



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>25 MARCH 2020</b>	<b>PUBLIC REPORT</b>

## **BUDGET MONITOR UPDATE**

### **1.0 PURPOSE**

- 1.1 This report provides an update of the 2019/20 financial position as at 31<sup>st</sup> January 2020 and keeps the Board informed of developments affecting the external audit of the 2019-20 accounts.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Lead Member for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Jon Alsop, Chief Finance Officer (Section 73 Officer)</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  a) note the updated financial position of the Combined Authority for the year.	<b>Voting arrangements</b>  A simple majority of members

### **2.0 BACKGROUND**

- 2.1. At its September 2019 meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2019/20. This report presents the progress made against these budgets along with any changes in line with subsequent Executive Committee and Board decisions.

- 2.2. Over the last quarter there has been substantial work undertaken to improve budget and expenditure monitoring within the Combined Authority. This has resulted in the formalisation of a monthly reporting cycle, improved internal financial reports, and regular meetings between project managers and Directors at which directorate finance leads provide support and challenge.
- 2.3. This process has resulted in more robust forecasting for the 2019-20 financial year, as well as enabling more effective contract and supplier management within the delivery Directorates.
- 2.4. Between March and June 2020 a detailed analysis of underspends will take place across the Combined Authority to establish where underspends represent an actual saving against expected costs, and therefore releases funding to be reallocated based on the Combined Authority's priorities, and where it represents slippage of project budgets, which do not change overall project budgets but instead represent a re-profiling of expenditure.
- 2.5. The Combined Authority Board reserves the power to authorise carry forward of budgets between financial years, therefore underspends will (where relevant) be presented to May Committees with the request to recommended underspends to the Combined Authority Board in June. The Board will then decide on which budgets to allow carry forward into 2020-21 and which should be recovered corporately for reallocation.

### **3.0 CHANGES TO REPORTING ARRANGEMENTS**

- 3.1. As the Executive Committees have embraced their role in monitoring projects and programmes at the operational level, the Combined Authority Board can place assurance on this and need only consider variances where they are material at a corporate level.
- 3.2. Excluding the Transport Levy expenditure, as the responsibility for delivering these services is currently passported to the Local Highways Authorities, the gross revenue budget for the Combined Authority for 2019-20 is £24.2m. A materiality limit of approximately 1% results in a threshold of £250k, thus variances below this level will not be reported in detail to the Combined Authority Board. As operational budgets are not reported to an Executive Committee a lower threshold of £100k is used to ensure a more operational level of oversight is maintained.
- 3.3. The capital programme for the 2019-20 financial year is £121.9m. Applying a similar materiality limit results in a threshold of £1.2m, however the vast majority of our capital projects have annual budgets significantly below this level. As such an alternative level of £500k has been taken to ensure reporting to the Board is meaningful.

### **4.0 REVENUE BUDGET**

- 4.1. A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the ten-month period to 31 January 2020, is set out in the

table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

<u>2019/20 Revenue</u>	<u>19-20 Budget (Nov) £'000</u>	<u>Budget Adjustments £'000</u>	<u>19-20 Budget (Jan) £'000</u>	<u>Actuals to 31 January 2019 £000</u>	<u>Forecast Outturn (Nov) £'000</u>	<u>Forecast Outturn (Jan) £'000</u>	<u>Change in Forecast Outturn £'000</u>	<u>Appendix 3 ref:</u>
<b>Income</b>								
Grant Income	(30,213.0)	0.0	(30,213.0)	(26,190.1)	(30,303.9)	(30,213.0)	-	
<b>Total Income</b>	<b>(30,213.0)</b>	<b>0.0</b>	<b>(30,213.0)</b>	<b>(26,190.1)</b>	<b>(30,303.9)</b>	<b>(30,213.0)</b>	<b>-</b>	
<b>Expenditure</b>								
Mayor's Office	379.9	0.0	379.9	306.2	368.0	368.2	0.2	
<b>Operational Budget:</b>								
Combined Authority Staffing	5,122.1	0.0	5,122.1	4,301.0	5,081.8	5,276.7	194.9	1
External Support Services	505.0	0.0	505.0	265.3	363.7	365.2	1.5	
Corporate Overheads	748.7	0.0	748.7	659.1	803.7	806.7	3.0	
Governance	205.0	0.0	205.0	99.5	143.3	143.3	-	
Election Provision	260.0	0.0	260.0	0.0	260.0	260.0	-	
Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	-	
Financing Costs/(Income)	(1,480.0)	0.0	(1,480.0)	(1,294.6)	(1,600.9)	(1,508.5)	92.4	
<b>Workstream/Programme Budget:</b>							<b>0.0</b>	
Transport	16,252.7	250.0	16,502.7	12,053.6	15,852.7	15,408.0	(444.7)	2,3
Business and Skills	9,669.0	0.0	9,669.0	6,201.2	9,324.6	8,722.2	(602.4)	4
Economic Strategy	2,907.0	-80.0	2,827.0	328.8	2,319.1	1,905.7	(413.4)	5
Strategy and Performance	498.0	0.0	498.0	277.4	405.9	368.0	(37.9)	
Housing	957.5	0.0	957.5	135.6	457.5	261.3	(196.2)	
<b>Total Expenditure</b>	<b>36,149.9</b>	<b>170.0</b>	<b>36,319.9</b>	<b>23,434.6</b>	<b>33,904.5</b>	<b>32,501.8</b>	<b>(1,402.7)</b>	
<b>Total (Income) less Total Expenditure</b>	<b>5,936.9</b>	<b>170.0</b>	<b>6,106.9</b>	<b>(2,755.5)</b>	<b>3,600.6</b>	<b>2,288.8</b>		

