

Finance Monitoring Report – Outturn 2023-2024

To:	Environment and Green Investment Committee
Meeting Date:	11th July 2024
From:	Executive Director of Place and Sustainability Executive Director of Finance and Resources
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	The report is presented to provide Committee with an opportunity to note and comment on the outturn for 2023/2024.
Recommendation:	The Committee is recommended to review and comment on the report.

Officer contact:
Name: Sarah Heywood
Post: Strategic Finance Manager
Email: sarah.heywood@cambridgeshire.gov.uk

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 is intended to give Committee an update on the financial position of Place and Sustainability Directorate and detail forecast pressures and underspends across the different services and an explanation for variances.
- 2.2 The Outturn Report attached provides the financial position for the whole of Place and Sustainability Directorate, and as such, not all of 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 P&S was forecasting a £1.8m overspend, at a summary level made up of a £4m pressure on the Energy Schemes (mainly due to the delayed grid connection for Noth Angle Solar Farm) partly offset by an over-achievement of Highways Development Management Income and Traffic Management Income as well as many smaller over- and under-spends.

The Waste Service was forecasting a pressure of £1.845m which was fully offset by the planned transfer from reserves, so creating a net-nil impact on the bottom line.

However, Between February and year-end it was decided to change how we report some aspects of the waste budget expenditure. These two changes, as described below, have created an additional pressure for P&S of £2.2m.

- (1) The waste budget year-end position reflects additional disposal costs for waste. These costs are due to the cessation of waste processing operations at the waste plants and diversion to landfill/third parties for processing. Some of these additional costs have been partly offset by the Waste Private Finance Initiative (PFI) contract cost reductions which were agreed with Thalia through a commercial agreement. However, additional operational savings were anticipated and forecast for when the detailed financial model was shared and evaluated, but because the priority is now finalising a new operational model it has been decided that the calculation of these operational savings will be wrapped up with the contractual change negotiations and on this basis it was considered prudent not to accrue for them at year-end, creating an additional variance of £800K.
- (2) In addition, a review of the expenditure for feasibility work charged to both capital and revenue for potential BATc works has been undertaken. Given the update of the options assessment and decisions taken by the EGI Committee to progress with a revised strategy £1.2m of these costs that were charged to capital have now been

moved to revenue. On the capital side, this has created an equivalent amount of underspend.

The impact of these two changes in approach for Waste expenditure has created a new £2.2m pressure in excess of previous forecasts.

- 3.2 The above waste changes and various mainly offsetting changes in other areas, has moved P&S from a forecast outturn in February of £1.8m to an actual outturn position of £4.1m.
- 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 (FMR) Outturn 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 The Savings Tracker for 23/24 is in Appendix 4 of the FMR Outturn 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 Place and Sustainability.

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