



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
26 JUNE 2019	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an update of the 2019-20 budget position reflecting the Board's decision in May to authorise the carry forward of identified revenue and capital balances from the year ended 31 March 2019.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Portfolio for Investment and Finance
Lead Officer:	Jon Alsop, Section 73 Officer
Forward Plan Ref: Not applicable Key Decision: No	
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year b) note the status of the Statement of Accounts for 2018/19	Voting arrangements N/A

2.0 BACKGROUND

Budget 2019/20 Update

- 2.1. At its January 2019 meeting the CPCA Board approved the Medium Term Financial Plan, including balanced revenue and capital budgets for 2019-20. The Board decision on the 27th May 2019 amended this budget by approving the carry forward of identified underspends from 2018/19 based on the

provisional outturn position for the Combined Authority for the year ended 31 March 2019. This paper presents the revised budgetary position for the 2019-20 financial year.

REVENUE BUDGET

2.2. A summary of the revenue budgetary position of the Authority is shown in the table below, a more detailed breakdown of forecast income and expenditure for the year is shown at **Appendix 1**.

2019/20 Revenue	Original Budget per MTFP (£'000)	Agreed 18/19 Carry Forward (£'000)	Revised 2019 20 Budget (£'000)	Para ref:
Income				
Grant Income	(23,099.2)	0.0	(23,099.2)	
Total Income	(23,099.2)	0.0	(23,099.2)	
Expenditure				
Mayor's Office	353.7	0.0	353.7	
Operational Budget:				
Combined Authority Staffing	5,045.2	0.0	5,045.2	
External Support Services	375.0	0.0	375.0	
Corporate Overheads	474.2	0.0	474.2	
Governance	67.0	0.0	67.0	
Election Provision	260.0	0.0	260.0	
Financing Costs	(800.0)	0.0	(800.0)	
Capacity Funding	125.0	0.0	125.0	2.6(a)
Workstream/Programme Budget:				
Non-transport Feasibility Studies	1,000.0	0.0	1,000.0	2.6(b)
Transport Feasibility Studies	500.0	0.0	500.0	2.6(b)
Transport	3,850.0	323.5	4,173.5	2.4(a)
Business and Skills	11,766.1	63.0	11,829.1	2.4(b)
Economic Strategy	539.9	18.9	558.8	2.4(c)
Strategy and Performance	505.9	211.0	716.9	2.4(d)
Total Expenditure	24,062.0	616.4	24,678.4	
Total (Income) less Total Expenditure	962.8	616.4	1,579.2	

2.3. The revised budget position for the year to 31 March 2020, as shown in the table above, indicates an expected drawdown from revenue reserves for the year of £1,579.2k. This is made up of the original revenue budget for the year of £962.8k as set out in the approved Medium-Term Financial Plan (MTFP) and the £616.4k of identified carry forwards to specific budgets as approved at the May 2019 Board. As the increase in drawdown is due to carried forward underspends from the previous financial year, there is no additional call on the Combined Authority's revenue reserves as a result of these changes.

2.4. The approved revenue carry forwards from 2018/19 to 2019/20 were as follows:

- (a) Transport: £323.5k, which is made up of £196.5k towards the feasibility project for the Huntingdon Strategic River Crossing, which was approved by the Board in March 2019, and £127k towards the next stage of the development of the Cambridge Autonomous Metro.
- (b) Business and Skills: £63k to fund future Local Industrial Strategy (LIS) and Skills Strategy objectives.
- (c) Economic Strategy: £18.9k towards the ongoing development of Market Town masterplans
- (d) Strategy and Performance: £111.5k for phase 2 of the Strategic Spatial Framework and the requirement of the Board for the Non-Statutory Spatial Framework to reflect the recommendations of the CPIER report and the Local Transport Plan, £80k to continue the work of the land Commission in 2019/20, and £19.5k towards the continuing development of a new corporate website.

2.5. The summary headings included under 'Workstream/Programme budget' in the table above have been updated to reflect the new Directorate structure that is being implemented following the Chief Executives' recent review of the organisation. The revised headings will provide a greater degree of accountability over areas of the budget to specific Directors and Heads of service.

