

Finance Monitoring Report – October 2022

To: Highways and Transport Committee

Meeting Date: 6th December 2022

From: Steve Cox – Executive Director, Place & Sustainability
Tom Kelly – Chief Finance Officer

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 October position for 2022/2023.

Recommendation: The Committee is asked to review, note 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. 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 £1.087m as at the end of October, and the main factors are:-

Street lighting (+£234K): It was agreed to allocate £1,051K to reflect the estimated 80% Streetlighting energy inflation from October 2022. However, since then, the estimated inflationary figure has increased to 100% and this has required that the service forecast a £234K overspend.

Park & Ride (+£637K): 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.

Lost sales, fees and charges: 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 Capital: Overall, Highways Maintenance expenditure in a number of areas is low at present. This is due to a number of schemes being programmed for late in the year due to road space availability, as well as staff resource pressures in the service causing design and costing to be later than expected. The service remains confident of delivery with road space booked up to the full budget level and the works in the contractors' programmes. The programme is slightly over-committed versus budget to allow for some degree of slippage to take place.

The main changes in capital forecast variances are detailed below:-

- **Local Infrastructure Improvements (-£240K):** 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 (-£997K):** 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. For Swaffham Heath,

discussions are currently being held with the landowner and should be clearer in December.

- **DTSA – Highway Schemes (-£742K):** Although expenditure is low at present, detailed design work is currently ongoing, and it is expected that delivery will begin across several projects in Q4. However 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 (-£500K):** Although expenditure is low at present, work is committed or underway. A robust and realistically resourced forward delivery programme is in place and agreed with our contractor and their suppliers which takes us up to the end of this financial year. Due to network constraints a number of high value surfacing schemes will be delivered in Q4, whilst others in the drainage programme are currently going through detailed design to end of November before being priced and delivered in February / March 23. Network constraints also 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 projected to carry into Q1 23/24
- **Footways (-£195K):** St Mary's St Ely is the only project projected to carry over into 23/24 due to network constraints, this will start on site on 08/04/23. The rest of the programme is resourced, and suppliers are in place to deliver before the end of this financial year, work will be on site through to end of March 23.
- **St Ives Local Improvements (-£725K):** 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 (-£224K):** 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.

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

5.1 Source documents

None