m is now being reported across the Home to School Transport budget lines. There are increasing concerns around the home to school transport budget areas following the summer procurement rounds, which, due to lack of supply in the market, saw between 7% and 8% uplifts on the same route previously. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

1.3.3 Place & Sustainability

In summary, Place and Sustainability (P&S) is now forecasting an overspend of £2,863k. The pressure in Energy Services of £4,059k sits across all its large projects. The supply chain for these projects, like the rest of the construction industry, is facing significant challenges including rising costs of energy, securing key equipment and materials along with a widespread shortage of skilled labour. This is creating longer lead in and delivery times for these projects. Income against these projects has been re-forecast to reflect the new delivery programmes

The P&S directorate is a large and complex budget area that has a variety of services and significant income streams which require detailed monitoring and have the potential for variances. Highways development management is now billing in advance and so there is a one-off additional income being achieved. The Waste Management budget is also a high-risk budget area, and the service is working with the contractor to identify cost reductions which can be made.

All budgets are being reviewed to see if there are any mitigations to offset the bottom line pressure.

1.3.4 Finance & Resources, and Strategy & Partnerships

The national and local pay awards have been set within budget for this financial year, alleviating a key risk to our forecast position. We are seeing increased income from our treasury investments, and IT and Digital Services have delivered some scheduled 2024-25 savings early and only property services are reporting a material pressure this year as farms income is lower than the challenging budget set.

Within Strategy & Partnerships, there will be a pressure due to an inability to fully capitalise staff time to the budgeted degree due to insufficient specific funding – we are allowed to capitalise relevant staff time if funded by capital receipts, but this year there will not be sufficient capital receipts remaining to fully fund to the budgeted level. This is partly mitigated by underspends on staffing across some services.

1.3.5 Public Health

At the end of November 2023, the Public Health Directorate is forecasting an underspend of £813k (2.0%).

The Public Health Directorate is funded wholly by ringfenced grants, mainly the Public Health Grant. The work of the Directorate was severely impacted by the pandemic, as capacity was re-directed to outbreak management, testing, and infection control work. The Directorate has now returned to business as usual following the pandemic but there are ongoing issues that continue to impact on activity and spend:

i) much of the Directorate's spend is contracts with, or payments to Primary Care (GP practices and community pharmacies) for specific work. Primary Care continues to be under pressure, and it may take some time for activity levels to return to pre pandemic levels; and
ii) the unprecedented demand for Public Health staff across the country meant recruitment became very difficult through the pandemic resulting in underspends on staffing budgets. The position within the Public Health team has improved with recruitment becoming easier, but recruitment challenges continue to be reflected in our provider services which has affected their ability to deliver consistently.

2 Revenue Budget

2.1.1 This table shows summary information for the Council's 2023-24 revenue budgets at the end of November 2023 (key variances are reported in appendix 1). The forecast is shown both gross and following mitigations (planned or unplanned); mitigations are listed in the tables at 2.1.2:

Line	Previous Forecast Variance £000	Directorate/Area	Gross Budget £000	Income Budget £000	Net Budget £000	Actuals £000	Unmitigated Forecast Variance £000	Forecast Variance £000	Forecast Variance %	Movement in Forecast £000s
1	10,670	Children, Education & Families (non DSG)	166,481	-34,958	131,523	81,101	11,303	**10,670**	8%	-0
2	-365	Adults, Health & Commissioning	346,169	-130,109	216,061	139,299	686	**-745**	0%	-381
3	3,256	Place & Sustainability	105,048	-36,089	68,958	49,233	4,774	**2,863**	4%	-394
4	118	Strategy & Partnerships	27,636	-7,535	20,101	7,042	339	**339**	2%	221
5	-121	Finance & Resources	48,671	-33,620	15,051	18,020	-354	**-354**	-2%	-232
6	-1,586	Capital Financing	58,884	-20,742	38,141	-1,500	-1,586	**-1,586**	-4%	0
7	-6,408	Corporate and Funding Items	12,066	-710	11,356	-3,714	-3,811	**-5,636**	-50%	772
	5,565	**CCC Core Spending Total**	**764,659**	**-263,763**	**501,191**	**289,482**	**11,351**	**5,551**	**1%**	**-14**
8	10,149	Children, Education & Families (DSG)	155,530	-155,530	0	-1,013	10,149	**10,149**	-	0
9	-652	Public Health	41,293	-41,293	0	-5,346	-813	**-813**	-	-161
	15,062	**Total including ring-fenced budgets**	**961,483**	**-460,586**	**501,191**	**283,124**	**20,687**	**14,887**	**3%**	**-14**
		Funding delegated to maintained schools	131,786	-131,786	0					
		Total Budget	**1,093,269**	**-592,371**	**501,191**					

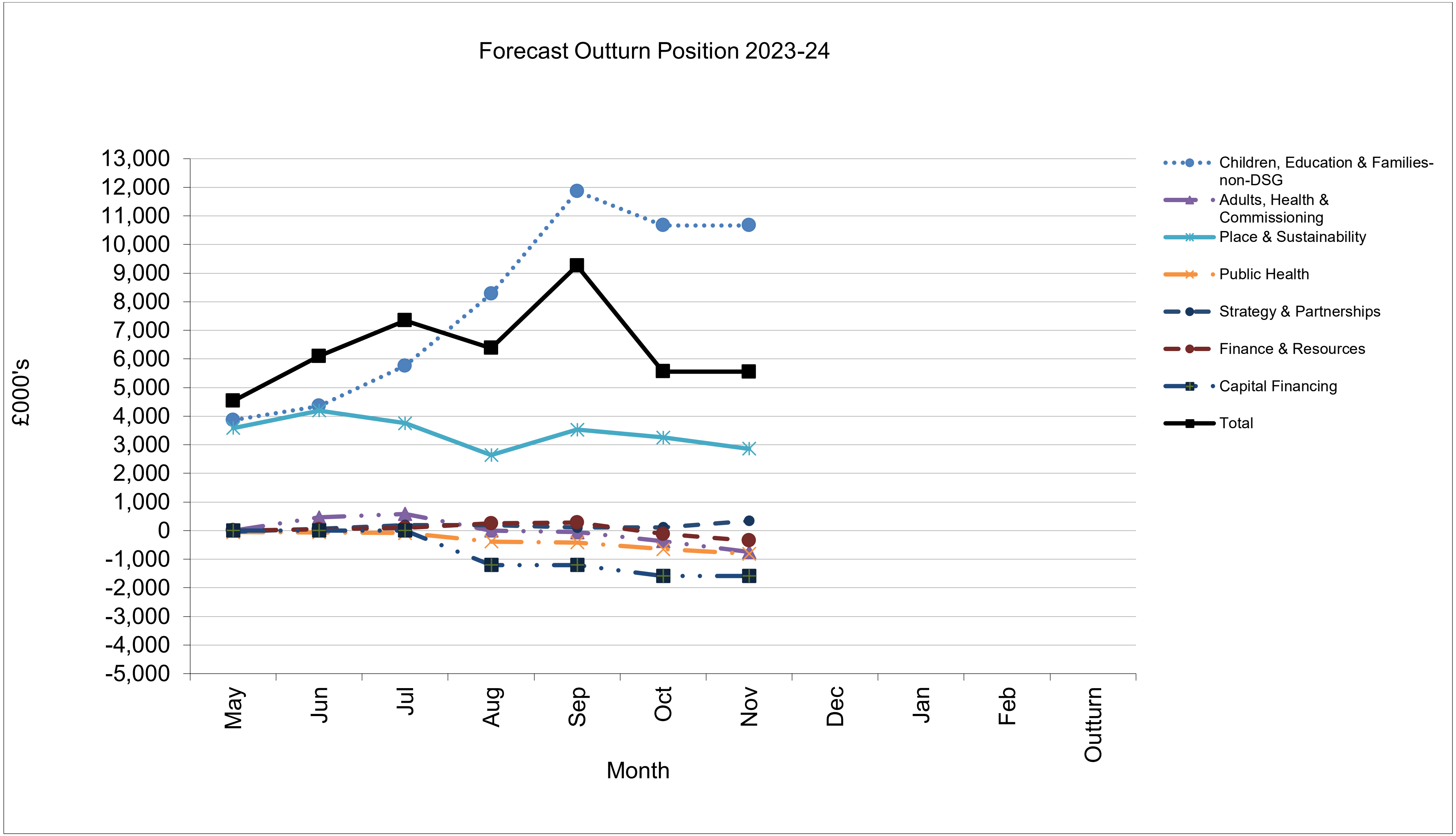
Notes on this table:

