

Service: Place & Sustainability

Subject: Finance Monitoring Report – May 2023

## Contents

Section	Item	Description
1	Revenue Executive Summary	High level summary of information and narrative on key issues in revenue financial position
2	Capital Executive Summary	Summary of the position of the Capital programme within Place & Sustainability
Appx 1	Service Level Financial Information	Detailed financial tables for Place & Sustainability main budget headings
Appx 2	Service Commentaries	Detailed notes on revenue financial position of services that have a significant variance against budget
Appx 3	Capital Appendix	This contains more detailed information about the capital programme, including funding sources and variances from planned spend.
<i>The following appendices will be included quarterly as the information does not change as regularly:</i>		
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the Business Plan.  This will be available in the June FMR.
Appx 5	Technical Appendix	Grant Income Analysis Budget Virements Earmarked reserves schedule  This will be available in the June FMR

## 1. Revenue – Executive Summary

Forecast Variance – Outturn (Previous Month) £000	Directorate	Budget 2023/24 £000	Actual £000	Forecast Variance - Outturn (May) £000	Forecast Variance - Outturn (May) %
0	Executive Director	(234)	89	0	0
0	Highways & Transport	27,711	5,870	25	0.1
0	Planning, Growth & Environment	49,576	5,255	5	0
0	Climate Change and Energy	-3,698	-6	3,556	93
0	Community Safety & Regulatory	4,679	-26	0	0
0	External Grants	-7,518	-5,289	0	0
<b>0</b>	<b>Total</b>	<b>70,516</b>	<b>5,892</b>	<b>3,586</b>	<b>5</b>

Since the approval of the 2023/24 Business Plan at Council in February some new pressures and flexibilities have been identified and these have been addressed by a budget re-set to be approved at Strategy & Resources Committee on 11<sup>th</sup> July. The budgets contained within this report reflect these changes and assume they are approved by Strategy & Resources Committee.

- Transport Strategy and Policy inflation £47k
- Estimated Signals inflation over-allocation -£300k
- Streetlighting PFI contract inflation -£350k
- Estimated Streetlighting energy inflation -£167k
- Highways maintenance inflation £38k

In summary, P&S is now forecasting an overspend of £3,586k. There is a pressure on Energy Services income of £3,425k across all its projects. The supply chain for these projects like the rest of the construction industry is facing significant challenges including rising costs of energy, securing key equipment and materials along with a widespread shortage of skilled labour. This is creating longer lead in and delivery times for these projects. As a result – income that was previously budgeted to be received from July 2023 will not achieve its original planned profile until February 2024. Separately, there is a further pressure on the smart energy grids at the park & ride sites due to purchasing spares and warranties ahead of schedule in FY 23/24 of £163k.

The Place and Sustainability (P&S) directorate is a large and complex budget area that has a variety of services and significant income streams (such as Parking Enforcement and Highways Development Management) which require detailed monitoring and have the potential for variances. The Waste Management budget is also a high-risk budget area, and the service is working with the contractor to identify efficiencies and savings arising while the plant is closed, which are necessary until the changes are made to meet the Best Available Technique conclusions (BATc) legislative requirements to ensure they are compliant with the Environment Agency Environmental Permits.

## 2. Capital – Executive Summary

### Capital Expenditure and Funding

The Capital Programme at Appendix 3 reflects the changes due to:-

- (1) carry-forwards from 22/23 due to underspends,
- (2) the re-phasing of a number of schemes, and
- (3) changes due to new funding.

Details of all the changes are shown at the end of Appendix 3

### Forecast Expenditure

One scheme is forecasting an overspend for P&S. Full details of the overspend can be found in the supporting tables to Appendix 3.

### Funding

All schemes are funded as presented in the 2023/24 Business Plan.

