

FINANCE AND PERFORMANCE REPORT – OUTTURN 2014-15

To: **Highways and Community Infrastructure Committee**

Meeting Date: **7th July 2015**

From: **Executive Director, Economy, Transport and Environment
Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **For key decisions** *Key decision:* **No**

Purpose: **To present to Highways and Community Infrastructure (H&CI) Committee the Outturn Finance and Performance report for Economy, Transport and Environment (ETE) for 2014-15.**

The report is presented to provide Committee with an opportunity to comment on the financial and performance outturn position for the Service.

To present to Committee details of the intended uses of the ETE Service carry forward account in 2015-16 and future financial years.

Recommendations: **The Committee is asked:**

to review, note and comment upon the report;

to approve the use of the ETE Service carry-forward reserve on projects in 2015-16 and future years as detailed in Section 3.2 of this report.

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1. BACKGROUND

- 1.1 The report attached as **appendix A**, provides the financial position for the whole of the ETE Service, and as such, not all of the budgets contained within it are the responsibility of this Committee. To aid Members reading of the report, budget lines that relate to the Economy and Environment Committee have been shaded. Members are requested to restrict their questions to the lines for which this Committee is responsible.
- 1.2 The report only contains performance information in relation to indicators that this Committee has responsibility for.

2. OUTTURN REPORT

- 2.1 The report attached as appendix A, is the final ETE Finance and Performance report for 2014-15.
- 2.2 This shows that ETE underspent on revenue by £1,375,000. Of this, cost centres under the stewardship of the H&CI Committee were showing a forecast underspend of £924,000.
- 2.3 In relation to the budgets under the stewardship of this Committee, there were six significant outturn variances by value (over £100,000), these were in relation to:
 - LISM Other, £477,000 underspend, where additional Section 258 income was received;
 - Winter Maintenance, £204,000 underspend, as a result of the reduced number of gritting runs as a consequence of the mild winter;
 - Communities & Business, £192,000 underspend, as a result of reduced staff costs;
 - Registrars, £127,000 underspend, as a result of an overachievement on income;
 - Local Infrastructure and Streets, £120,000 overspend, as a result of additional work being undertaken in relation to drains and footways;
 - Waste Disposal including PFI, £252,000 overspend, as a result of more waste being landfilled than originally anticipated.
- 2.4 ETE underspent on capital by £43.487 million.
- 2.5 There were six significant areas of underspend for which this Committee has responsibility:
 - Promoting Economic Growth – Delivering strategy aims in a number of market towns including St Ives, March and St Neots (further information is detailed on page 17 of the appendix);
 - Shown under “Other Schemes” the street lighting, central management system, where the financial business case failed to generate the required level of savings to justify going forward with the project;
 - Community and Culture Services, where spend is being delayed pending the results of the forthcoming library service review;
 - Operating the Network, where a number of schemes will now be completed in 2015-16;
 - £90 million highways maintenance budget, where an underspend occurred as a result of a number of schemes coming in cheaper than anticipated; and

- Waste Infrastructure, where no new sites are being developed until the results of the recycling centre strategy are known.

2.6 H&CI Committee has twelve performance indicators. At yearend, the expectation is that three of the indicators will be red, two amber and seven green. The three indicators that will have a status of red at yearend are in relation to.

- the number of people killed or seriously injured (measured on a rolling 12 month basis);
- the number of problem rogue traders brought back in compliance;
- performance against the street lighting replacement programme

Due to time lags in data collection, including some indicators being measured over academic years, the final measure of some indicators remains outstanding.

3. ETE SERVICE RESERVES

3.1 At the end of 2014-15, there was £3.369 million in the ETE Service carry forward account.

3.2 ETE has developed proposals to use this reserve to fund projects in 2015-16 and future years. These proposals are detailed in the below table and have been discussed with the two Committee Spokes groups.

Operational saving requirement	Area of Service	£'000	Description
Carry forward of earmarked funding			
Carry forward of Flood Risk grant funding for Kings Hedges Flood Risk management project.	Growth & Economy	42	Government provided grant funding for a flood risk management project in Kings Hedges. As this is a complex project, it will be completed and this grant spent in 2015/16 and 2016/17. Not spending it would mean we lose the opportunity to improve flood protection for homes in Kings Hedges and the County Council may be expected to repay the grant.
Carry forward of Community Transport residual (balance of £500k) that was allocated at Full Council in February 2014	Passenger Transport	346	The Business Plan assumes reductions in CFT funding of £583k in 2015/16 and 2016/17. This funding will temporarily offset these cuts.
Cambridgeshire Future Transport (CFT) - carry forward of underspend	Passenger Transport	216	The Business Plan assumes reductions in CFT funding of £583k in 2015/16 and 2016/17. This funding will temporarily offset these cuts.
Local Sustainable Transport Fund - carry	Transport Infrastructure	178	LSTF bids included an allowance for overheads on each project. In