- 4.2. The Forecast Outturn in the table above shows a 'favourable' variance of forecast expenditure against budget of £3.8m (£36.3m - £32.5m).
- 4.3. There have been three changes to the budget since the position reported to the January Board: A decrease of £80k within Economic Strategy, and movement of £100k from the CAM OBC to fund the SOBC of the CAM arms both reflecting the decisions of the January Combined Authority Board. The updated budget also reflects a £250k virement from the capital programme to the revenue Transport budget reflecting the A10 feasibility study being brought in house and thus not being eligible for capitalisation.
- 4.4. 'Actual' figures for the period to 31 January 2020 are based on payments made and accrued expenditure where known. Actual expenditure has accelerated as the year has progressed, having increased by £5.35m from November to January – this behaviour is expected to continue which is reflected in the forecast £9.1m expenditure between January and March (£32.5m - £23.4m).
- 4.5. The current approved budget shows total revenue expenditure for the year of £36.3m against grant income receivable in year of £30.2m. The difference of £6.1m was to be funded by revenue reserves. The favourable £3.8m forecast outturn variance means that the draw on reserves will be reduced this year; however, any of these underspends which reflect a re-phasing of expenditure could result in a correspondingly higher than anticipated draw on reserves in 2020-21.
- 4.6. The majority of revenue grant income has been received 'in advance'. These funds have been apportioned to show the amount relevant to the ten-month period to 31st January 2020. Funding for the devolved Adult Education Budget (AEB) has been received but it is only applied to the academic year from September to March as this was the first year this funding was devolved.

4.7. The forecast underspend for the year has increased by £1.4m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below, full details of these variances, including relevant mitigations and responses, are included in Appendix 3.

- Combined Authority staffing: As a result of the recent staff restructuring exercise, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund to cover potential future pension liabilities has been provided for. (+£184k),
- A revised profile of expenditure on the Bus Review Implementation (-£650k),
- The A10 SOBC project being brought in house (+£250k),
- Provision of Adult Education courses by procured providers lagging behind the expected profile (-£596k)
- The Rural Communities Energy Hub Fund has awarded its first funding agreement to a project, however this award was made months later than planned due to delays with the governance structure being signed off by the Energy Hub Board. (-£300k)

## 5.0 CAPITAL BUDGET

5.1. The year to date 'Capital' position of the Combined Authority (as at 31<sup>st</sup> January) is shown at **Appendix 2**.

5.2. As with revenue budgets, reflecting the role of the Executive Committees, a corporate materiality limit has been established and only variances of £500k or more will be detailed in these reports going forward.

5.3. Many of the capital programmes show little or limited spend to date. These apparent underspends are due mainly to suppliers not yet having charged for services provided, or where commissioned activities are work in progress. In these cases the overall project lifetime costs are not decreasing and apparent underspends actually reflect delays in the project (slippage) rather than a reduction in the total project cost.

5.4. The forecast underspend for the year to March 2020 has increased by £11.8m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below. Full details of these variances, including relevant mitigations and responses, are included in Appendix 3.

- University of Peterborough Business Case is forecasting an underspend due to delays at the beginning of the financial year pushing costs back to 2020-21. (-£1,220k)
- The Wisbech Garden Town business case development has been put on hold pending further work on the A47 dualling. (-£1,700k)
- Market Town Pump Priming expenditure is not forecast this year as the majority of the masterplans were only completed in the current quarter. (-£500k)

- Cambridge City Housing Programme is running behind profile however the delivery partner is confident that this will not result in an underspend across the total programme lifetime. (-£1,710k)
- The Affordable Housing Programme has revised back its expenditure profile due to a number of drawdowns scheduled for Q4 2019-20 being delayed into 2020-21. The total value of approved schemes within the £40m revolving fund is over £40m, with a peak drawdown of £35m (-£2,780k)
- A47 Junction 18 Improvements is back on track to spend to profile after anticipated delays have been avoided. (£850k)
- A605 Stanground East was forecasting a saving due to an alternative delivery option, unfortunately this option has proved too complex and thus the project has reverted to its original plan. (550k)
- The Agri-Tech Programme has revised down its forecast spend in line with the January Combined Authority Board decision to reduce its total funding. (-£2,780k)
- Project Living Cell's initial loan drawdown is now anticipated in Q1 2020-21 due to delays in contract negotiation. (-£1,350k)