# Appendix 1 – Service Level Financial Information

Previous Forecast Outturn Variance £000's	Committee	Service	Budget 2023/24 £000's	Actual May 2023 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
		<b>Executive Director</b>				
	All	Executive Director	-234	89	0	0%
		<b>Executive Director Total</b>	<b>-234</b>	<b>89</b>	<b>0</b>	<b>0%</b>
		<b>Highways &amp; Transport</b>				
		<b>Highways Maintenance</b>				
H&T		Asst Dir - Highways Maintenance	167	19	0	0%
H&T		Highway Maintenance	7,430	271	0	0%
H&T		Highways Asset Management	495	143	0	0%
H&T		Winter Maintenance	3,075	75	0	0%
		<b>Project Delivery</b>				
H&T		Asst Dir - Project Delivery	200	-103	0	0%
H&T		Project Delivery	0	565	0	0%
H&T		Street Lighting	14,088	3,198	0	0%
		<b>Transport, Strategy &amp; Development</b>				
H&T		Asst Director - Transport, Strategy & Development	1,178	1,954	0	0%
H&T		Traffic Management	306	-122	7	2%
H&T		Road Safety	409	412	17	4%
H&T		Transport Strategy and Policy	63	66	0	0%
H&T		Highways Development Management	0	-545	0	0%
H&T		Park & Ride	300	479	1	0%
H&T		Parking Enforcement	0	-542	0	0%
		<b>Highways &amp; Transport Total</b>	<b>27,711</b>	<b>5,870</b>	<b>25</b>	<b>0%</b>
		<b>Planning, Growth &amp; Environment</b>				
E&GI		Asst Dir - Planning, Growth & Environment	185	31	-8	-4%
E&GI		Planning and Sustainable Growth	935	199	3	0%
E&GI		Natural and Historic Environment	1,007	-215	10	1%
E&GI		Waste Management	47,450	5,240	0	0%
		<b>Environment Total</b>	<b>49,576</b>	<b>5,255</b>	<b>5</b>	<b>0%</b>
		<b>Climate Change &amp; Energy Service</b>				
E&GI		Climate and Energy Services	76	8	0	0%
E&GI		Climate Change Services	0	-1	0	0%
	E&GI	Energy Services	-3,774	-12	3,556	94%
		<b>Climate Change &amp; Energy Service Total</b>	<b>-3,698</b>	<b>-6</b>	<b>3,556</b>	<b>-96%</b>
		<b>Community Safety &amp; Regulatory Service</b>				
CSMI		Domestic Abuse & Sexual Violence Service	2,577	-70	0	0%
CSMI		Registration & Citizenship Services	-757	-94	0	0%
CSMI		Coroners	2,080	243	0	0%
CSMI		Trading Standards	779	-105	0	0%
		<b>Community Safety &amp; Regulatory Service Total</b>	<b>4,679</b>	<b>-26</b>	<b>0</b>	<b>0%</b>
		<b>Total</b>	<b>78,034</b>	<b>11,181</b>	<b>3,586</b>	<b>5%</b>

## Appendix 2 – Service Commentaries

Service	Budget 2023/24	Forecast Outturn Variance	Forecast Outturn Variance
	£000's	£000's	%
Energy Services	-3,774	3,586	94

There is a pressure on Energy Services income of £3,425k across all its projects. The supply chain for these projects like the rest of the construction industry is facing significant challenges including rising costs of energy, securing key equipment and materials along with a widespread shortage of skilled labour. This is creating longer lead in and delivery times for these projects. As a result – income that was previously budgeted to be received from July 2023 will not achieve its original planned profile until February 2024. Separately, there is a further pressure on the smart energy grids at the park & ride sites due to purchasing spares and warranties ahead of schedule in FY 23/24 of £163k.