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 8 and 9 show ring-fenced budgets, with any outturn variance treated separately to core council budgets. Any variance on Public Health goes to the PH grant reserve, and the balance for DSG is subject to separate accounting requirements. More information can be found on the DSG in section 2.2.
4. Negative actuals in lines 6, 7, 8 and 9 relate to grants and other income being received in advance of spend taking place, which helps the council's cashflow and reduces the need for borrowing

2.1.2 The tables below show the types of mitigations applied to service forecasts above, and the nature of those mitigations:

Directorate/Area	**Unmitigated Forecast Variance £000**	**Planned Reserves Use £000**	**Use of Grant Funding £000**	**Mitigated Forecast Variance £000**
Children, Education & Families- non-DSG	11,303		-633	10,670
Adults, Health & Commissioning	686		-1,431	-745
Place & Sustainability	4,774	-1,911		2,863
Strategy & Partnerships	339			339
Finance & Resources	-354			-354
Capital Financing	-1,586			-1,586
Corporate and funding items	-3,811		-1,825	-5,636
Total	**11,351**	**-1,911**	**-3,889**	**5,551**

Directorate/Area and assumed mitigation	**Planned Reserves Use £000**	**Use of Grant Funding £000**
CEF: use of grant funding to mitigate service pressures in line with grant conditions		-633
AHC: use of grant funding to mitigate service pressures in line with grant conditions		-1,431
P&S: use of service and corporate reserve to offset Waste pressure	-1,845	
P&S: use of service reserve to offset Registration & Citizenship Services pressure	-66	
Corporate: core budget available following use of grant funding across the council on eligible services		-1,825


Forecast Outturn Position 2023-24
£000's
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
-1,000
-2,000
-3,000
-4,000
-5,000
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Outturn
Month
Children, Education & Families-non-DSG
Adults, Health & Commissioning
Place & Sustainability
Public Health
Strategy & Partnerships
Finance & Resources
Capital Financing
Total

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:

	£000
Gross DSG Income to be received	603,372
Less Academy Recoupment	-314,201
DSG within CCC's gross budget	**289,171**
of which spent or commissioned by CCC	*156,780*
of which delegated to maintained schools	*132,391*
Less High Needs Place Recoupment	-16,614
Total DSG estimated to be Received in 23-24	**272,557**

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:

Opening Deficit Balance 2023-24	£29.2m
Forecast in-year movement (Excluding 2023-24 DfE Safety Valve payment and LA contribution)	£10.1m
Forecast Closing Deficit Balance 2023-24 (Excluding 2023-24 DfE Safety Valve payment and LA contribution)	£39.3m

2.2.3 A cumulative DSG deficit of £29.2m was carried forward into 2023-24.

2.2.4 In 2020-21 the Department for Education (DfE) introduced the safety valve intervention programme in recognition of the increasing pressures on high needs.

2.2.5 As a result of the Safety valve agreement with the Secretary of State for Education the local authority received an initial payment of £19.6m in March 2023 to reduce the overall DSG deficit. Alongside this, a local authority contribution of £2.5m has been applied, resulting in the cumulative deficit of £29.2m carried forward into 2023-24.

2.2.6 To the end of November the reported net DSG forecast remains at a £10.1m in-year overspend, which is £6.3m off track of the agreed safety valve position. Demand and pressure on high needs budgets have continued to increase despite the work of the safety valve programme to date. We are in active discussions with central government about next steps to bring this work back on track, and are continuing to refine and validate projections.

2.2.7 Being off track risks the safety valve funding committed by central government and increases the risk that council resources will be required to meet the high needs deficit.

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.

3.1 Cambridgeshire Guided Busway

3.1.1 Following a delegation from the Strategy and Resources Committee on 6 June 2023, it was announced in June 2023 that after positive discussions with the busway construction contractor, the Council had settled its engineering claim and a case would no longer proceed to trial in the High Court. This was the result of an agreement of an undisclosed and confidential sum payable to the Council, the value of which was disclosed to committee at the June meeting referenced above. The Council is receiving the settlement in instalments which continue until Summer 2024. At this stage it is necessary for the Council to recognise funds received and earmark these for future allocation as part of business planning.

3.1.2 In this business planning round, the Council has separated the sum stipulated into the settlement agreement as representing a reimbursement of costs, and identified the most urgent needs for works on the busway across the 2023-25 budget and included an assumption in business planning that these are funded from the settlement. These works amount to £5.1m. Activity is underway to assess and quantify the schemes of works required which will entail the deployment of the rest of the funds due. This involves complex design, programming, procurement and prioritisation considerations.

3.1.3 A delegation is requested to enable the Executive Director to earmark the settlement funding that has been received so far, and the second tranche, into earmarked reserves to cover future costs associated with the guided busway, and to reimburse reserves that supported the legal dispute. Decisions and commitments to further schemes will require a decision by Committee, or by Full Council as part of business planning, once these are ready for consideration in due course.

3.1.4 If this recommendation is not agreed, the full value of the settlement will appear in this year’s accounts, pushing the council into a large underspend position which would be unrelated to its actual in-year activity, with that underspend by default moving to the general fund reserve at year end. This would break the link between the funding and its intended purpose, and require a separate decision in future about dealing with the large balance on the general fund and the lack of earmarked funding for future busway costs.

Recommendation B: To delegate authority to the Executive Director of Finance and Resources, in consultation with the Chair and Vice-Chair of this committee, to earmark legal settlement funds received in relation to the Cambridgeshire guided busway.

4 Capital Programme

4.1 Capital programme financial position

Previous Forecast Variance £000	Directorate	Gross 2023-24 Budget £000	Capital Programme Variations 2023-24 Budget £000	Net 2023-24 Budget £000	Actuals £000	Net Forecast Outturn Variance £000	Forecast Outturn Variance %	Total Scheme Budget £000	Total Scheme Forecast Outturn Variance £000
0	Place & Sustainability	100,080	-24,489	75,591	25,265	0	0.0%	654,745	2,092
0	Children, Education & Families	118,352	-17,826	100,526	52,527	0	0.0%	407,514	-2,280
0	Adults, Health & Commissioning	6,032	-57	5,975	4,784	0	0.0%	114,008	0
0	Strategy & Partnerships	4,918	-1,677	3,241	213	-446	-13.8%	18,194	-1,802
0	Finance & Resources	16,334	-4,689	11,645	3,018	-551	-4.7%	53,995	-352
0	**Total**	**245,716**	**-48,738**	**196,978**	**85,808**	**-997**	**-0.5%**	**1,248,456**	**-2,342**

Notes on this table:

1. The Budget column incorporates any changes in the funding available to what was originally budgeted in the Business Plan. A breakdown of the budget changes made in-year can be found in 4.4.
2. The Budget column also includes an assumed level of variations, called the ‘capital variations budget’ which is shown in section 4.2.
3. The reported Place & Sustainability capital figures do not include the Greater Cambridge Partnership, which has a budget for 2023-24 of £44.4m.
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 2023-24 capital programme variations budgets by services is shown below. These variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

4.2.2 Capital variations summary

Directorate	**Capital Variations Budget £000**	**Forecast Outturn Variance £000**	**Capital Variations Budget Used £000**	**Capital Variations Budget Used %**	**Net Forecast Outturn Variance £000**
Place & Sustainability	-24,489	-18,962	-18,962	77.4%	0
Children, Education & Families	-17,826	-12,148	-12,148	68.1%	0
Adults, Health & Commissioning	-57	0	0	0.0%	0
Strategy & Partnerships	-1,677	-2,123	-1,677	-100.0%	-446
Finance & Resources	-4,689	-5,240	-4,689	100.0%	-551
Outturn adjustment	-	-	-997	-	-
Total	**-48,738**	**-38,473**	**-38,473**	**78.9%**	**-997**

4.2.3 As at the end of November, Strategy and Partnerships and Finance and Resources have exceeded the capital variations budgets allocated to them, forecasting in-year underspends of -£0.4m and £0.6m respectively. The current overall forecast position is therefore a -£1.0m underspend; the forecast will be updated as the year progresses.