## 6.0 2019-20 EXTERNAL AUDIT

- 6.1. The audit of the Combined Authority's 2018-19 accounts was completed in October 2019, three months after the statutory deadline in Audit and Accounts Regulations 2015 for publishing final accounts of 31<sup>st</sup> July. The delay was due to our external auditor's (EY) resourcing issues and did not reflect any issues with the Combined Authority's Statement of Accounts which were ultimately given a clean audit opinion.
- 6.2. The difficulties experienced by EY were reflective of a national issue affecting all public sector audits. EY have taken steps to address their resourcing issues through recruitment and retention, however they have informed us that issues are ongoing and will impact on the 2019/20 audit.
- 6.3. EY have established a phased approach to the Local Authority audits in the Cambridgeshire and Peterborough area which will result in all authorities fieldwork being completed between 12<sup>th</sup> June and the 16<sup>th</sup> October.
- 6.4. While the Combined Authority has been put into the earliest possible audit phase (18<sup>th</sup> May to the 12<sup>th</sup> June), and thus will have its audit fieldwork completed in time for the 31<sup>st</sup> July deadline. However, EY have indicated that they will not be providing any audit opinions until late September or October in order to be fair to authorities in later phases.
- 6.5. As such the high-level timeline for the 2019-20 audit of the accounts is expected to be:
  - 18th May – External audit fieldwork commences.
  - 31st May – Draft Accounts published on the Combined Authority's website.
  - 12th June – External audit fieldwork completes
  - Late September/October – Audit opinion provided

A draft audit plan is due to be presented by EY to the Audit and Governance Committee on 27<sup>th</sup> March

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1. There are no other financial implications other than those included in the main body of the report.

## **8.0 LEGAL IMPLICATIONS**

- 8.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
- 8.2. The Audit and Accounts Regulations 2015 require the Combined Authority to publish its statement of accounts for 2019/20 by 31 July 2020. As set out above in section 6 of this report, the current situation in the external audit sector and with the Combined Authority's external auditors means that this deadline will not be met. In these circumstances the Combined Authority will be required publish as soon as reasonably practicable on or after 31 July 2020 a notice stating that it has not been able to publish the statement of accounts and its reasons for this.

## **9.0 Significant Implications**

- 9.1. There are no other significant implications.

## **• APPENDICES**

Appendix 1 - Detailed breakdown of the revenue position for the year to 31<sup>st</sup> January 2020.

Appendix 2 – Capital position for the year to 31<sup>st</sup> January 2020

Appendix 3 – Detailed explanations of material variances

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	n/a



**Appendix 1: CPCA Revenue 2019/20**

	<b>19-20 Budget (Nov)</b>	<b>Budget Adjustments</b>	<b>19-20 Budget (Jan)</b>	<b>Actuals to 31 January 2020</b>	<b>Forecast Outturn (Nov)</b>	<b>Forecast Outturn (Jan)</b>	<b>Change in Forecast Outturn</b>	<b>Forecast Outturn Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>								
Gain Share Revenue	(8,000.0)		(8,000.0)	(6,666.7)	(8,000.0)	(8,000.0)	-	0.0
Mayoral Capacity Building Fund	(1,000.0)		(1,000.0)	(833.3)	(1,000.0)	(1,000.0)	-	0.0
Transport Levy (Passported to PCC and CCC)	(12,369.0)		(12,369.0)	(10,307.5)	(12,369.0)	(12,369.0)	-	0.0
Enterprise Zone Receipts	(138.0)		(138.0)	(115.0)	(138.0)	(138.0)	-	0.0
Growth Hub - BEIS	(246.0)		(246.0)	-	(246.0)	(246.0)	-	0.0
LEP Core Funding from BEIS	(500.0)		(500.0)	(416.7)	(500.0)	(500.0)	-	0.0
EZ contribution to LEP activity	(250.0)		(250.0)	(208.3)	(250.0)	(250.0)	-	0.0
CPCA LIS Implementation (LEP Capacity Funding)	(200.0)		(200.0)	(166.7)	(200.0)	(200.0)	-	0.0
AEB implementation Grant	(40.6)		(40.6)	(40.6)	(40.6)	(40.6)	-	0.0
AEB Devolved Funding	(7,253.5)		(7,253.5)	(7,253.5)	(7,253.5)	(7,253.5)	-	0.0
EU Exit Funding	(90.9)		(90.9)	(181.8)	(181.8)	(181.8)	-	-90.9
Careers and Enterprise Company (CEC) Funding	(125.0)		(125.0)	0.0	(125.0)	(125.0)	-	0.0
<b>Total Income</b>	<b>(30,213.0)</b>	<b>0.0</b>	<b>(30,213.0)</b>	<b>(26,190.1)</b>	<b>(30,303.9)</b>	<b>(30,303.9)</b>	<b>-</b>	<b>(90.9)</b>
<b>Expenditure</b>								
<b>Mayor's Office</b>								
Mayor's Allowance	85.0		85.0	97.3	85.0	85.0	0.0	0.0
Mayor's Office Expenses	25.0		25.0	27.3	25.0	25.0	0.0	0.0
Mayor's Office Accommodation	52.4		52.4	37.0	52.4	52.4	0.0	0.0
Mayor's Office Staff	217.5		217.5	144.6	205.6	205.8	0.2	(11.7)
<b>Total Mayoral Costs</b>	<b>379.9</b>	<b>0.0</b>	<b>379.9</b>	<b>306.2</b>	<b>368.0</b>	<b>368.2</b>	<b>0.2</b>	<b>(11.7)</b>
<b>Combined Authority Staffing Costs</b>								
Salaries								
Chief Executive	269.0		269.0	252.2	272.1	272.1	-	3.1
Business and Skills	1,655.2		1,655.2	1,271.9	1,615.2	1,615.2	-	(40.0)
Delivery and Strategy	1,217.6		1,217.6	953.5	1,153.0	1,153.0	-	(64.6)
Housing	362.0		362.0	288.6	315.9	326.8	10.9	(35.2)
Corporate Services	1,408.3		1,408.3	1,383.7	1,515.6	1,515.6	-	107.3
Travel	100.0		100.0	101.5	100.0	100.0	0.0	0.0
Restructure Costs	0.0		0.0	-	-	184.0	184.0	184.0
Apprenticeship Levy	10.0		10.0	0.0	10.0	10.0	0.0	0.0
Training, Conferences & Seminars	100.0		100.0	49.6	100.0	100.0	0.0	0.0
<b>Total Combined Authority Staffing Costs</b>	<b>5,122.1</b>	<b>0.0</b>	<b>5,122.1</b>	<b>4,301.0</b>	<b>5,081.8</b>	<b>5,276.7</b>	<b>194.9</b>	<b>154.6</b>