# Appendix 3 – Capital

## Capital Expenditure 2023/24

Total Scheme Revised Budget £'000	Original 2023/24 Budget as per BP £'000	Scheme	Revised Budget for 2023/24 £'000	Actual Spend (May) £'000	Forecast Spend – Outturn (May) £'000	Forecast Variance – Outturn (May) £'000
		<b>Integrated Transport</b>				
1,000	200	Major Scheme Development & Delivery	200	-259	200	0
4,473	895	Local Infrastructure Improvements	1,047	-42	1,047	0
2	0	- Minor improvements for accessibility and Rights of Way	2	-11	2	0
3,000	600	Safety Schemes	1,780	0	1,780	0
1,725	345	Strategy and Scheme Development work	456	72	456	0
5,720	1,350	Delivering the Transport Strategy Aims	2,566	165	2,566	0
125	25	Air Quality Monitoring	25	0	25	0
26,000	1,040	A14	1,040	0	1,040	0
		<b>Operating the Network</b>				
37,650	9,450	Carriageway & Footway Maintenance incl Cycle Paths	10,200	-272	10,200	0
1,175	235	Rights of Way	250	241	250	0
11,735	2,347	Bridge Strengthening	2,347	2,103	2,347	0
3,890	778	Traffic Signal Replacement	1,070	702	1,070	0
915	183	Smarter Travel Management - Int Highways Man Centre	183	185	183	0
0	118	Smarter Travel Management - Real Time Bus Information	0	0	0	0
		<b>Highways &amp; Transport</b>				
		<b>Highways Maintenance</b>				
78,700	0	£90m Highways Maintenance schemes	492	-47	492	0
33,324	8,179	Pothole grant funding	7,212	-550	7,212	0
28,000	4,000	Footways	4,165	-13	4,165	0
24,750	4,750	A14 De-trunking	4,750	0	4,750	0
13,283	100	Street Lighting LED	100	0	100	0
2,500	500	Highways materials recycling	500	0	500	0
		<b>Project Delivery</b>				
49,006	10	- Ely Crossing	10	-941	10	0
149,791	3,868	- Guided Busway	3,890	0	3,890	0
0	0	- Cambridge Cycling Infrastructure	394	1	394	0
33,500	600	- King's Dyke	-2,550	206	-2,550	0
1,181	0	- Emergency Active Fund	0	-24	0	0
2,589	0	- Lancaster Way	0	7	0	0
1,883	0	- Wisbech Town Centre Access Study	101	-1,166	101	0
6,853	4,571	- March FHSF and MATS Broad Street	5,116	2	5,116	0
7,905	4,367	- St Neots Future High St Fund	1,992	1	1,992	0
3,329	0	- March Area Transport Study - Main schemes	1,298	339	1,298	0
2,300	1,300	- St Ives local improvements	1,800	9	1,800	0
5,805	2,903	- A141 and St Ives Improvement	1,754	-86	1,754	0
3,803	2,535	- A10 Ely to A14 Improvements	2,378	-42	2,378	0
100	0	- Witchford A10 NMU	100	0	100	0
2,860	0	- Transforming Cities Fund	2,803	0	2,803	0
2,891	0	- Guided Busway – Widening of footpath	2,891	0	2,891	0