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

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

4.4 Capital Funding

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 £000	Total Scheme Forecast Outturn Variance £000
Department for Transport (DfT) Grant	26.3	0.1	2.8	5.8	**35.0**	28.3	-6.6	237.2	0.0
Basic Need Grant	2.3	2.6	0.0	0.0	**4.9**	4.9	0.0	39.2	0.0
Capital Maintenance Grant	3.8	0.8	0.0	0.1	**4.7**	4.7	0.0	26.9	0.0
Devolved Formula Capital	0.8	2.5	0.0	-0.0	**3.2**	3.2	0.0	7.8	0.0
Specific Grants	30.7	-0.3	-2.9	5.3	**32.8**	31.1	-1.8	145.4	0.0
S106 Contributions & Community Infrastructure Levy	66.7	0.9	-15.5	0.6	**52.6**	51.4	-1.2	157.5	-0.1
Capital Receipts	1.3	0.0	-0.3	0.0	**1.1**	1.2	0.1	11.7	-0.5
Other Contributions	9.8	1.5	-8.5	5.4	**8.2**	8.1	-0.1	63.5	0.0
Revenue Contributions	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0
Prudential Borrowing	117.8	24.5	-89.2	1.4	**54.5**	63.0	8.5	559.3	-1.8
TOTAL	**259.4**	**32.7**	**-113.6**	**18.5**	**197.0**	**196.0**	**-1.0**	**1,248.5**	**-2.3**

Notes: The 'rolled forward funding' column reflects the difference between the anticipated 2022-23 year-end position used at the time of building the initial Capital Programme budget, as incorporated within the 2023-24 Business Plan, and the actual 2022-23 year-end position.

4.5 Capital Funding Changes

4.5.1 The table below details changes (where the change is greater than £250k).

Funding	Directorate	Amount £m	Reason for Change
Additional/ Reduction in Funding (Grants and contributions)	P&S	2.4	Additional grant funding of £2.364m HS2 reallocated funds for additional highways maintenance was announced by the Department for Transport in November 2023.

5. Balance Sheet

5.1 Reserves

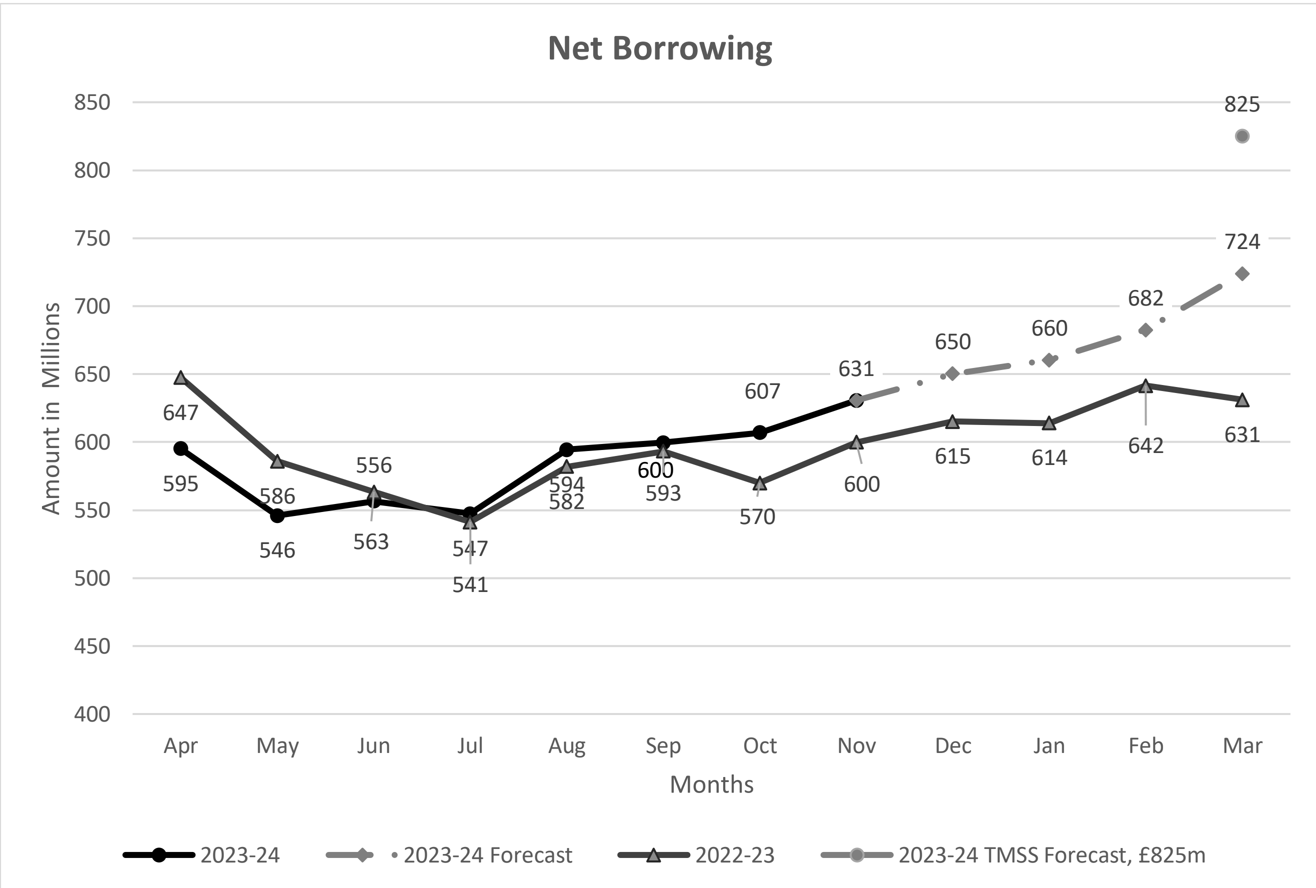
At the end of November, the Council has revenue earmarked reserves totalling £162m. These reserves are earmarked for specific purposes, and the breakdown of these can be seen in appendix 4. We retain a general fund reserve as our principal un-ringfenced reserve, which is held at a target balance of 4% of gross non-school expenditure.

The medium-term financial strategy assumes a gradual reduction in the overall level of reserves as earmarked funds are spent, which is planned into medium-term budgets.

5.2 Borrowing

Of the gross borrowing in 2023-24, it is estimated that £306m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to third parties in order to receive a financial return.

The graph below shows net borrowing (borrowings less investments) on a month-by-month basis and compares the position with previous financial years. At the end of November 2023, investments held totalled £111.7m (excluding all 3rd party loans, Equity and This Land) and gross borrowing totalled £742.4m, equating to a net borrowing position of £630.7m.



5.3 General Balance Sheet

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.

	Measure	Target	Actual as at the end of November 2023
1	% of income collected (owed to the council) within 90 days on rolling 12 month basis: Adult Social Care	85%	84%
2	Level of debt outstanding (owed to the council) 91 days +, £m: Adult Social Care	£9.96m	£15.80m
3	Level of debt outstanding (owed to the council) 91 days +, £m: Sundry	£2.89m	£5.17m
4	% of invoices registered on ERP within 2 working days	98.0%	99.8%
5	% of Undisputed Commercial Supplier Invoices Paid Within 30 Days	95.0%	98.6%
6	% of Undisputed Commercial Supplier Invoices Paid Within Terms	95.0%	93.4%

Some additional information for items that are behind target:

1&2. Adult social debt and collection –indicator 2, the level of debt, has been behind for some time, which is partly reflecting national trends around increasing social care debt. A key issue in this is delays in the Court of Protection, which delays us being able to collect income in many cases. These issues have had an impact on the collection rate (indicator 1) as well. This area is under regular review by officers within both the central debt collection team and the social care teams and is subject to regular reporting to Audit and Accounts Committee. Additional capacity has been recruited to focus on this area.