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Jan)	0	Actuals to 31 January 2020	Forecast Outturn (Nov)	Forecast Outturn (Jan)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<b><u>Externally Commissioned Support Services</u></b>									
External Legal Counsel	200.0		200.0		45.7	60.0	60.0	-	(140.0)
Finance Service	90.0		90.0		48.4	90.0	90.0	0.0	0.0
Democratic Services	90.0		90.0		91.5	90.0	91.5	1.5	1.5
Payroll	10.0		10.0		5.7	8.0	8.0	-	(2.0)
HR	25.0		25.0		11.2	25.0	25.0	0.0	0.0
Procurement	25.0		25.0		3.5	25.0	25.0	0.0	0.0
Finance System	15.0		15.0		15.7	15.7	15.7	0.0	0.7
ICT external support	50.0		50.0		43.5	50.0	50.0	0.0	0.0
<b>Total Externally Commissioned Support Services</b>	<b>505.0</b>	<b>0.0</b>	<b>505.0</b>		<b>265.3</b>	<b>363.7</b>	<b>365.2</b>	<b>1.5</b>	<b>(139.8)</b>
<b><u>Corporate Overheads</u></b>									
Accommodation Costs	339.2		339.2		323.0	339.2	339.2	0.0	0.0
Software Licences, Mobile Phones cost etc.	20.0		20.0		18.0	20.0	20.0	0.0	0.0
Communications	50.0		50.0		33.5	50.0	50.0	0.0	0.0
Website Development	29.5		29.5		0.0	29.5	29.5	0.0	0.0
Recruitment Costs	160.0		160.0		162.8	185.0	185.0	0.0	25.0
Insurance	30.0		30.0		28.2	30.0	30.0	0.0	0.0
Audit Costs	85.0		85.0		30.8	85.0	85.0	0.0	0.0
Office running costs	25.0		25.0		25.7	25.0	28.0	3.0	3.0
Corporate Subscriptions	10.0		10.0		37.1	40.0	40.0	0.0	30.0
<b>Total Corporate Overheads</b>	<b>748.7</b>	<b>0.0</b>	<b>748.7</b>		<b>659.1</b>	<b>803.7</b>	<b>806.7</b>	<b>3.0</b>	<b>58.0</b>
<b><u>Governance Costs</u></b>									
Committee/Business Board Allowances	185.0		185.0		99.5	123.3	123.3	-	(61.7)
Meeting Costs	0.0		0.0		0.0	0.0	0.0	0.0	0.0
Governance Projects	20.0		20.0		0.0	20.0	20.0	0.0	0.0
<b>Total Governance Costs</b>	<b>205.0</b>	<b>0.0</b>	<b>205.0</b>		<b>99.5</b>	<b>143.3</b>	<b>143.3</b>	<b>-</b>	<b>(61.7)</b>
<b><u>Election Costs</u></b>									
Election costs	260.0		260.0		0.0	260.0	260.0	0.0	0.0
<b>Total Election Costs</b>	<b>260.0</b>	<b>0.0</b>	<b>260.0</b>		<b>0.0</b>	<b>260.0</b>	<b>260.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Capacity Funding</u></b>									
Capacity Funding	125.0		125.0		101.6	125.0	125.0	0.0	0.0
<b>Total Capacity Funding</b>	<b>125.0</b>	<b>-</b>	<b>125.0</b>		<b>101.6</b>	<b>125.0</b>	<b>125.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Financing Costs</u></b>									
Interest Receivable on Investments	(1,480.0)		(1,480.0)		(1,294.6)	(1,600.9)	(1,508.5)	92.4	(28.5)
<b>Total Financing Costs</b>	<b>(1,480.0)</b>	<b>0.0</b>	<b>(1,480.0)</b>		<b>(1,294.6)</b>	<b>(1,600.9)</b>	<b>(1,508.5)</b>	<b>92.4</b>	<b>(28.5)</b>
<b>Total Operational Expenditure</b>	<b>5,485.8</b>	<b>-</b>	<b>5,485.8</b>		<b>4,131.7</b>	<b>5,176.6</b>	<b>5,468.4</b>	<b>291.8</b>	<b>(17.4)</b>