forward of underspend 12/13 & 13/14	Policy & Funding		consequence the projects have been delivered leaving an underspend. This funding will be used to support the delivery of sustainable transport access to Cambridge North Station where there have been unavoidable cost pressures.
Committed costs			
Carry forward of Investment for annual updates to the Cambridgeshire and Peterborough Economic Assessment.	Growth & Economy	15	£8k required for 2015/16 and £7k for 2016/17, for Cambridgeshire County Council contribution. The Economic Assessment is an important part of the evidence based used for bids for Government and EU funding. If we do not keep it up to date, it will be more difficult to get these funding streams and to understand how we achieve the County Council's key aim of Developing the Economy to the benefit of all. Updates are Jointly funded by the Local Enterprise Partnership and Joint Strategic Planning Unit.
Highways Records Digitisation	Assets & Commissioning	45	This will complete the delivery of digitalisation of our highways asset records, improving efficiency and customer access to information. This is currently approximately 2/3 complete.
Cleaning of archive material	Community & Cultural Services	130	Funding necessary prior to relocation of the archive to Ely. This is not part of the capital expenditure of relocation.
Legal advice to help establish charging across Growth & Economy	Growth & Economy	5	£5k is needed for Counsel's advice on fees following a challenge from Hanson's against CCC charges. This is necessary to meet Business Plan income targets.
Core funding for the Greater Cambridge and Greater Peterborough Local Enterprise partnership for 2015-16.	Growth & Economy	50	This money has already been paid. We are required to provide a match funding contribution for the LEP for it to get central government funding.
Cambridgeshire County Council contribution to the Joint Strategic Planning Unit for Cambridgeshire.	Growth & Economy	25	Need £10,150 for 2015/16 funding commitment (already paid). The balance of £14,850 is needed to fund the County Council's contribution to the JSPU in future years. This delivers joint work on infrastructure and other strategic planning for the County Council and 5 district councils.
Countywide	Transport	25	Development of countywide

Infrastructure Plan	Infrastructure Policy & Funding		infrastructure and Investment plan with JSPU.
Temporary library at Sawston	Community & Cultural Services	20	Removal of temporary fixtures at the current location to make good the building on completion of new hub. This is not covered in the capital cost of the new hub building.
World War 2 Small Grants	Supporting Business & Communities	10	Grants agreed in 2014/15 to fund activities in 2015/16.
A14 Inquiry	Transport Infrastructure Policy & Funding	150	This funding is necessary to fund the ongoing work on the A14 inquiry and thus to allow the Council to secure its key objectives from the scheme.
Investment to ensure delivery of ETE savings in the Business Plan	Policy & Business Development	150	To cover the costs of two posts for two years, i.e. £75k per financial year to lead on transformation of key areas of ETE to deliver Business Plan savings. Two officers are already in post.
Project support for Library Review	Community & Cultural Services	122	To achieve Business Plan savings. Combined costs for staff supporting the Library Service Transformation over a two year period, including consultant fees, Project Support Officer and Transformation Manager. This will achieve over £1m year on year savings.
Community Hub Programme Manager	Community & Cultural Services	36	This role is the continuation of the Community Hubs Programme Manager role. Delivers corporate objectives.
Contingency funding			
Contingency for costs of prosecuting serious minerals and waste planning breaches e.g. large deposits of waste wood that breach planning conditions or lack planning permission.	Growth & Economy	30	To fund Waste & Mineral planning breach enforcement costs if needed - this would mean that we can prosecute where it is in the public interest to do so, but we cannot be totally confident we will win or that if we win, our costs will be awarded. Being able to prosecute breaches where we have a good case is important as it should reduce potentially costly breaches, which damage public amenity and can present fire risks.
Park and Ride charges	Passenger Transport	200	Contingency for one more year on shortfall of Park & Ride income. The charges are anticipated to secure at least £850k in 15/16, but this is less than budgeted in the Business Plan.
Waste PFI	Assets & Commissioning	500	Legal and technical advice for the Waste PFI contract
Investments to Save			
Shared Planning	Growth &	50	Development of a shared planning

services	Economy		service with district councils and/or other Authorities. Business plan assumes of £100k savings per year.
Renewal of Highways Services contract	Assets & Commissioning	230	Specialist consultancy services to support the development of the future Highways services contract to achieve improved service outcomes and future financial savings.
Lane rental implementation costs	Local Infrastructure & Street Management	200	To achieve future Business plan proposals, which are expected to generate income in excess of £1m per year.
Development of shared regulatory services	Supporting Business & Communities	40	Development of a shared regulatory service with district councils. Business plan assumes £100k savings per year
Development of LED lighting options for street lighting	Assets & Commissioning	300	Until recently, it has not been cost effective to install LED lanterns to lighting columns. The cost of LEDs has now reduced significantly and this one year funding is required to deliver LED lighting on appropriate columns. The expected saving could be up to £300,000 per annum as a result.
New options			
Transport Strategy Modelling, Analysis & Development	Transport Infrastructure Policy & Funding	120	Transport Modelling, analysis, strategy development plus consultation to support development of district wide Strategies and local plans for Huntingdonshire and East Cambs
Funding not allocated		134	
Total		3,369	

3.3 Committee is asked to approve these proposals so they can be forwarded to the Chief Finance Officer for agreement.

3.4 ETE will further declare that £134,000 of their carry forward reserve is no longer required and this will be returned to the Corporate Reserve.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

This report sets out details of the overall financial position of the ETE Service / this Committee.

5.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
There are no source documents for this report	.