3. Sundry debt- several large invoices to the Integrated Care Board for pooled budget arrangements have gone unpaid for several months. Officers are actively pursuing this with the ICB and escalating. Some have been confirmed for payment.

6. Payment within terms – substantial improvement has been made over recent months and has been achieved in recent months. We are reviewing payment terms for suppliers with a view to move away from immediate terms and generally towards 30 day terms unless good reason (which may include being a local or small supplier).

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 2022-23 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2023-24 net borrowing position is expected to take a similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

6.2 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2023-24 TMSS was set in February 2023, it anticipated that net borrowing would reach £825.0m by the end of this financial year. Based on the 2022-23 outturn position and subsequent revisions to the capital programme, the net borrowing is currently predicted to be below this, at £724m by the end of this financial year.

6.3 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Council's exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer-term borrowing should underlying interest rates be forecast to rise in a sustained manner.

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

Appendix 1 – Revenue – commentaries on exceptions

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

1. Children, Education & Families – non-DSG

Previously reported commentaries, updated since last month:

1a Integrated Front Door

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.1	+44%

An in-year pressure of £2.070m is forecast, which is an increase of £0.114m on the pressure position previously reported last month. This overspend has been necessary to manage demand. Over 50% of the workforce in Assessment Service and 40% in the MASH services are Agency Social Workers. We anticipated mitigating these costs with the recruitment of International Social Workers (ISW) and AYSE's (Assessed and Supported Year in Employment), however there is a delay on ISW's joining CCC. This has led to the need to continue to recruit agency social workers to meet demand. A service manager and HOS post is currently covered by Agency also, but we anticipate these posts can be recruited to with permanent workers. The previous shared service structure was not sufficient to meet the demand, and in January 2023, the assessment service had over 270 out of date assessments, and caseloads over 35. To address these issues 2 project teams were agreed for 26 weeks to support the service to address the backlog. The additional capacity provided by the project teams, (at enhanced rates), ceased in August and September. Additional agency staff have been recruited at normal rates until January within the East and Hunts team to replace the project teams whilst the current service structure is reviewed. Additional staff has been recruited to MASH also to manage demand. The initial mapping work in the Multi Agency Safeguarding Hub (MASH) is complete and subject to change to reflect the demand in the system. The current data can't be validated as the system process doesn't support the practice; this is being reviewed. The volume of work within MASH continues to be high and further solutions are being considered to manage demand. Once data is confirmed as accurate, we can determine the workflow to inform the size of the assessment service.

Previously reported commentaries, unchanged since last month:

1b Children in Care Placements

Forecast Outturn Variance £m	Forecast Outturn Variance %
+5.7	+22%

An in-year pressure of £5.737m is forecast on Children in Care Placements. This reduction is a result of step-downs in high-cost placements to bring young people into sustainable placements that are at a more manageable cost. We still currently have a small number of young people in very high-cost placements which is causing a significant weekly pressure against the budget. If forecast to year-end, these placements would leave us in a significant overspend position, and whilst the service is working hard with relevant agencies to secure placements at more manageable costs, it is proving extremely difficult to secure appropriate regulated placements for these young people, due to a combination of complexity of need and a saturated external market. This has led to an increase in the length of some of the very high-cost placements being forecast, which has worsened the forecast overspend position. This position is being carefully monitored and the service is working hard to control cost where possible, including the weekly complex placement meeting to track all unregulated and high-cost placements and ensure all agencies are working towards more suitable, stable and cost-effective placements for these children. We are also continuing our market engagement with our providers to develop more cost-effective arrangements for current and future children needing placements.

1c Strategic Management - Children & Safeguarding

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-18%

An in-year underspend of -£0.520m is forecast. This is due unallocated budget in the Strategic Management budget, and unused Social Care Grant reserves from previous financial years.

1d Fostering and Supervised Contact Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-3%

An in-year underspend of -£0.275m is forecast against foster carer allowances for in-house carers. This is predominantly due to a lower number of children placed with in-house carers than was anticipated when the budget was set.

1e Children’s Disability Service

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+4%

The Disability Social Care 0-25 Service is currently forecasting a year-end overspend of £340k. This has been caused by an accumulation of factors, including a significant increase in new demand (with over 100 new Direct Payments being set up in the past 4 months), and a continued increase in behavioural complexity resulting in 2:1 staffing being required more frequently at our community support services and residential children’s homes. In addition, we have had to amend the terms and conditions of our Community Support Service staff to pay them enhancements for weekend work, which has brought them in line with other commensurate council services but has increased our salary costs. The service has also taken steps which, whilst preventing costs to the Children’s Placement Budget, have increased the Disability Social Care in-year pressure, such as by utilising the third unfunded bed at our residential children’s home (London Road) and funding the Disabled Facilities Grant (DFG) top-ups to enable children and young people with complex needs to remain living within their family homes. These actions have significantly improved outcomes for the complex children and young people we support, whilst maintaining their right to family life.

1f Adoption

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

An in-year underspend of -£0.300m is forecast against adoption allowances and Special Guardianship Order (SGO) allowances, this is due to a lower number of children in these placement types than anticipated at the time the budget was set.

1g SEND Specialist Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.5	+11%

An in-year pressure of £0.500m is forecast across SEND Specialist Services. The Education Psychology service is forecasting a pressure of £338k. The service is experiencing increasing demand which cannot be met from within the substantive team and is therefore being met through use of locum Education Psychologists. This pressure is due to the significant increase in requests for Education Health and Care Needs Assessments (EHCNA) that is impacted SEND services generally. The SEND Head of Service budget is also reporting a forecast pressure as a result of additional speech and language therapy, and back care training costs.

1h Home to School Transport - Special

Forecast Outturn Variance £m	Forecast Outturn Variance %
+2.2	+11%

Please see 1i below.

1i Home to School Transport - Mainstream

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.3	+11%

There are increasing concerns around the home to school transport budget areas following the summer procurement rounds, which, due to lack of supply in the market, saw between 7% and 8% uplifts on the same route previously. This inflationary impact continues to be a live issue for the delivery of home to school transport. Alongside this, recent admissions data shows that growth of children and young people with SEND will continue to rise above what is forecast, therefore creating a higher demand for more complex routes, such as solo travel.

Work is underway to determine the financial impact of the unprecedented levels of in-year applications into the county which will not have been factored into the budget setting last year given the timing of the applications. Equally, the summer Year 7 secondary school place allocation round saw 5% higher retention of pupils from Primary into Secondary on previous years transfer rates. The impact of this has meant pressure on secondary school places and consequently more young people are being placed in schools over 3 miles from their home address and therefore eligible for transport. This information has been built into business planning to ensure budget setting is appropriate in the context of current demand.

Various cost saving exercises are currently taking place, such as optimising the use of our fleet and working with other external providers, to minimise overspends and create a more sustainable market.

1j Mitigations

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.6	-%

Additional Social Care Grant to be transferred from Adults.

2. Children, Education & Families - DSG

Previously reported commentaries, updated since last month:

2a SEND Financing - DSG

Forecast Outturn Variance £m	Forecast Outturn Variance %
+12.4	+11%

An in-year pressure of £12.444m is forecast. The budgeted deficit is reflective of continuing pressures and increasing demand within the High Needs Block as per the Safety Valve management plan. This is net of forecast underspends on the Central Schools Services Block (CSSB).

2b Schools Financing

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.0	-80%

This forecast reflects the original budgeted underspend as per the Safety Valve management plan, as well as in-year underspends due to vacancies on DSG funded posts.

3. Adults, Health & Commissioning

New commentaries

3a Learning Disability Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.2	+1%

The Learning Disability Partnership is a pooled budget between the council and the NHS, with shares of 77% and 23% respectively. The budget covers the care costs of people with very complex needs, which can be very hard for the care market to meet. This is the area of adult social care where we are experiencing the most difficulty in finding placements, particularly at higher levels of need. There is currently a significant number of people waiting for placements or changes to their current placements. The current forecast shows a £1.5m overspend, £1.16m for the council and £370k for the NHS. This is driven by significantly higher costs coming through than budgeted for, primarily due to the increase in complexity of need in younger adults and a larger than expected increase in rates in the South of the county. The number of people receiving support this year is decreasing, this has contained the costs slightly.

