

Finance Monitoring Report – May 2024

To:	Environment & Green Investment Committee
Meeting Date:	11th July 2024
From:	Executive Director, Place & Sustainability Executive Director, Finance & Resources
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	The report is presented to provide Committee with an opportunity to note and comment on the May financial position for 2024/25/
Recommendation:	<p>The Environment and Green Investment Committee is recommended to:</p> <ul style="list-style-type: none">(a) Note the recommendation to Strategy, Resources & Performance Committee to approve the capital carry-forwards and reprofiling as detailed in Appendix 3 of the Finance Monitoring Report;(b) Note the recommendation to Strategy, Resources & Performance Committee to approve the additional capital budget / funding as detailed on Paragraph 2.3 of this covering report; and(c) review and comment on the report.

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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 This regular financial monitoring report provides the consolidated management accounts of the Place and Sustainability Directorate, enabling members to be aware of, and to scrutinise, the delivery of the business plan for 2024-25.

2. Background

- 2.1 This report is intended to give Committee an update on the financial position of the Place and Sustainability Directorate and detail forecast pressures and underspends across the different services and an explanation for variances.
- 2.2 The Outturn Report attached provides the financial position for the whole of the Place and 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.

3. Main Issues

- 3.1 Revenue: The overall position for Place and Sustainability budgets to the end of May 2024 is a forecast overspend of £3.4m. The key issues and pressures in the Finance Monitoring Report (FMR) are as follows:-

Waste Management: The £1.842m forecast pressure arises because the waste plant facilities do not comply with the new Environment Agency environmental permit conditions following the introduction of the Industrial Emissions Directive and the Best Available Techniques conclusions (BATc) and waste therefore needs to be managed through separate arrangements at additional cost to the Council. Strategic options to address this issue have been assessed and an overall strategy will be recommended to members to consider during 24-25.

Energy Projects: The delivery of the private wire to connect the North Angle Solar Farm is progressing well and is on track for completion in the Summer this year but energy market fluctuations mean that electricity prices are now lower than the forecasts used at the time the business plan was approved in February 2024. Also, there are income delays to the Smart Energy Grid Projects at St Ives and Babraham park and ride sites. Overall, the energy projects are forecasting an income shortfall of £2.995m.

There is additional forecast income in Highways which partly offsets the above pressures leaving a forecast position at the bottom line of £3.4m.

- 3.2 Appendix 2 of the FMR Outturn Report provides the service explanation for the revenue variances (both over- and under-spends).
- 3.3 Capital: Following the end of the 2023-24 financial year, an annual process is carried out to review capital budgets allocated for the previous year and assess whether budget needs to be rephased to the new year or later years to reflect updated delivery timescales. At the same time as the phasing of capital schemes is reviewed the funding sources (and phasing) are also updated. The results of this process are set out in Appendix 3, with

proposed movement of capital budgets between years. These changes are reported to Strategy, Resources & Performance Committee for approval.

Appendix 3 reflects the changes due to:

- (1) carry-forwards from 23/24 due to underspends,
- (2) the re-phasing of a number of schemes, and
- (3) changes due to new funding.

The following requests are being made to Strategy, Resources & Performance Committee for additional capital budget / funding. The capital tables contained within the FMR assume the approval of this additional budget / funding.

Scheme	Service	Funding Change Amount £m	Reason for Change
Waste – Household Recycling Centre (HRC) Improvements	P&S	£0.576m for 2025-26 Prudential borrowing	Additional prudential borrowing of £0.576m is requested for the March Household Recycling Centre for 2025-26; the increase is mainly due to commodity prices increase. The request is being made now for 2025-26 to allow the contract to be awarded in July. The annual cost of the additional borrowing is estimated at £42k starting in 2026-27, decreasing each year thereafter. Future year updates to the Milton Household Recycling Centre will be reviewed as part of the 2025-26 business planning process.
Babraham Smart Energy Grid	P&S	£0.463m of which £0.183m for 2024-25 and £0.280m for 2025-26 Prudential borrowing	Additional prudential borrowing of £0.463m is requested for the Babraham Smart Energy Grid scheme across 2024-25 and 2025-26 in order to complete the scheme. The annual cost of the additional borrowing is estimated at £34k starting in 2026-27, decreasing each year thereafter.

4. Significant Implications

4.1 Finance Implications

This report details the financial position across Place and Sustainability.

4.2 Legal Implications

There are no significant implications within this category.

4.3 Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

5. Source documents

5.1 None