Total Scheme Revised Budget £'000	Original 2023/24 Budget as per BP £'000	Scheme	Revised Budget for 2023/24 £'000	Actual Spend (May) £'000	Forecast Spend – Outturn (May) £'000	Forecast Variance – Outturn (May) £'000
		<b>Transport Strategy and Network Development</b>				
1,000	0	- Scheme Development for Highways Initiatives	424	0	424	0
1,000	0	- Combined Authority Schemes	0	36	0	0
0	0	- Northstowe Transport Monitoring	0	0	0	0
6,795	200	- Wheatsheaf Crossroads	1,535	19	1,535	0
		<b>Planning, Growth &amp; Environment</b>				
7,424	2,180	- Waste Infrastructure	1,500	0	1,500	0
20,367	19,320	- Waterbeach Waste Treatment Facilities	12,838	-141	12,838	0
680	0	- Northstowe Heritage Centre	0	4	0	0
834	834	- Reallocation and funding of cost cap for Northstowe Phase 1	834	0	834	0
		<b>Climate Change &amp; Energy Services</b>				
0	0	- Energy Efficiency Fund	0	0	0	0
10,965	0	- Swaffham Prior Community Heat Scheme	2,300	-1,084	2,300	0
928	0	- Alconbury Civic Hub Solar Car Ports	158	0	158	0
5,486	2,066	- St Ives Smart Energy Grid Demonstrator scheme	1,277	96	1,277	0
8,595	2,819	- Babraham Smart Energy Grid	5,040	85	5,040	0
6,970	0	- Trumpington Smart Energy Grid	0	0	0	0
8,267	3,000	- Stanground Closed Landfill Energy Project	550	0	550	0
150	0	- Woodston Closed Landfill Energy Project	135	0	135	0
30,849	427	- North Angle Solar Farm, Soham	5,314	-208	7,206	1,892
635	409	- Fordham Renewable Energy Network Demonstrator	450	0	450	0
10,518	1,627	- Environment Fund - Decarbonisation Fund - Council building Low Carbon Heating	2,463	-32	2,463	0
2,383	0	- Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme	281	0	281	0
3,499	0	- Environment Fund - Decarbonisation Fund – School Education Capital	1,729	0	1,729	0
200	0	- Environment Fund - EV Chargepoints	0	-6	0	0
500	167	- Environment Fund - Oil Dependency	205	0	205	0
300	230	- Environment Fund - Climate Innovation	63	0	63	0
74	0	- Treescape Fund	31	0	31	0
157	0	- Cambridge Electric Vehicle Chargepoints	15	0	15	0
3,145	0	- School Ground Source Heat Pump Projects	143	0	143	0
20,072	2,490	<b>Connecting Cambridgeshire</b>	2,153	11	2,153	0
	1,331	Capitalisation of Interest	1,331	0	1,331	0
<b>703,556</b>	<b>92,349</b>		<b>101,131</b>	<b>-640</b>	<b>103,023</b>	<b>1,892</b>
	<b>-27,944</b>	Capital Programme variations	<b>-27,944</b>	0	<b>-27,944</b>	0
	<b>64,405</b>	<b>Total including Capital Programme variations</b>	<b>73,187</b>	<b>-640</b>	<b>75,079</b>	<b>1,892</b>

The increase between the original and revised budget is partly due to the carry forward of funding from 2022/23, this is due to the re-phasing of schemes, which were reported as underspending at the end of the 2022/23 financial year. The phasing of a number of schemes have been reviewed since the published business plan and are now incorporated in the table above

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found below:

Ref	Service / Committee	Commentary vs previous month	Scheme	Scheme Budget £m	2023-24 Budget £m	Forecast Outturn Variance £m	Cause	Commentary
1a	Climate Change & Energy Services	New	Solar Projects	30.849	5.314	1.892	Overspend	A forward estimate of costs that are expected to arise across projects has been made, as these are much higher than the budget allocated. Overspends are now expected at delivery stage in the solar portfolio as a result of higher than expected staff, advisor and legal costs, as well as design revisions and associated construction costs. However, these remain largely indicative for the time being.

## Capital Variations Budget

Variation budgets are set annually and reflect an estimate of the average variation experienced across all capital schemes, and reduce the overall borrowing required to finance our capital programme. There are typically delays in some form across the capital programme due to unforeseen events, but we cannot project this for each individual scheme. We therefore budget centrally for some level of delay. Any known delays are budgeted for and reported at scheme level. If forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when rephasing exceeds this budget.

The capital variations budget for Place & Sustainability is £27,944K.

## Commentary on Capital expenditure

There is only one scheme reporting a forecast variance on capital expenditure. The details of which are outlined in the table above, linked to the North Angle Solar Farm scheme. The variance noted is a £1,892k overspend from the budgeted amount for FY 23/24. See the commentary column in the table above for more details.

