

FINANCE AND PERFORMANCE REPORT – March 2016

To: **Highways and Community Infrastructure Committee**

Meeting Date: **17th May 2016**

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 March 2016 Finance and Performance report for Economy, Transport and Environment (ETE).**

The report is presented to provide Committee with an opportunity to comment on the projected financial and performance outturn position, as at the end of March 2016. The final outturn position will be presented to Committee in July.

Recommendations: **The Committee is asked to:-**

- **review, note and comment on the report.**
- **endorse the proposed use of service underspends and refer them to General Purposes Committee for approval.**

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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 reading of the report, budget lines that relate to the Economy and Environment Committee have been shaded, and those that relate to the Highways and Community Infrastructure Committee are not 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. MAIN ISSUES

- 2.1 The report attached as Appendix A is the ETE Finance and Performance report for March 2016.
- 2.2 **Revenue:** at the end of March, ETE is forecasting an underspend on revenue of £1.380m.
- 2.3 In relation to the budgets under the stewardship of this Committee, an underspend of £437K is forecast for year-end on the budgets over which the Committee has direct control. There is also an underspend of £274K on Winter Maintenance and £6K on Waste. The main variances are:-
- +£184K Street-lighting, where the part night lighting originally planned to commence in April has been delayed;
 - +£79K Network Management, where a number of areas are forecast to overspend , including grass cutting, This is being offset by underspends in “LISM other”, particularly as a result of vacancies.
 - -£274K Winter Maintenance due to the mild start to winter, although there have been more gritting runs in the latter part of the year, which has reduced the expected underspend.
 - -£351K LISM Other where expenditure is being held back to offset the forecast overspend in Network Management.
 - -£190K Communities & Business arising mainly from vacancies within the service.
 - -£174K Registrars, due to changing the timing of collecting ceremony fees creating a one-off benefit.
- 2.4 **Capital:** at the end of March, ETE is forecasting year-end slippage on Capital of £38.3m. Much of this is due to programme adjustments because of changed circumstances (a specific example being the Ely Bypass) and a large proportion of the schemes which have slipped are funded externally (not through Prudential Borrowing).
- 2.5 In relation to the budgets under the stewardship of this Committee, there are six main areas of variance:
- Delivering the Transport Strategy Aims, specifically cycling

schemes and a traffic calming scheme in Tenison Road, Cambridge, which will roll into next financial year (-£2.707m).

- Operating the Network; 2 bridge strengthening schemes have been delayed until next year to offset the increased costs relating to Brasley Bridge in Granchester (-£1.268m).
- Highways Maintenance Schemes – increased costs due to Brasley Bridge (+£0.307m)
- Waste Infrastructure. Required funding to be reviewed as part of Business Planning (-£0.403m).
- Archives Centre / Ely Hub – the scheme is to be completed over 2 years (-£1.895m)
- Community & Cultural Services. The forecast variance is due to delays in the strategy on Community Hubs (-£1.226m).

2.6 H&CI Committee has fourteen **performance indicators** reported to it in 2015-16. Of these fourteen, three are currently red, three are amber, and eight green. The three indicators that are currently red are:

- Book issues per head of population – narrowing the gap
- Classified road condition – gap between Fenland and the other areas of the County.
- the number of problem rogue traders brought back in compliance.

2.7 At year-end, the current forecast is that two of the indicators will be red, five will be amber and seven green.

2.8 The Scheme of Financial Management permits Service Management Teams to propose “carry-forwards” from year-end underspends (operational savings) which can be held in reserve for specific earmarked purposes. These plans need to be endorsed by Service Committees and then forwarded to General Purposes Committee for approval in July. The use of carry-forwards are intended to support tactical investments and service trials (alongside the wider and larger transformation fund). Appendix 2 details the ongoing 15/16 schemes funded from reserves which are multi-year, and identifies the amount of funding now required. It also identifies 7 proposed new schemes. Committee is asked to review and endorse this list and refer to General Purposes Committee for final approval.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

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