

Finance Monitoring Report – August 2022

To: Environment & Green Investment Committee

Meeting Date: 13th October 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 August position for 2022/2023.

Recommendation: The Committee is asked to review, note and comment upon 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 £526K, and the main factors are:-

Waste (+£152K): The majority of the forecast overspend relates to increased annual rent for the Thriplow site which has been backdated to 2016 and the increased contribution to the RECAP waste partnership by all partners to prepare for the implementation of the Resources and Waste Strategy. Committee should also be aware that the waste budget has an underlying risk of both an additional £700K landfill gate fee pressure and a further £250k green waste pressure for the cost of diverting waste due to BATc changes required to the Waterbeach facilities. It is expected that these pressures will be largely offset by cost reductions from reduced energy use, reduced costs for In Vessel Compost facility oversize disposal, etc. although it will take a while to get to a conclusion with Thalia (formerly known as Amey) to agree the level of cost reductions. The total tonnage of organic waste processed this year is likely to be lower than originally forecast due to the dry summer weather, that will also help to offset this pressure.

Energy Projects Director (+£301K): The forecast overspend is due to the income and maintenance costs for the St Ives P&R Smart Energy Grid being pushed back into 2022/23 due to the private wire connection points to the business customers requiring additional design work resulting from site/operational changes from the customers; Babraham Road P&R smart energy grid has added an additional phase to its construction programme to address the number of available parking concerns during the construction programme; and the North Angle Solar Farm project will be energised by June 2023 and not December 2022 as originally forecast, resulting in an income and maintenance cost delay.

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: The following schemes are now showing in-year variances:-

Waterbeach Waste Treatment Facility: The majority of the expenditure is now programmed to take place in 2023/24 and is therefore showing an in-year underspend of £11.8m. A request to approve a capital virement to move £11.8m of existing capital budget from 2022/23 to 2023/24 to reflect the updated timelines is going to the Strategy & Resources Committee.

Babraham Smart Energy Grid: In discussion with Addenbrookes Hospital, the construction phasing plan for Babraham Smart Energy Grid was changed post-contract from a two phase to a three phase programme to allow sufficient parking to be available at the Babraham Park and Ride site during construction of the smart energy grid for the Biomedical Campus. This change has increased the timeline for project delivery by 14 weeks and the upfront capital costs on the project – creating an overspend of £336K. However, the overall project business case remains positive as a result of the increased tariff for electricity supplies.

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