## Funding



Original 2023/24 Funding Allocation as per BP £'000	Source of Funding	Revised Funding for 2023/24 £'000	Actual Spend (May) £'000	Actual Variance (May) £'000
16,026	Local Transport Plan	15,048	15,048	0
13,145	Other DfT Grant funding	13,109	13,109	0
8,875	Other Grants	10,558	10,558	0
5,113	Developer Contributions	5,426	5,426	0
39,699	Prudential Borrowing	43,545	45,437	1,892
12,308	Other Contributions	13,206	13,206	0
<b>95,166</b>		<b>100,892</b>	<b>102,784</b>	<b>1,892</b>
<b>-19,129</b>	Capital Programme variations	-27,944	-27,944	0
<b>76,037</b>	<b>Total including Capital Programme variations</b>	<b>72,948</b>	<b>74,840</b>	<b>1,892</b>

The increase between the original and revised budget is partly due to the carry forward of funding from 2022/23, this is due to the re-phasing of schemes, which were reported as underspending at the end of the 2022/23 financial year. The phasing of a number of schemes have been reviewed since the published business plan.

Funding	Amount (£m)	Reason for Change
Rephasing (DfT Grants)	-4.94	Schemes funded by DfT grants rolled forward into 22/23. DfT grant used to fund schemes that were earmarked to be funded by borrowing in 21/22. Rolled forward schemes will be funded by borrowing.
New funding/Rephasing (Specific Grants)	-3.56	Carry forward of Northstowe Heritage centre (£0.375m) Reduction in funding and rephasing for Wisbech Town Centre Access Study due to change of scope of CPCA funded scheme (-£3.788m). Reduction in funding and rephasing for Connecting Cambridgeshire (-£4.925m). New funding for March Area Transport Study (£2.367m) Additional DfT funding (£2.5m)
Additional Funding / Revised Phasing (Section 106 & CIL)	-4.20	Developer contributions to be used for a number of schemes. Rephasing Bar Hill to Longstanton cycleway (-£0.727m). Rephasing Girton to Oakington cycleway (£0.124m). Rephasing of Guided Busway (-£3.979m). Rephasing of Fendon Road Roundabout (£0.189m). Rephasing of Ring Fort path (£0.020m). Rephasing of Cherry Hinton Road cycleway (£0.098m).
Additional funding / Revised Phasing (Other Contributions)	0.59	Deletion of A14 cycling schemes which are part of phase 2 bid (-£1.830m). Rephasing King's Dyke (£0.385m). Rephasing Lancaster Way (£0.287m).

Funding	Amount (£m)	Reason for Change
		Spencer Drove, Soham (£0.097m). Rephasing and adjustment to overall funding Future High St Funds (£1.905m). Rephasing Connecting Cambridgeshire (£1.772m). A141 and St Ives Improvements (£1.0m). A10 Ely to A14 Improvements (£0.957m). Pothole funding – use of revenue budget (£4.0m).
Additional Funding / Revised Phasing (Prudential borrowing)	10.02	Borrowing in advance of S106 receipts – Northstowe Busway link (£0.240m) Deletion of A14 cycling schemes which are part of phase 2 bid (-£0.125m). Rephasing of Highways Maintenance funding (£8.200m). Rephasing of Footway schemes (£0.425m) Rephasing of Waste schemes (£0.068m). Rephasing of Energy schemes (-£2.975m). Rephasing King's Dyke (£2.183m). Rephasing Scheme development for Highway Initiatives (£0.424m). Rephasing Connecting Cambridgeshire (£1.40m)

