

Finance Monitoring Report - Outturn 2023-24

To: Highways and Transport Committee

Meeting Date: 23 July 2024

From: Executive Director of Place and Sustainability
Executive Director of Finance and Resources

Electoral division(s): All

Key decision: No

Executive Summary: The report is presented to provide the Committee with an opportunity to note and comment on the 2023/2024 outturn position.

Recommendation: The Committee is asked to:

Review and comment on the report.

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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 This 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 2023-24.

2. Background

- 2.1 This report provides the Committee with an update on the financial position of the Place and Sustainability directorate. It provides detail of the pressures and underspends across the different services and an explanation for any variances.
- 2.2 The Finance Monitoring Report, attached at Appendix 1, provides the financial position for the whole of the Place and Sustainability directorate, and as such, not all 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: In February 2024, Place and Sustainability was forecasting a £1.8m overspend, at a summary level made up of a £4m pressure on the Energy Schemes partly offset by an over-achievement of Highways Development Management income and Traffic Management Income, as well as many smaller over- and under-spends. In March 2024, it was decided to change how some aspects of the waste budget expenditure were reported, which created an additional pressure of £2.2m and an outturn variance of £4.1m across the whole of the directorate.
- 3.2 Appendix 2 of the Finance Monitoring Report provides the service explanation for the variances (both over- and under-spends).
- 3.3 Capital: The budgeted capital programme variation for 2023/24 was £24.5m and there was £13.2m additional slippage. Appendix 3 of the Finance Monitoring Report lists the total scheme budget, in-year budget and actual expenditure for each capital budget and the service explanation for any in-year variances in excess of £250K.
- 3.4 A review of the capital programme for 2023/24 for Highways and Transport has been undertaken.
- 3.5 Highways and Transport had a baseline 2023/24 year budget of c.£73m, of which an underspend of c.£27m was recorded.
- 3.6 Each project with an underspend in 2023/24 has been reviewed across the programme. The review has highlighted that the reported underspend can be due to a number of factors including;

- Risk pricing being included into capital budgets for matters that which do not materialise.
- Final prices for projects being lower than budget through robust commercial and contract management.
- Spending profiles not taking account of key gateways that need to be achieved that are sometimes outside the Council's direct control, such as land negotiations, which then change the timing for a project.
- New funding being entered into the capital programme in full at the time it is received before detailed plans have been worked up on the delivery of projects.

3.7 As a result of this review, the following will be applied to the capital programme management for 24/25 onwards.

- Where new funding is provided during the financial year, the budget manager will develop a robust profile and propose a clear amount of estimated spend that should be included in the current financial year.
- The directorate will ensure that robust programme management arrangements are in place for all projects
- Where there are key risks or key stages that need to be achieved to enable the project to proceed, such as land acquisition, spending beyond this point will not be assumed and would only be released when key gateways are achieved.

3.8 The Savings Tracker for 2023/24 is in Appendix 4 of the Finance Monitoring Report, and Appendix 5 provides the technical notes relating to Grant Income, Virements and Earmarked Reserves.

4. Significant Implications

4.1 Finance Implications

This report details the financial position across the Place and Sustainability directorate.

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