	<u>19-20 Budget</u> <u>(Nov)</u>	<u>Budget</u> <u>Adjustments</u>	<u>19-20 Budget</u> <u>(Jan)</u>	<u>Actuals to 31</u> <u>January 2020</u>	<u>Forecast</u> <u>Outturn (Nov)</u>	<u>Forecast</u> <u>Outturn (Jan)</u>	<u>Change in</u> <u>Forecast</u> <u>Outturn</u>	<u>Forecast</u> <u>Outturn</u> <u>Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Workstream Revenue Budgets</u></b>								
<b><u>Transport</u></b>								
CAM OBC	1,907	-100	1,807	1,043	1,907	1,807	(100.0)	0.0
CAM arms SOBC	0	100	100	0	0	100	100.0	0.0
A10 SOBC	0	250	250	75	0	250	250.0	-
A14 Revenue Feasibility	150		150	0	0	0	-	(150.0)
Huntingdon 3rd River Crossing	300		300	19	50	30	(20.0)	(270.0)
Bus Review Implementation	800		800	27	800	150	(650.0)	(650.0)
Cambridge South - Interim Concept	100		100	97	100	97	(3.0)	(3.0)
Transport Levy PCC	3,631		3,631	3,026	3,631	3,631	-	-
Transport Levy CCC	8,738		8,738	7,282	8,738	8,738	-	-
Local Transport Plan	377		377	316	377	355	(21.7)	(21.7)
Sustainable Travel	150		150	111	150	150	-	-
Schemes, Studies and Monitoring	100		100	58	100	100	-	-
<b>Total Transport</b>	<b>16,253</b>	<b>250</b>	<b>16,503</b>	<b>12,054</b>	<b>15,853</b>	<b>15,408</b>	<b>(444.7)</b>	<b>(1,094.7)</b>
<b><u>Business and Skills</u></b>								
Work Readiness Programme (Hamptons)	110.0		110.0	109.7	83.2	109.6	26.4	(0.4)
Skills Brokerage	344.2		344.2	183.9	344.2	309.6	(34.6)	(34.6)
University of Peterborough Taught Degree Awarding Powers	201.9		201.9	182.9	190.0	190.8	0.8	(11.1)
University of Peterborough	235.0		235.0	238.3	235.0	235.0	0.0	0.0
Skills Strategy Programme Delivery	150.0		150.0	148.0	150.0	148.0	-2.0	-2.0
AEB Devolution programme - Grant	5,576.3		5,576.3	4,639.2	5,576.3	5,576.3	0.0	0.0
AEB Devolution programme - ITP	1,282.3		1,282.3	274.1	1,000.0	404.0	(596.0)	(878.3)
AEB Programme Costs	115.4		115.4	85.5	100.0	95.0	(5.0)	(20.4)
Health and Care Sector Work Academy	1,500.0		1,500.0	267.1	1,500.0	1,500.0	0.0	0.0
EU Exit Funding	90.9		90.9	30.2	90.9	90.9	0.0	0.0
Growth Company Development	63.0		63.0	42.4	55.0	63.0	8.0	-
<b>Total Business and Skills</b>	<b>9,669.0</b>	<b>0.0</b>	<b>9,669.0</b>	<b>6,201.2</b>	<b>9,324.6</b>	<b>8,722.2</b>	<b>(602.4)</b>	<b>(946.8)</b>
<b><u>Economic Strategy</u></b>								
Growth Hub	92.2		92.2	55.0	92.2	92.2	0.0	0.0
Market Town Strategy Implementation	200.0		200.0	75.5	150.0	102.6	(47.4)	(97.4)
Energy Hub	615.4		615.4	14.3	500.0	520.0	20.0	(95.4)
Rural Communities Energy Fund	1,052.5		1,052.5	0.0	800.0	500.0	(300.0)	(552.5)
St Neots Masterplan Revenue	171.9		171.9	45.6	171.9	171.9	0.0	0.0
Trade and Investment Programme	100.0		100.0	45.0	80.0	99.0	19.0	(1.0)
CPCA LIS Implementation	200.0		200.0	58.9	150.0	200.0	50.0	-
LEP Capacity Funding	400.0	- 80.0	320.0	19.3	300.0	145.0	(155.0)	(175.0)
Skills Advisory Panel (SAP)	75.0		75.0	15.2	75.0	75.0	0.0	0.0
<b>Total Economic Strategy</b>	<b>2,907.0</b>	<b>-80.0</b>	<b>2,827.0</b>	<b>328.8</b>	<b>2,319.1</b>	<b>1,905.7</b>	<b>(413.4)</b>	<b>(921.3)</b>