### Details of Capital budget changes

	£'000	Comment
<b>Carry forward from previous year</b>		
Local Highway Improvements	154	
Safety Schemes	1,180	
Strategy & Scheme Development work	111	
Delivering the Transport Strategy Aims	1,878	ITB funded schemes
Operating the Network		
Carriageway & Footway maintenance	750	
Rights of Way	15	
Traffic Signal Replacement	292	
Highways Maintenance £90m	492	
Pothole Funding	-967	
Footways	165	
Waste - North Cambridge HWRC	917	
Waterbeach Waste Treatment Facilities	-482	
Swaffham Prior Community Heat Scheme	2,550	
Alconbury Civic Hub Solar Car Ports	158	
St Ives Smart Energy Grid Demonstrator scheme	-672	
Babraham Smart Energy Grid	2,699	
Stanground Closed Landfill Energy Project	130	
North Angle Solar Farm, Soham	5,585	
Fordham Renewable Energy Network Demonstrator	194	
Environment Fund - Decarbonisation Fund - School Low Carbon Heating Programme		
Environment Fund - EV Chargepoints		
Environment Fund - Oil Dependency	-82	
Environment Fund - Climate Innovation	58	
Cambridge Electric Vehicle Chargepoints	15	
School Ground Source Heat Pump Projects	143	
Guided Busway	22	
Fendon Road Roundabout	140	

	£'000	Comment
Ring Fort path	358	
S106 Cherry Hinton Road	99	
Scheme Development for Highway Initiatives	424	
Wisbech Town Centre Access Study	101	
Wheatsheaf Crossroads	160	
March FHSF and MATS Broad Street	56	
St Neots Future High St Fund	551	
March Area Transport Study - Main scheme	713	
St Ives local Improvements - CPCA	880	
A141 and St Ives Improvement - CPCA	472	
A10 Ely to A14 Improvements - CPCA	427	
Transforming Cities Fund	-57	
<b>Total carry forward</b>	<b>19,671</b>	
<b>Revised phasing</b>		
Delivering the Transport Strategy Aims	-704	Schemes to be completed in 24/25
Waste - North Cambridge HWRC	-1,597	
Waterbeach Waste Treatment Facilities	-6,000	
Swaffham Prior Community Heat Scheme	-250	
St Ives Smart Energy Grid Demonstrator scheme	-117	
Babraham Smart Energy Grid	-233	
Stanground Closed Landfill Energy Project	-2,580	
Woodston Closed Landfill Energy Project	135	
North Angle Solar Farm, Soham	-788	
Fordham Renewable Energy Network Demonstrator	-153	
Environment Fund - Decarbonisation Fund - Council building Low Carbon Heating	836	
Environment Fund – Decarbonisation Fund – School Low Carbon Heating	281	
Environment Fund – Decarbonisation Fund – School Education Capital	1,729	
Environment Fund - Oil Dependency	120	
Environment Fund - Climate Innovation	-225	
Cambridge Cycling Infrastructure	-203	Schemes to be completed in 24/25
King's Dyke	-3,150	Expected income from painshare
Wheatsheaf Crossroads	1,175	
March FHSF and MATS Broad Street	-1,380	
St Neots Future High St Fund	-2,926	
March Area Transport Study - Main scheme	-377	
St Ives local Improvements - CPCA	-380	
A141 and St Ives Improvement - CPCA	-1,621	
A10 Ely to A14 Improvements - CPCA	-584	
Connecting Cambridgeshire	-337	
<b>Total rephasing</b>	<b>-19,525</b>	
<b>New funding</b>		
Delivering the Transport Strategy Aims	-1,030	3 schemes initially expected to be funded by National Highways will no longer happen.
Boxworth to A14 Cycle Route	-550	
Hilton to Fenstanton Cycle Route	-500	

	£'000	Comment
Buckden to Hinchingsbrooke Cycle Route	-780	Now managed by CPCA, so funding to be returned.
Smarter Travel Management - Real Time Bus Information	-118	
Babraham Smart Energy Grid	-245	
North Angle Solar Farm, Soham	90	
Treescape Fund (Natural capital)	31	
March FHSF and MATS Broad Street	1,869	
March Area Transport Study - Main scheme	962	
Witchford A10 NMU - CPCA	100	
Transforming Cities Fund	2,860	Additional funding via CPCA
		Funding agreed by S&R Committee to improve the southern section of the
Guided Busway - Widening of footpath	2,891	Busway
<b>Total new funding</b>	<b>5,580</b>	