

Finance Monitoring Report – May 2023

To: Environment & Green Investment Committee

Meeting Date: 13 July 2023

From: Frank Jordan – Executive Director, Place & Sustainability
Michael Hudson – Executive Director, Finance & Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Outcome: The report is presented to provide Committee with an opportunity to note and comment on the May position for 2023/2024.

Recommendation: The Committee is asked to:-

- (a) Endorse the proposed carry-forwards / re-profiling / funding changes in the Capital Programme to Strategy & Resources Committee for approval.
- (b) Review and comment on the report.

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1. Background

- 1.1 The appendix attached provides the financial position for the whole of Place & Sustainability Directorate, and as such, not all of the budgets contained within it are the responsibility of this Committee. Members are requested to restrict their questions to the lines for which this Committee is responsible.
- 1.2 This report is intended to give Committee an update on the financial position of Place & Sustainability Directorate and detail forecast pressures and underspends across the different services and an explanation for variances.
- 1.3 The Finance Monitoring Report attached is in a slightly updated format to provide consistency across the different services.

2. Main Issues

- 2.1 Revenue: Across Place & Sustainability Directorate, there is a forecast overspend of £3,586K. There is a pressure on Energy Services income of £3,425k across all its 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. As a result – income that was previously budgeted to be received from July 2023 will not achieve its original planned profile until February 2024. Separately, there is a further pressure on the smart energy grids at the park & ride sites due to purchasing spares and warranties ahead of schedule in FY 23/24 of £163k.
- 2.3 Capital: Committee is asked to endorse the updating of the capital budgets as detailed in Appendix 3 to reflect the capital carry-forwards from 2022/23, the updated profiles and the changes in funding. The budgets contained within the report assume these changes. All the changes (both carry-forward and re-profiling) are individually detailed in the table at the end of the appendix.
- 2.4 There is one forecast capital pressure of £1,892K relating to North Angle Solar Farm. As the project is nearing construction on site, a number of additional costs have arisen, which are client-side costs, relating to the delay in starting on site and the finalisation of easement agreements. These include increased staff, advisor and legal costs, as well as design revisions and associated construction costs. However, these remain largely estimates at this stage and will be updated once more detail becomes available.

3. Alignment with corporate priorities

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.

There are no significant implications for this ambition.

- 3.2 Travel across the county is safer and more environmentally sustainable

There are no significant implications for this ambition.

- 3.3 Health inequalities are reduced

There are no significant implications for this ambition.

- 3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs

There are no significant implications for this ambition.

- 3.5 Helping people out of poverty and income inequality

There are no significant implications for this ambition.

- 3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

There are no significant implications for this ambition.

- 3.7 Children and young people have opportunities to thrive

There are no significant implications for this ambition.

4. Significant Implications

- 4.1 Resource Implications

This report details the financial position across Place & Sustainability.

- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

- 4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category

4.4 Equality and Diversity Implications

There are no significant implications within this category

4.5 Engagement and Communications Implications

There are no significant implications within this category

4.6 Localism and Local Member Involvement

There are no significant implications within this category

4.7 Public Health Implications

There are no significant implications within this category

4.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications within this category

5. Source documents

None.