	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Jan)</u>	0	<u>Actuals to 31 January 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Jan)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<b><u>Strategy, Planning and Performance</u></b>									
Monitoring and Evaluation Framework	163.0		163.0		104.1	163.0	163.0	0.0	0.0
Public Service Reform	100.0		100.0		89.3	100.0	100.0	0.0	0.0
Non-Statutory Spatial Framework (Phase 2)	130.0		130.0		54.1	112.9	74.0	(38.9)	(56.0)
Cambridgeshire and Peterborough Land Commission	105.0		105.0		30.0	30.0	31.0	1.0	(74.0)
<b>Total Strategy and Performance</b>	<b>498.0</b>	<b>0.0</b>	<b>498.0</b>		<b>277.4</b>	<b>405.9</b>	<b>368.0</b>	<b>(37.9)</b>	<b>(130.0)</b>
<b><u>Housing</u></b>									
War Veterans Homelessness Support Grant	90.9		90.9		90.9	90.9	90.9	0.0	0.0
CLT / £100k Housing	166.6		166.6		40.9	166.6	166.6	0.0	0.0
Garden Villages	700.0		700.0		3.8	200.0	3.8	(196.2)	(696.2)
<b>Total Housing</b>	<b>957.5</b>	<b>0.0</b>	<b>957.5</b>		<b>135.6</b>	<b>457.5</b>	<b>261.3</b>	<b>(196.2)</b>	<b>(696.2)</b>
<b>Total Workstream expenditure</b>	<b>30,284.2</b>	<b>170.0</b>	<b>30,454.2</b>		<b>18,861.0</b>	<b>28,359.9</b>	<b>26,665.2</b>	<b>(1,694.7)</b>	<b>1,924.4</b>
<b><u>Total Revenue Expenditure</u></b>	<b>36,149.9</b>	<b>170.0</b>	<b>36,319.9</b>		<b>23,434.6</b>	<b>33,904.5</b>	<b>32,501.8</b>	<b>(1,402.7)</b>	<b>(3,818.1)</b>

**Appendix 2: CPCA Capital Programme - 2019/20**

<b>Capital</b>	<b>19-20 Budget (Nov)</b>	<b>Budget Adjustments</b>	<b>19-20 Budget (Jan)</b>	<b>Actuals to 31 Jan 2020</b>	<b>Forecast Outturn (Nov)</b>	<b>Forecast Outturn (Jan)</b>	<b>Change in Forecast Outturn</b>	<b>Forecast Outturn Variance</b>
	£m	£m	£m	£m	£m	£m	£m	£m
Kings Dyke CPCA Contribution	2.50		2.50	0.00	0.46	0.00	(0.46)	(2.50)
Cambridge South Station	0.75		0.75	0.00	0.75	0.75	0.00	0.00
A10 SOBC Capital	0.25	(0.25)	0.00	0.00	0.15	0.00	(0.15)	0.00
Peterborough University - Business case	1.52		1.52	0.14	1.52	0.30	(1.22)	(1.22)
Soham Station	0.95		0.95	0.03	0.95	0.95	0.00	0.00
St Neots River Crossing Cycle Bridge	0.60		0.60	0.00	0.45	0.03	(0.42)	(0.57)
St Neots Masterplan Capital	0.33		0.33	0.12	0.33	0.33	0.00	0.00
Wisbech Garden Town	1.75		1.75	0.05	1.75	0.05	(1.70)	(1.70)
Wisbech Rail	1.48		1.48	0.83	1.48	1.05	(0.43)	(0.43)
Wisbech Access Strategy	0.30		0.30	0.30	0.30	0.30	0.00	0.00
Digital Connectivity Infrastructure	0.84		0.84	0.29	0.84	0.62	(0.22)	(0.22)
A47 Dualling	0.41		0.41	0.11	0.41	0.31	(0.10)	(0.10)
<b>Total Committed Direct Control Expenditure</b>	<b>11.67</b>	<b>(0.25)</b>	<b>11.42</b>	<b>1.86</b>	<b>9.38</b>	<b>4.68</b>	<b>(4.70)</b>	<b>(6.74)</b>
<b>Costed but not Committed</b>								
Ely Rail Capacity next stage	1.00		1.00	0.00	0.00	0.00	0.00	(1.00)
Market Town pump priming	0.50		0.50	0.00	0.50	0.00	(0.50)	(0.50)
Coldhams Lane roundabout improvements	0.53		0.53	0.06	0.13	0.06	(0.07)	(0.47)
Eastern Industries Access - Phase 1	0.43		0.43	0.08	0.15	0.27	0.12	(0.16)
University Access	0.10		0.10	0.01	0.03	0.11	0.08	0.01
March junction improvements	1.08		1.08	0.31	0.50	0.55	0.05	(0.53)
Investment into CAM Innovation Company	0.30		0.30	0.00	0.30	0.30	0.00	0.00
Regeneration of Fenland Railway Stations	0.09		0.09	0.00	0.09	0.00	(0.09)	(0.09)
Regeneration of Fenland Railway Stations - Non Platforms	0.61		0.61	0.17	0.61	0.17	(0.44)	(0.44)
A1260 Nene Parkway Junction 15	0.36		0.36	0.12	0.10	0.35	0.25	(0.01)
A1260 Nene Parkway Junction 32-3	0.32		0.32	0.18	0.19	0.28	0.10	(0.04)
A141 Capacity enhancements	1.27		1.27	0.07	0.50	0.15	(0.35)	(1.12)
A16 Norwood Dualling	0.05	0.01	0.06	0.00	0.13	0.06	(0.07)	0.00
A505 Corridor	1.00		1.00	0.05	0.17	0.15	(0.02)	(0.85)
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.51		0.51	0.11	0.40	0.54	0.14	0.03
<b>Schemes Previously Identified and Costed Total</b>	<b>8.15</b>	<b>0.01</b>	<b>8.16</b>	<b>1.16</b>	<b>3.80</b>	<b>2.99</b>	<b>(0.81)</b>	<b>(5.17)</b>

