

Finance Monitoring Report – January 2023

To: Highways and Transport Committee

Meeting Date: 7th March 2023

From: Steve Cox – Executive Director, Place & Sustainability
Tom Kelly – Service Director, Finance & Procurement

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 January position for 2022/2023.

Recommendation: The Committee is asked to:-

- (a) Review, note and comment on the report;
- (b) Recommend to the Strategy and Resources Committee to approve an updated capital budget profile for the A14 contributions whereby £2.08m of budget is transferred from 2022/23 to Years 24 and 25 of the payment profile; and
- (c) Recommend to the Strategy & Resources Committee that a scheme to widen the guided busway (southern section), budgeted to cost £2.89m, is added to the Council's business plan 2023-24, for the reasons set out in the confidential appendix.

Officer contact:

Name: Sarah Heywood
Post: Strategic Finance Manager
Email: sarah.heywood@cambridgeshire.gov.uk
Tel: 01223 699 714

Member contacts:

Names: Cllr Alex Beckett / Cllr Neil Shailer
Post: Chair/Vice-Chair
Email: Alex.Beckett@cambridgeshire.gov.uk
Neil.Shailer@cambridgeshire.gov.uk
Tel: 01223 706398

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. To aid Member reading of the finance monitoring report, budget lines that relate to the Highways and Transport Committee are unshaded and those that relate to the Environment and Green Investment Committee are shaded. 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.

2. Main Issues

- 2.1 Revenue: Across Place & Sustainability Directorate, there is a forecast overspend of £214K at the end of January, and the main factors are:-

Street lighting (-£240K): It was agreed to allocate £1,051K to reflect the estimated 80% Streetlighting energy inflation from October 2022 . The forecast now reflects the discount that is being applied to the energy rates in the period October 2022 to March 2023 in line with the application of the Governments Energy Bill relief scheme.

Traffic Management (-£560K): Income from road opening and closure fees are currently forecast to be higher than the budgeted figure.

Park & Ride (+£665K): There is a pressure on the Guided Bus Maintenance due to the installation of a temporary fence and safety measures on the southern section of the busway. Also access charge income has not yet recovered to pre-Covid levels.

Parking Enforcement (+£407K): Income is projected to be lower than the budget because it has not yet returned to pre-covid levels. Budget to cover this shortfall is held within 'Lost Sales, Fees & Charges Compensation' line. The forecast also includes the £150k contribution to the Civil Parking implementation costs in Districts.

Lost sales, fees and charges (-£700K): the temporary budget of £700K is used to offset the residual reduction in income due to covid, and offsets the resultant forecast overspends elsewhere across P&S.

- 2.2 A savings tracker, detailing progress of implementation of the savings approved in the Business Plan, as at end of quarter three, is shown within the Finance Monitoring Report
- 2.3 Capital: The main changes in capital forecast variances are detailed below:-
 - **Local Infrastructure Improvements (-£393K):** The majority of the work for these schemes has been committed but it is expected that a certain amount of expenditure will fall into next financial year.

- **Safety Schemes (-£1,230K):** The majority of the budget relate to 2 schemes, Puddock Road Ramsey and Swaffham Heath Crossroads. For both of these schemes it is expected that the majority of construction work will take place next financial year.
- **DTSA – Highway Schemes (-£814K):** the following projects in the programme will be delayed due to a mixture of legal and landownership issues (A605 Elton NMU, Merivale Way Ely), roadspace requirements and having to work over the easter holidays (Maids Causeway, A603 Barton Road, Ely City 20mph, PROW improvements in Brampton) or delays caused by third parties (20mph Quick Win projects).
- **Carriageway & Footway Maintenance incl Cycle Paths (-£720K):** Network constraints mean the A505 VRS budget (£950k) will likely only be around 50% spent in year, with work starting in February and running through to May 23, so £500k is projected to carry into Q1 23/24. Also, a number of smaller schemes have been delayed from March to June 2023 (£200k).
- **Bridge Strengthening (+£214K):** Barrington Footbridge cost increase is due to unforeseen issues on site requiring more extensive works and Alconbury Service Road Viaduct has significant increase in materials costs plus increased extent of scheme.
- **March Area Transport Study (-£298K):** This is due to utility costs not being due until commencement of work and this will be in next financial year.
- **St Ives Local Improvements (-£927K):** Design work is currently being undertaken and it is not expected that any construction will take place until next financial year.
- **Scheme Development for Highways Initiatives (-£374K):** Funding was allocated to enable scheme development for new schemes, however this year limited new schemes have been identified that require scheme development work. It is therefore expected that the balance of funding will roll forward into next year.

- 2.4 The Highways Maintenance Restructure (currently out to consultation) proposes the creation of additional Cambridgeshire employed highways staff posts totalling £763K pa. This will be funded through the appropriate charging of staff time to the capital maintenance budgets, providing greater clarity of projects costs across capital and revenue budgets, and will not require any changes to the capital budgets.
- 2.5 The Council committed to contribute a sum of £26m towards the A14 improvements over 25 years. It was previously agreed that payments would commence in 2020/21 and amounts were reserved to fulfil this commitment. However, the Department for Transport has now advised that the first payment will be collected in this financial year. To adjust for this, Strategy and Resources Committee will be asked to approve an updated budget profile whereby £2.08m of budget is transferred from this financial year to the updated Years 24 and 25. The figures contained within the Finance Monitoring Report assume this is approved by Strategy & Resources Committee.
- 2.6 It is proposed that Highways & Transport Committee recommend to the Strategy & Resources Committee that a scheme to widen the guided busway (southern section), budgeted to cost £2.89m, is added to the Council's business plan 2023-24, for the reasons set out in the confidential appendix (Appendix B).

3. Alignment with corporate priorities

3.1 Environment and Sustainability

There are no significant implications for this priority.

3.2 Health and Care

There are no significant implications for this priority.

3.3 Places and Communities

There are no significant implications for this priority.

3.4 Children and Young People

There are no significant implications for this priority.

3.5 Transport

There are no significant implications for this priority.

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 guidance

5.1 Source documents

None