Over the past three years we have seen cost pressures faced by providers, particularly relating to staffing shortages and price inflation. The cost pressures faced by the provider market have also created a risk around the budget for uplifts paid on current placements. This is a significant risk, with some of our providers requesting uplifts far exceeding the budget available. Uplift negotiations are being managed with these providers on an individual basis.

Adults Commissioning are developing an LD Accommodation Strategy that will enable them to work with the provider market to develop the provision needed for people with learning disabilities. This should lead to more choice when placing people with complex needs and consequently reduce costs in this area. However, this is a longer-term programme and is unlikely to deliver any improvements in the market this financial year. The LDP social work teams and Adults Commissioning are also working on strategies to increase the uptake of direct payments, to deliver more choice for service users and decrease reliance on the existing care market. And a further strategy is in development to help people with learning disabilities develop their independence so they can remain living in community-based settings for longer.

The budget for 2022-23 assumed an increased contribution from the NHS reflecting a shift in the percentage of packages that should be funded from Health budgets. For the current financial year we have made provision for this increased contribution, but the joint project between the ICB and CCC to review those packages required to agree a revised split of costs going forwards for the pool did not proceed as expected. The Council has now served notice to end the cost sharing arrangements of the pooled budget and is continuing to work with the ICB to explore opportunities to agree new arrangements to meet the needs of service users whilst delivering revised cost shares for the future. There is a risk of short term financial pressures from this decoupling as we move to separate budgets for health and social care.

Previously reported commentaries, updated since last month:

3b Executive Director - Adults, Health & Commissioning

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.0	-4%

An in-year underspend of -£1.034m is forecast, which is an increase of £0.592m on the underspend position previously reported last month. Underspends from vacant posts were larger in the first half of 2023-24 than assumed in the budget and are forecast to contribute £628k to the Directorate’s overall financial position by year end. This forecast underspend is partially offset by a forecast overspend of £80k on Adults Social Care transport which has an outstanding savings target of £91k brought forward from 2021-22. The work to deliver this saving has been completed, but unusually high inflationary pressures on transport costs have meant cost reductions could not be delivered as originally planned. In addition, there is a forecast underspend of £486k on the Council's Learning Disability budget held outside of the Learning Disability Partnership which is partially offsetting the forecast overspend reported on the pooled budget in note 3a above.

3c Older People's and Physical Disabilities Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.7	+1%

An in-year pressure of £0.694m is forecast across Older People's and Physical Disabilities Services which is a decrease of £0.520m from the pressure position previously reported last month. Older People's and Physical Disabilities Services demand patterns have changed significantly in recent years, particularly in relation to Older People's care home placements which experienced no overall growth, as previously reported. This resulted in a significant underspend in 2022-23, with the change in activity being factored into business planning assumptions for 2023-24 budgets. In addition, £0.75m from this budget for this financial year was redistributed to offset pressures elsewhere in Adults, Health, and Commissioning whilst recognising the potential risk of an emerging pressure within this budget area should activity increase.

Subsequently, Older People's care home demand has returned in 2023-24 with increases in placement numbers similar to pre-pandemic levels. The cost of new placements continues to rise despite additional investment from the Adult Social Care Market Sustainability and Improvement Fund, and the recent closure of a number of care homes has added additional pressure to the budget. In addition to the significant overspend on care home placements, demand for domiciliary care has been steadily rising after a period of stability between January and May 2023.

Income from clients contributing to the cost of their care has been increasing steadily throughout the year. Services have been working to streamline processes and improve the client's journey through the financial assessments process so that their assessment can be completed in a timelier manner in order to resolve a backlog of historic outstanding cases. These improvements, in conjunction with rising demand for services, have increased the level of income expected from clients contributing towards the cost of their care. In light of this, we have reassessed expected income due and reduced the forecast overspend to £694k.

3d Mental Health

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+1%

An in-year pressure of £0.300m is forecast across Mental Health Services, which is a decrease of £0.200m on the pressure position previously reported last month. There are significant demand pressures across both community and bed-based care for both Adult and Older People's Mental Health. However, the underlying demand pressures for care in Older People's Mental Health are being mitigated by an increase in income from people contributing towards the cost of their care, exceeding budgeted expectations.

Due to significant recent increases in demand, an enhanced expectation for incoming demand over previously budgeted expectations has been included in the forecast position. Ongoing analysis will be carried out to review activity information and other cost drivers in detail to continually validate the reported position. This remains subject to variation as circumstances change and more data comes through the system.

Previously reported commentaries, unchanged since last month

3e Mitigations

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

Given the pressures on care budgets for Older People and Mental Health, priorities around the use of grant funding have been revisited. This identified additional spend that can be funded from external grant, freeing up £1.4m of grant monies to contribute to the identified pressures.

4. Place and Sustainability

New commentaries

4a Executive Director

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.5	-808%

An in-year underspend of -£0.476m is forecast. When CCC undertakes work for other agencies and authorities it recovers an element to reflect the cost of overheads including risk. The amounts recovered vary and a smoothing mechanism is applied which is reflected by this variance. Also, vacancy savings across P&S are reported within this policy line, and it is forecast that the vacancy savings budget will be over-achieved by 321k.

4b Traffic Management

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

An in-year underspend of -£0.325m is forecast. Streetworks area is realising increased income due to more Section 74 charges (prolonged occupation of the road), and the fact that the increased number of road closures and openings are generating more income. Additionally, scaffolding and skips have higher volume which contributes to the over achievement of income on this area. Higher volumes of permits for scaffolding and skips have contributed to this additional income.

Previously reported commentaries, updated since last month:

4c Parking Enforcement

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

An in-year pressure of +£0.724m is forecast, which is an increase of £0.250m on the pressure position previously reported last month. £100k is due to one off costs to assist with the implementation of civil parking enforcement in Huntingdonshire District Council and Fenland District Council areas. Decreased Penalty Charge Notice Income from bus lanes is due to decline in activity and the closure of Station Road, Cambridge. The forecast has worsened by 250k as it has been assumed that the activity levels and road closures will remain in place for the rest of the year.

4d Planning and Sustainable Growth

Forecast Outturn Variance £m	Forecast Outturn Variance %
0.5	+42%

An in-year pressure of +£0.470m is forecast, which is an increase of £0.030m on the pressure position previously reported last month. The slowing down of the housing market and lower development rates has led to the pressure for Planning and Sustainable Growth, particularly as fewer pre-application planning requests and planning applications with maximum fees have been submitted, which includes development by the Council, such as new schools. Further pressures are also anticipated as a result of a planning appeal where the appellant has requested a public inquiry. The Planning Inspectorate (PINS) has announced the timescales for this future appeal with the public inquiry planned to sit for 8 days between Tuesday 20 February 2024 and Friday 1 March 2024. Officers have sought legal and technical support for this process and are currently predicting the related expenses likely to be incurred. The forecast has worsened by 30k as a result of some of this work and it is expected that there will be further pressures added to this area in due course.

4e Energy Services

Forecast Outturn Variance £m	Forecast Outturn Variance %
+4.1	+106%

As previously reported, there is a pressure on Energy Services income of £4,059k across all its projects. The forecast for North Angle Farm has now been updated to reflect the purchase of spares required to ensure the project will remain operational once energised. St Ives are forecasting a reduction in expected revenue due to a delay energising as key materials will not be delivered until January 2024.

The **St. Ives Smart Energy Grid** is on track to be energised and generating clean electricity by the end of January 2024. There is a one year or shorter term Power purchase agreement (PPA) agreed whilst the processes of connecting a local business to the energy microgrid is finalised. The forecast is short term, it includes EV charging forecasts which are conservative, as we don’t yet know the pattern local users will take charging cars/taxis. The market prices have reduced since the highs of last year.

The second micro-grid which is under construction is at Babraham Park and Ride. This is a three phase construction programme, with the first phase completed. This project is delayed due to the re-phasing of the project in 2022 from two to three phases as directed by CUH, poor performance of one sub-contractor and current onsite challenges with existing street lighting column bases and their electricals.

Steady progress is being made towards the energisation of the **North Angle Solar Farm** with the next phase of works to start January 2024. Plans are in development to manage the weather related risks for a winter build. The bulk of the income reprofiling relates to this project.