<u>Passported</u>	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Jan)</u>
	£m	£m	£m
<b><u>Passported</u></b>			
Cambridge City Housing Programme	20.61		20.61
Housing Affordable Housing Programme	41.18		41.18
Highways Maintenance Capital Grants	23.08		23.08
A47 J18 improvements	3.85		3.85
A605 Stanground East (whittlesea Access)	2.80		2.800
<b>Passported/Ringfenced Total</b>	<b>91.52</b>	<b>0.00</b>	<b>91.52</b>
<b><u>Growth Funds</u></b>			
King's Dyke Crossing (Growth Fund)	0.78		0.78
A428 Cambourne to Cambridge	0.00		0.00
Ely Area Capacity Enhancements	2.32		2.32
In Collusion	0.02		0.02
Wisbech Access Strategy - Delivery Phase	1.00		1.00
Agri-tech	3.69	(2.69)	1.00
M11 Junction 8	0.00		0.00
Soham Station Feasibility	1.00		1.00
Haverhill Innovation Centre	1.35		1.35
Small Grants Programme	0.10		0.10
Whittlesea and Manea Railway Stations	0.03		0.03
iMET Phase 3	0.30		0.30
Lancaster Way Phase 2	0.15		0.15
TeraView Loan	0.12		0.12
Project Living Cell	1.35		1.35
Capital Growth Grant Scheme	0.00	0.20	0.20
Illumina Accelerator Global Expansion	1.00		1.00
<b>Growth Funds Total</b>	<b>13.21</b>	<b>(2.49)</b>	<b>10.72</b>
<b>Total</b>	<b>124.55</b>	<b>(2.73)</b>	<b>121.82</b>

<u>Actuals to 31 Jan 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Jan)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
£m	£m	£m	£m	£m
9.90	20.61	18.90	(1.71)	(1.71)
25.18	34.18	31.40	(2.78)	(9.78)
18.83	23.54	23.54	0.00	0.46
2.10	3.00	3.85	0.85	0.00
0.26	0.36	0.91	0.55	(1.89)
<b>56.27</b>	<b>81.69</b>	<b>78.60</b>	<b>(3.09)</b>	<b>(12.92)</b>
0.55	0.45	0.64	0.19	(0.14)
0.00	0.00	0.00	0.00	0.00
0.86	1.50	1.16	(0.34)	(1.16)
0.02	0.02	0.02	0.00	0.00
0.36	1.00	0.51	(0.49)	(0.49)
0.61	2.00	0.70	(1.30)	(0.30)
0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	0.00	0.00
0.67	1.60	1.49	(0.11)	0.14
0.14	0.06	0.06	0.00	(0.04)
0.00	0.03	0.03	0.00	0.00
0.00	0.00	0.00	0.00	(0.30)
0.00	0.15	0.15	0.00	0.00
0.12	0.12	0.12	0.00	0.00
0.00	1.35	0.00	(1.35)	(1.35)
0.03	0.00	0.20	0.20	0.00
0.00	0.00	0.00	0.00	(1.00)
<b>4.34</b>	<b>9.28</b>	<b>6.08</b>	<b>(3.19)</b>	<b>(4.64)</b>
<b>63.63</b>	<b>104.14</b>	<b>92.35</b>	<b>(11.79)</b>	<b>(29.47)</b>



### Appendix 3 – Detailed explanations of material variances

#### Operational Revenue Variances >£100k

<b>1. Restructure Costs</b>		Change in forecast expenditure	<b>£184k</b>
2019-20 Budget	<b>£0k</b>	Forecast expenditure	<b>£184k</b>
<p>As a result of the restructure exercise at the beginning of the financial year, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund for a provision to cover anticipated future pension liabilities has been required by the Authority's actuaries.</p>			

#### Workstream Revenue Variances >£250k

<b>2. Bus Review Implementation</b>		Change in forecast expenditure	<b>(£650k)</b>
2019-20 Budget	<b>£800k</b>	Forecast expenditure	<b>£150k</b>
<p>A new permanent project manager has been put in place of this programme and has undertaken a complete review of the planned programme. This has resulted in a re-phasing of the project expenditure, to include additional bus services between Cambourne and Cambridge. The programme is still expected to deliver to it's original budget over the 12 month implementation period.</p>			

<b>3. A10 SOBC</b>		Change in forecast expenditure	<b>£250k</b>
2019-20 Budget	<b>£250k</b>	Forecast expenditure	<b>£250k</b>
<p>The delivery of the A10 strategic outline business case has been taken in-house from the original delivery partner to accelerate delivery. The Combined Authority cannot capitalise this expenditure thus funding has been allocated from revenue sources, there is a corresponding decrease in the capital programme.</p>			

<b>4. Adult Education Budget - ITP</b>		Change in forecast expenditure	<b>(£596k)</b>
2019-20 Budget	<b>£1,282k</b>	Forecast expenditure	<b>£404k</b>
<p>The AEB team have been working with providers to understand the reasons for the underspend, and providers have highlighted that it is due to it taking time for them to gain traction in the market as this is the first 6 months of the new devolved regime; however, providers remain confident that they can</p>			

deliver the total number of contracted courses within the academic year.

