Financial Performance

Comments of Overview & Scrutiny Panel (Performance & Growth)

1.1 The Overview & Scrutiny (Performance & Growth) Panel discussed the report at its meeting on 1st July 2026.

1.2 Councillor Martin raised queries regarding variances in the reported figures, referencing table 4.2 in the report.

1.3 The Chair confirmed that this was showing correct in the report on page 82 and Officers advised they would provide clarification outside of the meeting.

1.4 In response to a question from Councillor Martin regarding the accuracy of financial forecasts, the Panel was advised that officers sought to produce forecasts as accurately as possible based on the information available. However, Members were informed that a significant proportion of the Council's income had been received later in the financial year, and that unexpected additional grant funding had been in the last quarter of the financial year.. As a result, forecasting can be challenging and projections may need to be updated as further information becomes available.

1.5 Councillor Cawley raised concerns regarding the reported £1.9 million capital overspend associated with One Leisure and sought clarification on the factors that had contributed to the overspend. He further noted that the report indicated a reduction in income across certain areas and queried the reasons why a capital budget overspend had occurred in the context of declining income levels.

1.6 In response, the Panel were advised that further information about this could be circulated after the meeting.

1.7 The Panel heard that the £1.9 million was revenue that would be capitalised under financial reporting regulations in the next financial year.

1.8 Councillor Cawley further commented that the £1.9 million capital overspend represented a significant sum of public money and expressed the view that his constituents would share those concerns. He also drew attention to the increasing level of the Council's debtors and sought clarification on the proportion of outstanding debt that was considered recoverable, together with the level of confidence officers had in recovering those amounts.

1.9 The Panel was advised that some of the outstanding debts had arisen over the previous four years, including cases involving individuals who had defrauded the Council. Members were informed that any debts deemed irrecoverable had been subject to appropriate due diligence and recovery efforts before being written off. Officers noted that the Council continues to maintain a high rate of debt collection overall.

The Panel heard that challenges in debt recovery can arise from a range of factors, including errors by the Department for Work and Pensions (DWP), businesses entering administration, and individuals entering Individual Voluntary Arrangements (IVAs). Members were also advised that a review of commercial debt was currently underway and that the findings could be shared with the Panel outside of the meeting.

1.10 Councillor Gardener asked if Cambridge City Council had paid the debt had been repaid to the Council. The Panel were advised this would be investigated and a response sought outside of the meeting.

1.11 Councillor Tomlinson noted that collection rates had declined and observed that the current target had been based on the previous year’s recovery performance. He sought clarification on whether this indicated that the reduction in collection rates was expected to be a long-term trend or whether recovery levels were anticipated to improve in future years.

1.12 Following on from Councillor Cawley’s earlier request, Councillor Ioannides sought confirmation that the breakdown to be provided would identify which outstanding debts were considered recoverable. He further queried whether the information would also include details of the Council’s provision for bad and doubtful debts.

1.13 Councillor S. Smith raised a query regarding the Capital Programme, specifically in relation to the Chipper replacement project. She noted that the accompanying commentary referred to an underspend, while elsewhere referencing an overspend, and sought clarification on the apparent inconsistency in the reported financial position.

1.14 After a further question relating to the future high streets fund budget and a request for a project breakdown, the Panel were advised this would be taken away and an answer sought.

1.15 The Panel also heard that there had been issues with the monitoring of the Capital Programme and this has been raised already with new processes being introduced to improve accuracy.

1.16 In response to a question from Councillor Blackwell regarding debtor analysis, the Panel was advised that the relevant officers were currently focusing their efforts on securing tenants for vacant properties within the Council’s portfolio. Members were informed that a significant amount of work had also been undertaken in relation to rent reviews. Officers further reiterated that, while debt recovery activity may be undertaken through external agencies where appropriate, the Council does not sell outstanding debts to third parties.

1.17 The Chair made reference to the minimum revenue provision and wondered why this had been reduced.

1.18 The Panel were advised that this was reduced because the Capital expenditure within the financial year had been lower that forecast and therefore the provision for repayment had been adjusted to reflect the actual spend..

1.19 Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for an informed decision to be made on the report recommendations.