Swaffham Prior Community Heat Network is operational and supplying decarbonised heat and hot water to 64 customers ahead of its first winter. The final system performance tests can complete during winter and then further customers will be connected from Spring 2024.The first ground source heat pump is switched on and now generating income from the Renewable Heat Incentive (RHI) approved by Ofgem. There is a substantial backlog on payments with Ofgem hence a revised forecast and reprofiling of income starting in 2024.

The **Stanground Solar and Battery Project** is on hold whilst the grid connection upgrades on the transmission network are worked through. UKPN and National Grid are working on practical solutions that will allow projects to connect earlier than the current 2030 time line for completing grid upgrades. Meanwhile, minor works are being progressed to retain the planning permission.

Previously reported commentaries, unchanged since last month:

4f Highways Development Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.8	-%

An in-year underspend of -£1.828m is forecast. Highways Development Management has moved to collect contributions in advance. This change in methodology means there is a one-off benefit this year. In addition, there are some one-off payments from previous years.

4g Waste Management

Forecast Outturn Variance £m	Forecast Outturn Variance %
+1.8	+4%

An in-year pressure of £1.845m is forecast, as there are significant additional disposal costs for waste whilst it is diverted to landfill/third parties for processing. However, these costs are being balanced by expected Waste Private Finance Initiative (PFI) contract cost reductions (from Thalia) and an agreed draw down from reserves which is shown as ‘mitigation’. The cost reductions are currently being discussed with Thalia. However, until these cost reductions are confirmed, there is significant uncertainty around the budget outturn, which is likely to remain until the end of this financial year.

5. Strategy & Partnerships

New commentaries

5a Policy, Insight & Programme

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.4	+24%

Policy, Insight & Programme budget is forecasting a pressure of £419k. After reviewing the capital receipts we will receive in 2023-24 of £1.2m, means we will not meet the £1.6m budget agreed

6. Finance & Resources

New commentaries

6a IT Services

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

IT Services budget is forecasting an underspend of £281k.This is a mixture of elements including the new budget for the secure web gateway system not being fully incurred until next financial year, and some additional elements that managed to be decommissioned earlier than previously forecasted. There is also savings expected on licences and software costs this year.

Previously reported commentaries, updated since last month:

6b County Farms

Forecast Outturn Variance £m	Forecast Outturn Variance %
+0.3	+7%

An in-year pressure of £0.343m is forecast on County Farms, which is an increase of £0.015m on the pressure position previously reported last month. The pressure is due to delays in sales of the Biodiversity Net Gain (BNG) units. Biodiversity Net Gain agreements have taken longer than expected to put in place. This is a new area for all Councils and developers and Cambridgeshire County Council is operating at the leading edge in the country putting new BNG agreements in place. The S106 agreement with South Cambridgeshire District Council was completed on the 18th August 2023. The first agreement with Network Rail for BNG Credits related to the new Cambridge South Station is expected to be executed by Network Rail in the week commencing 13th November. Network Rail then must serve a 30-day notice on the County to confirm the number of units they require and at the end of the 30-day period must transfer the funds to acquire the units. There are several other smaller transactions with other developers in the pipeline. Once the Network Rail transaction completes, the Council’s marketing agent Bidwells will launch a high-profile marketing programme to sell more BNG credits which will also tie in with the

Government's legislation to require developers to deliver BNG effective from January 2024.

Previously reported commentaries, unchanged since last month:

6c Collective Investment Funds

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.3	-29%

Income from these treasury investments is forecast to exceed budget. Despite a challenging economic position dividends from the funds remain strong. Performance of the investments is monitored regularly by officers.

7. Capital Financing

Previously reported commentaries, unchanged since last month:

7a Financing Costs

Forecast Outturn Variance £m	Forecast Outturn Variance %
-1.6	-4%

The Financing Costs budget is forecasting an underspend of £1.586m. The underspend is due to higher than expected cash balances, and the phasing of capital spend, reducing the need to borrow this year. In the final quarter of last year, additional government funding was received, and capital spend reduced, resulting in more cash being held at year end compared to when budgets were set. This trend has continued into the current financial year. As well as this, we are seeing higher than expected interest on the cash that we are holding. A full review of borrowing is taking place which may increase this underspend.

8. Corporate and funding Items

Previously reported commentaries, updated since last month:

8a Central holding and miscellaneous accounts

Forecast Outturn Variance £m	Forecast Outturn Variance %
-0.545	-158%

An in-year underspend of £545k is forecast across Central holding and miscellaneous accounts. The main component of this forecast at this stage is the result of an exercise to match accruals with actual costs over recent financial years, identifying provisions for costs that were legitimately expected and correctly accounted for, but that now are not expected to be required.

8b Business Rates

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.6	-4%

An in-year underspend of £2,567k is forecast across Business Rates. This consists primarily of a projected £960k additional 2023-24 Business Rates Pool dividend above the amount budgeted based on the latest projection received, £667k additional 2022-23 Business Rates Pool dividend above the amount accrued at last year-end following the final confirmation and an additional £526k of general Business Rates funding upside that was confirmed by district councils (who collect rates) after the 23-24 Business Plan was finalised.

8c Corporate Grants

Forecast Outturn Variance £m	Forecast Outturn Variance %
-2.5	-5%

An in-year underspend of £2,527k is forecast across Corporate grants, maximising use of grants to fund existing planned spend where eligible. This is a combination of in-year and carried-forward grants.

Appendix 2 – Capital – commentaries on exceptions

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

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1a	P&S	New	Pothole grant funding	39.020	12.908	-0.614	Phasing	Due to the late announcement by the Department of Transport of the new HS2 reallocated funds, it is currently forecast that £1.75m of this will be spent in 23-24 and the remainder in 24-25. This forecast will be revisited next month once plans have been finalised to see if more can be allocated this year.
1b	P&S	New	Highways materials recycling	2.500	0.500	-0.350	Phasing	Highways Materials Recycling: Project at early stage and the latest estimate is that circa £300k will be needed for initial set up of phase 1 in March depot in 23-24. The remaining £350k may be required in 24-25 to enhance / complete Phase 1.
1c	P&S	New	Scheme Development for Highways Initiatives	1.000	0.424	-0.424	Phasing	No new planned financial obligations from this fund as scheme development now picked up within the cost of individual projects
1d	P&S	Updated	Delivering the Transport Strategy Aims	8.329	3.404	-2.351	Phasing	A number of projects from the DTSA programme have been re-profiled to be delivered in 24-25 along with the spend associated with this. A number of schemes were also withdrawn from the programme in July with new ones being added in their place amounting to c.£900k. Of these schemes, most are due to be delivered in Q1 & 2

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								of 24-25 including the 20mph (-£200k), B1049 (-190k) projects. Other schemes in the programme have been withdrawn following further engagement with locally elected members resulting in - £150k, the money will be reallocated at the start of the 24-25 financial year. Broadway St Ives is now being funded via a £100k grant from the CPCA, which means the £100k allocation from DTSA is no longer required, the money will be reallocated at the start of the 24-25 financial year. A transition away from using external design consultants to an in-house delivery model is also forecast to result in a £300k saving, and the underspend associated with this will be reallocated at the start of the 24-25 financial year also. Finally, Bar Hill – Longstanton, a Section 106 funded project with a budget of £1,042k has been reprofiled (-£992k) following legal and land purchasing issues, with the majority of the spend assumed to occur in Q2 of 24-25 if the land and legal issues can be overcome. Going forward this

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								will appear on a separate line in the report as it isn't a DTSA project.
1e	P&S	Updated	Capital variations budget- P&S	-66.696	-24.489	18.962	Phasing	Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore the £18.962m P&S in-year underspend is balanced by use of the capital variations budget.
1f	P&S	Unchanged	Local Infrastructure Improvements	4.409	1.100	-0.643	Phasing	Following 23-24 budget setting, we have held workshops collaboratively with Finance to test our funding allocation against the programme. This has enabled greater forecast certainty matching planned works. Most of the projects within the programme form part of a rolling delivery programme from Q1 of 24-25 which is in line with member expectations.
1g	P&S	Unchanged	A14 De-trunking	24.750	4.750	-4.000	Phasing	It is estimated we will spend £750k of the total £24.75m this FY. The initial estimate of spend was £4.75m per year for 6 years but due to the road not coming to us as thought when the estimate was made the profile of spend has changed. We are not going to be clear on the profile of spend of the total until we get an agreed date for the transfer of the road to us.
1h	P&S	Unchanged	March Future High Street	6.853	5.116	-0.616	Phasing	Forecasted variation on annual underspend due to change in principal contractor spend profile. This is therefore not a forecasted project underspend