The contracts with the providers are for a number of courses to be run over the academic year, and providers are forecasting to over deliver in the latter part of the academic year to make up for slow take up in the earlier part. Various avenues are being considered to mitigate continued potential underspend including providing additional funding to those providers who are currently achieving their targets (over-committing) and reviewing the terms of the AEB funding to establish other projects which could be funded.

<b>5. Rural Communities Energy Fund</b>		Change in forecast expenditure	<b>(£300k)</b>
2019-20 Budget	<b>£1,053k</b>	Forecast expenditure	<b>£500k</b>
<p>There have been continued delays in the Energy Hub Board agreeing the governance structure required to award the RCEF to projects, this has delayed the majority of fund expenditure into future years. The governance system is now in place and the first funding award has been made, as such there should be no further slippage.</p> <p>The Department for Business, Energy &amp; Industrial Strategy (BEIS) has set a deadline of March 2021 for all the funds to be committed. If this is not met the Energy Hub and the Combined Authority can work with BEIS to see if an alternative use can be agreed. Otherwise under-allocated grant must be repaid to BEIS.</p> <p>It is anticipated that the Energy Hub will transfer to another Local Authority from the Combined Authority in 2020-21, and thus the RCEF will also be transferred.</p>			

#### Capital Variances >£500k

<b>6. University of Peterborough Business Case</b>		Change in forecast expenditure	<b>-£1,220k</b>
2019-20 Budget	<b>£1,520k</b>	Forecast expenditure	<b>£300k</b>
<p>The University of Peterborough Outline Business Case (OBC) has been approved with the Full Business Case (FBC) being presented in financial year 2020-21. Due to delays in this project at the beginning of the financial year, a large portion of the capital expenditure that was programmed for 2019-20 is now expected in 2020-21, thus resulting in the need for budget reprofiling</p>			

<b>7. Wisbech Garden Town</b>		Change in forecast expenditure	<b>-£1,700k</b>
2019-20 Budget	<b>£1,750k</b>	Forecast expenditure	<b>£50k</b>

The development of the Wisbech Garden Town business case is dependant on certainty around the location and timing of the A47 upgrade. As such, the development of the business case has been put on hold pending further progress in delivering the A47 upgrade.

<b>8. Market Town Pump Priming</b>		Change in forecast expenditure	<b>-£500k</b>
2019-20 Budget	<b>£500k</b>	Forecast expenditure	<b>£0k</b>

As the majority of these plans have only been approved in 2020 there has been nothing spent to date. As the plans are now in place it is anticipated that projects will start to come forward, but it is unlikely that these will commence spending prior to April 2020. As the Combined Authority has communicated to the Market Towns an overall capital budget of £5m of seed funding to pump-prime projects, the June Board will be asked to approve carrying this budget forward.

<b>9. Cambridge City Housing Programme</b>		Change in forecast expenditure	<b>-£1,710k</b>
2019-20 Budget	<b>£20,610k</b>	Forecast expenditure	<b>£19,900k</b>

This programme is managed and delivered by Cambridge City Council who have indicated that the project's expenditure is running behind profile. The City Council is confident that they will still utilise the entirety of the £70m within the programme lifetime.

<b>10. Affordable Housing Programme</b>		Change in forecast expenditure	<b>-£2,780k</b>
2019-20 Budget	<b>£41,180</b>	Forecast expenditure	<b>£31,400k</b>

A number of the schemes that were due to draw down in Q4 2019-20 have been delayed and will instead draw down in 2020-21.  
As has been reported to the Housing Committee the overall maximum drawdown of the £40m housing fund is c.£35m with more than £40m of total schemes included in the programme.

<b>11. A47 Junction 18 Improvements</b>		Change in forecast expenditure	<b>£850k</b>
2019-20 Budget	<b>£3,850k</b>	Forecast expenditure	<b>£3,850k</b>

This project had been forecast to slip, but the delivery partner has indicated that it is now back on track and will spend on profile.

<b>12. A605 Stanground East</b>		Change in forecast expenditure	<b>£550k</b>
2019-20 Budget	<b>£2,800k</b>	Forecast expenditure	<b>£910k</b>
<p>The project has been delayed due to a gas main identified in the centre of the junction to be improved, the utility company is now carrying out a detailed design and costing exercise to give a better idea of the costs of the diversion works. Design of alternative options was considered, with a potential cost saving, but due to complexity of this option the original option will now be progressed.</p>			

<b>13. Agri-Tech Programme</b>		Change in forecast expenditure	<b>-£2,780k</b>
2019-20 Budget	<b>£1,000</b>	Forecast expenditure	<b>£700k</b>
<p>The January Combined Authority Board approved a reduction in the Agri-tech Programme of £4.5m due to the programme not anticipating the required spending before the deadline, due to it's funding source, of March 2021. This reduction in forecast is in line with the recommendation to the January Board.</p>			

<b>14. Project Living Cell</b>		Change in forecast expenditure	<b>-£1,350k</b>
2019-20 Budget	<b>£1,350</b>	Forecast expenditure	<b>£0k</b>
<p>Due to delays in contract negotiation the loan drawdown for this project is now anticipated in Q1 2020-21.</p>			