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								for the project as a whole but rather will now be spent in 24-25.
1i	P&S	Unchanged	St Ives local Improvements	2.300	1.800	-0.635	Phasing	Following 23-24 budget setting, we have held workshops collaboratively with Finance to test our funding allocation against the programme. This has enabled greater forecast certainty matching planned works. Construction period is due to run from Sep 23 to November 2024.
1j	P&S	Unchanged	A10 Ely to A14 Improvements	3.803	2.378	-0.948	Phasing	Programme for the Strategic Outline Business Case extended into 2023-24, which delayed the start of the Outline Business Case (OBC) Programme. The OBC programme has been further developed to consider the consultation period, which has resulted in further work expected to occur in 2024-25.
1k	P&S	Unchanged	Guided Busway - Widening of footpath	2.891	2.891	-2.441	Phasing	Following 23-24 budget setting, we have held early workshops collaboratively with Finance to test our funding allocation against the programme. This has enabled greater forecast certainty matching planned works.
1l	P&S	Unchanged	Waste Infrastructure	7.424	1.500	-1.400	Phasing	Only £100k of the £1.5m budget for March Household Recycling Centre is likely to be spent this year as procurement is just starting using the education service Construction Consultancy framework contract; as a result, a £1.4m underspend is currently being forecast for this financial year.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
1m	P&S	Unchanged	Babraham Smart Energy Grid	8.595	5.040	-1.035	Phasing	Delay to the project which has pushed the capital spend profile out of 2023-24 and into 2024-25 partially. This has been updated for the end of October to reflect a more accurate spend profile for the remaining portion of the project.
1n	P&S	Unchanged	Stanground Closed Landfill Energy Project	8.267	0.550	-0.310	Phasing	National Grid planned upgrades to the transmission network in the area of Stanground have meant that the project will go on hold until the grid connection timelines can be agreed. Only minor works will continue to retain the planning permission.
1o	P&S	Unchanged	Solar Projects	28.957	6.438	-2.267	Phasing	The scheme has been reprofiled to reflect that the next stage of construction is expected to start in January 2024 and end in approximately June 24, resulting in a forecast in-year underspend of -£2.267m. The overall scheme variance of £1.892m is still forecast on the total scheme budget as a result of higher than expected staff, advisor and legal costs, as well as design revisions and associated construction costs. However, these remain largely indicative for the time being.
1p	P&S	Unchanged	Environment Fund - Decarbonisation Fund - Council building Low Carbon Heating	10.518	2.463	-0.845	Phasing	Removal of phase 4 project development costs from the project as the aim is to do this work mostly in-house. Also, a slight rephasing has been forecast as the work for phase 4 is now planned for 2024-25.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
2a	CEF	New	Littleport Community Primary	7.850	0.500	-0.480	Phasing	Slippage due to additional survey work required as part of planning application. Start on site now likely to be delayed until March 2024 and completion September 2024.
2b	CEF	New	Waterbeach New Town Primary	19.521	0.500	-0.300	Phasing	Minimal spend this financial year on design fees, surveys and consultants as decision on planning not expected until February 2024.
2c	CEF	New	Cambourne Village College Phase 3b	35.820	23.300	-0.500	Phasing	Programme slippage due to lack of permanent power on site by the developer.
2d	CEF	New	New SEMH Provision Wisbech	17.786	4.800	0.300	Phasing	Additional works being undertaken this financial year for highways works.
2e	CEF	New	Highfields Littleport - Expansion	8.000	0.500	-0.350	Phasing	No contractor currently appointed and design has not commenced.
2f	CEF	Updated	Ermine Street Primary, Alconbury, Phase 2	4.080	1.500	-0.750	Phasing (-0.750m) Overall Scheme Variance (-0.780m)	Scheme estimated to start on site January 2024. Project will now be a steel frame rather than CLT (cross laminated timber panels). Steel has a longer construction period and expected costs incurred this financial year will be reduced.
2g	CEF	Updated	Kennett Primary School	10.123	5.800	-1.050	Phasing	Slippage due to later start on site than expected due to skylarks still nesting. Ecologists to confirm birds have left. Delay to start on site from 14.08.23 to 04.09.23 and completion 30.08.24 to 20.09.24.
2h	CEF	Updated	Alconbury Weald	74.827	29.000	-0.600	Phasing	Slippage on the Secondary school element. £1m was budgeted for design work this financial year. Design work delayed as work is ongoing to

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
			secondary and Special					confirm who will undertake the delivery of the project.
2i	CEF	Updated	Northstowe secondary, phase 2	53.450	22.500	-4.800	Phasing (-4.8m) Overall Scheme Variance (-1.5m)	The receipt of milestone 4 report shows £1.5m saving on original estimate due to risk contingencies including those built in for price volatility. £3.3m slippage as groundworks and superstructure works slower than originally expected due to adverse weather. Construction completion slipped from December 2024 to January 2025.
2j	CEF	Updated	Capital variations budget- CEF	-54.565	-17.826	12.148	Phasing	Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore the £12.148m CEF in-year underspend is balanced by use of the capital variations budget.
2k	CEF	Unchanged	Darwin Green (North West Fringe) secondary	34.680	0.332	-0.282	Phasing	Scheme delayed due to planning application appeal for the housing on phase 2 and 3 of the development. Appeal not likely to be heard until January 2024. Work will continue on MS1 and discussions ongoing with developer to work around planning delay to maintain school programme and 2026 opening.
2l	CEF	Unchanged	Witchford Village College	1.380	1.332	-1.292	Phasing	Slippage due to planning application progressing slower than anticipated. Planning expected in December with works not starting until 2024-25.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
2m	CEF	Unchanged	Adaptations-William Westley Primary	0.353	0.338	-0.338	Phasing	This project is being reviewed to establish whether it can be delivered in an alternative way to meet the need for places across the wider area, including whether it can be combined with other planned capital projects in the wider Sawston, Duxford and Hinxton (Genome Campus) area. Revised delivery expected to be 2027.
2n	CEF	Unchanged	Conditions Maintenance	27.334	4.139	-1.572	Phasing	Number of schemes delayed due to contractors being not available, and discussion on scope of work needed. £500k committed to energy schemes and heat decarbonisation plans will not be taken forward this year.
2o	CEF	Unchanged	Samuel Pepys Special School	10.720	5.000	1.000	Phasing	Expected £1m additional spend, due to land purchase, furniture and fittings and IT expenditure occurring ahead of original schedule.
2p	CEF	Unchanged	Enhanced Resources Bases	2.290	0.675	-0.375	Phasing	Initial progress on suitable schemes is slower than originally expected. One scheme stopped due to school withdrawing.
3a	S&P	New	Capitalisation of Policy, Design and Delivery Team	12.612	1.682	-0.482	Overall scheme variance	Due to unsold properties previously thought to be completed this financial year, this is now the capital receipt amount available to fund this work.
3b	S&P	New	Community Fund	5.000	1.641	-0.500	Overall scheme variance	It is proposed that the library initiative could be delivered by another funding source, Just Transition Fund, to be agreed in business planning.
3c	S&P	Updated	Libraries - Open access &	1.172	0.875	-0.820	Overall scheme variance	The pilot will be reviewed in the autumn, and feed into a new plan for review this year.

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
			touchdown facilities					
3d	S&P	Updated	Capital variations budget- S&P	-2.016	-1.677	1.677	Phasing	Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore £1.677m of the overall -£2.123m S&P underspend is balanced by use of the capital variations budget.
4a	F&R	New	Data Centre Relocation	4.339	0.872	-0.352	Overall scheme variance	As the programme is coming to an end, we're expecting a saving on the total cost to finish the work.
4b	F&R	New	Wisbech Adventure Playground (The Spinney)	0.915	0.915	-0.765	Phasing	The tender submissions have been received, but the values were significantly higher than the current budget. DCMS is currently reviewing the scheme and we will report back on the approach going forward as soon as we can.
4c	F&R	Updated	Hawthorns - Intensive Therapeutic Support Hub	3.544	3.477	-2.777	Phasing	Delays with the planning process has meant the procurement needs to take place later in the programme.
4d	F&R	Updated	Capital variations budget- F&R	-9.474	-4.689	4.689	Phasing	Any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget. Therefore £4.689m of the overall £5.240m F&R underspend

Ref	Directorate	Commentary Status	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Variance £m	Type	Commentary
								is balanced by use of the capital variations budget.
4e	F&R	Unchanged	Condition Survey Works	2.836	2.298	-1.150	Phasing	Hereward Hall Heating, & Air handling, March Community Centre Roof & Heating and Speke House Heating, ventilation work to take place next year.

Appendix 3 – Budget transfers between directorates / areas in 2023-24

This table shows budget movements of at least £1k between service blocks in 2023-24, subject to rounding errors:

Line	Budgets and Movements	CEF £000	AHC £000	P&S £000	PH £000	S&P £000	F&R £000	Capital Financing £000	Corporate & Funding Items £000	Total £000
	Opening Net Budgets as per Business Plan	**129,279**	**215,038**	**71,326**	**0**	**16,270**	**19,325**	**38,263**	**11,690**	**501,191**
1	Service management change		-300			300				**0**
2	Post business plan, pre initial budget load adjustments	-915		-42		-203	1,160			**0**
3	Postage budget centralisation	-20				20				**0**
4	Transfer of post	-26				26				**0**
5	Insurance budget centralisation			-22		-21	43			**0**
6	Pay award element correction	12		-12						**0**
7	Allocation of centrally held funding for former People Services restructuring	449	351				-800			**0**
8	Budget resetting movements as outlined in May IFMR	801	506	-728			2,456		-3,035	**0**
9	Correction virements to replace expenditure budgets with reserve draw down lines	-285	-1,621				-155		2,061	**0**
10	Adjust PH income budget to match amounts to be transferred under PH MoU	-254	-53	-31	0	78	260			**0**
11	Staffing inflation correction			-55			55			**0**
12	Coding of treasury management team						121	-121		**0**
13	Staffing budget corrections - Adults and Childrens Transport	4	-4							**0**
14	Time credits transfer from Adults to S&P		-34			34				**0**
15	Transfer of Domestic Abuse and Sexual Violence service budgets			-2,032		2,032				**0**
16	Transfer Association of Directors of Adult Social Services (ADASS) budget	-15	0 g15							**0**

Line	Budgets and Movements	CEF £000	AHC £000	P&S £000	PH £000	S&P £000	F&R £000	Capital Financing £000	Corporate & Funding Items £000	Total £000
17	Transfer property maintenance budget					-20	20			**0**
18	Residual budget transfer linked to regulatory services moving			12		-12				**0**
19	Executive Assistant and Personal Assistant restructure	-185	-198	-91		470	4			**0**
20	Transfer Deprivation of Liberty Safeguards signatory training		-5			5				**0**
21	Reporting line change of cross-council items from F&R to Corporate & Funding Items						-8,304		8,304	**0**
22	Transfer of post			-50		50				0
23	Matching public health grant budgets to spend plan	-15	-279						294	0
24	Budget Funding for Pay Award 2023/24	2,693	2,643	684		1,073	866		-7,959	0
	Current budget	**131,523**	**216,060**	**68,958**	**0**	**20,102**	**15,052**	**38,142**	**11,356**	**500,191**

Appendix 4 – Reserves and provisions

This section shows the reserves available to the Council:

Fund Description	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 30 Nov 2023 £000s	Forecast balance at 31 March 2024 £000s	Notes
General Reserves **- County Fund Balance**	30,661	0	30,661	25,110	
General Reserves subtotal	30,661	0	30,661	25,110	
1 Insurance	5,018	0	5,018	5,018	
2 Adults, Health and Commissioning	7,564	-53	7,511	6,098	
3 Children, Education and Families	5,704	-69	5,634	3,901	
4 PH	7,854	-1,214	6,640	3,953	
5 Place & Sustainability	15,359	425	15,784	26,875	
6 Strategy & Partnerships	1,581	-50	1,531	1,361	
7 Finance & Resources	2,935	-840	2,095	2,562	
8 Just Transition Fund	12,526	-893	11,633	9,992	Original starting balance of £14m, with allocations made totalling £9.9m across medium-term
9 High Needs Block Offset Reserve	9,935	0	9,935	8,185	
10 Transformation Fund	1,762	-102	1,660	843	Balance for legacy Transformation projects
11 Cultivate Cambs Fund	347	0	347	0	
12 Corporate- COVID	15,972	0	15,972	14,972	Allocated over medium-term.
13 Specific Risks Reserve	12,772	0	12,772	15,672	
14 This Land Credit Loss & Equity Offset	5,850	0	5,850	5,850	
15 Revaluation & Repair Usable (Commercial Property)	2,940	0	2,940	2,940	
16 Local taxation volatility & appeals account	8,514	0	8,514	8,514	
17 Local Government Settlement phasing reserve	4,076	0	4,076	4,076	Applying the temporary elements of the 2023-24 finance settlement over multiple years
18 Post-pandemic recovery and budgeting account	2,431	0	2,431	1,831	
19 Business change reserve	3,054	-175	2,879	2,879	
20 Financing items	2,704	593	3,297	1,570	
21 Winter Risk Reserve	600	0	600	600	
22 Grant carry forwards	29,246	-24,865	4,381	4,200	Carry forward of unspent ring-fenced grants, reversed out in April 2023. COMF grant retained in reserve
Earmarked Funds subtotal	158,744	-27,243	131,501	113,502	
SUBTOTAL	**189,405**	**-27,243**	**162,162**	**138,612**	
23 Children, Education and Families	28,290	0	28,290	28,290	
24 Adults, Health and Commissioning	33	0	33	33	
25 Place & Sustainability	36,230	-1,092	35,138	35,138	
26 Finance and Resources	556	682	1,238	1,238	
27 Corporate	46,342	0	46,342	46,342	
Capital Useable Reserves subtotal	111,451	-410	111,041	111,041	
GRAND TOTAL	**300,856**	**-27,653**	**273,202**	**249,653**	

Provisions on the balance sheet are:

Department	Balance at 1 April 2023 £000s	Movements in 2023-24 £000s	Balance at 30 Nov 2023 £000s	Forecast balance at 31 March 2024 £000s	Notes
1 Adults, Health and Commissioning	141	-141	0	0	
2 Finance & Resources	2,093	0	2,093	2,093	Insurance short term provision
Short Term Provisions subtotal	2,234	-141	2,093	2,093	
3 Finance & Resources	4,746	0	4,746	4,746	Insurance long term provision
Long Term Provisions subtotal	4,746	0	4,746	4,746	
GRAND TOTAL	**6,980**	**-141**	**6,839**	**6,839**	

Appendix 5 - Revenue summary comparison to last year's outturn position

2022-23 Net Budget £000	Actual Outturn Variance £000	Actual Outturn Variance %	Directorate/Area	2023-24 Net Budget £000	Forecast Variance £000	Forecast Variance %
86,875	2,399	2.8%	Children, Education & Families- non-DSG	131,523	10,670	8.1%
224,975	-58	0.0%	Adults, Health & Commissioning	216,061	-745	-0.3%
72,175	415	0.6%	Place & Sustainability	68,958	2,863	4.2%
15,557	-81	-0.5%	Strategy & Partnerships	20,101	339	1.7%
11,950	2,837	23.7%	Finance & Resources	15,051	-354	-2.3%
33,275	-2,377	-7.1%	Capital Financing	38,141	-1,586	-4.2%
11,047	-2,388	-21.6%	Corporate and funding items	11,356	-5,636	-49.6%
455,854	**748**	**0.2%**	**Net Spending Total**	**501,191**	**5,551**	**1.1%**