2.6. There are three budget lines in the summary table which are new in 2019/20. These are 'Capacity Funding', 'Non-transport Feasibility Studies' and 'Transport Feasibility Studies'. The operation of these funds, approved in the Medium Term Financial Plan (MTFP) are as follows:

- (a) Capacity Funding – The CPCA will be required to develop emerging concepts that are not currently known. Allocating this funding ensures the organisation has some flexibility to react to emerging issues and central Government policy, and to provide funding to enable the development of new ideas. Utilisation of this funding will require the approval of the Chief Executive.
- (b) The two elements of Feasibility Study Funding, for 'Transport' and for 'non-Transport', will allow the CPCA some scope to meet emerging demands throughout the year within a defined budget. These budgets can only be awarded by CPCA Board approval. As the Board allocates funding these budgets will reduce, and new lines will be added to the relevant directorate for the projects/programmes which have been awarded funding. Changes to these budget lines will be reported in Budget Update reports throughout the year.

CAPITAL PROGRAMME

- 2.7. A table of our priority capital projects, reflecting agreed carry forwards, is included below and the full updated 2019-20 capital programme of the Combined Authority is shown at **Appendix 2**.

	<u>Original</u> <u>Budget per</u> <u>MTFP/ £m</u>	<u>Agreed</u> <u>18/19 Carry</u> <u>Forward/</u> <u>£m</u>	<u>Revised</u> <u>2019-20</u> <u>Budget/</u> <u>£m</u>	<u>Budget</u> <u>2020-21/</u> <u>£m</u>	<u>Budget</u> <u>2021-22/</u> <u>£m</u>
CPCA Priority Capital Programme					
<u>Transport</u>					
Kings Dyke	6.00	(0.62)	5.38	6.00	5.80
Cambridge South Station	0.75	0.00	0.75	0.75	0.00
Soham Station GRIP 3 & Feasibility	1.95	0.00	1.95	0.00	0.00
Wisbech Rail	0.75	0.73	1.48	1.75	0.00
A47 Dualling	0.00	0.41	0.41	0.00	0.00
Total Transport Priority Schemes	9.45	0.52	9.97	8.50	5.80
<u>Housing</u>					
Cambridge City Housing Programme	21.91	1.51	23.42	27.78	4.67
Housing Infrastructure Programme	20.66	6.29	26.95	20.33	10.00
Housing Investment Fund	27.83	1.67	29.50	17.00	0.00
Total Housing Priority Schemes	70.40	9.47	79.87	65.11	14.67
<u>Business and Skills</u>					
Market Town pump priming	1.00	0.00	1.00	2.00	2.00
Peterborough University - Business case	1.45	0.30	1.75	1.41	9.74
Total Bus. and Skills Priority Schemes	2.45	0.30	2.75	3.41	11.74
Total Priority Capital Programme	82.30	10.29	92.59	77.02	32.21

- 2.8. The carried forward budgets in the capital programme indicate an update to the expenditure profiles as originally set out in the MTFP.
- 2.9. A review of the capital programme is currently being undertaken as part of a Business Plan/MTFP refresh exercise. A revised capital programme and profile will be presented to the Board as part of the mid-year review of the MTFP in September.
- 2.10. Kings Dyke exceeded its forecast 2018-19 allocation of Local Growth Funding – as this funding source is capped at a set amount for the project the overspend has been deducted from the 2019-20 allocation.

Statement of Accounts 2018/19

- 2.11. On 31 May, the Audit and Governance Committee received and reviewed the draft Statement of Accounts 2018/19, together with the draft Narrative Report and draft Annual Governance Statement. The draft Accounts were then published on the Combined Authority's website by the due date, 31 May 2019 along with the 'notice of the exercise of public rights'.
- 2.12. Ernst and Young LLP (EY) will now audit the 2018/19 accounts in accordance with their agreed audit plan with the final version of the Statement of Accounts

due to be published by 31 July 2019.

3.0 FINANCIAL IMPLICATIONS

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

4.0 LEGAL IMPLICATIONS

4.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

5.0 SIGNIFICANT IMPLICATIONS

5.1. There are no other significant implications.

6.0 APPENDICES

6.1 Appendix 1 - detailed breakdown of budgeted revenue income and expenditure for 2019-20.

6.2 Appendix 2 - Revised Capital programme budgets of the Combined Authority

<u>Source Documents</u>	<u>Location</u>
Combined Authority Board reports January 2019 and May 2019.	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/864/Committee/63/SelectedTab/Documents/Default.aspx https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/855/Committee/63/SelectedTab/Documents/Default.aspx

Appendix 1: CPCA Revenue 2019/20			
	Original Budget per MTFP £'000	Agreed 18/19 Carry Forward £'000	Revised 2019-20 Budget £'000
Expenditure			
Mayor's Office			
Mayor's Allowance	85.0		85.0
Mayor's Office Expenses	25.0		25.0
Mayor's Office Accommodation	52.4		52.4
Mayor's Office Staff	191.3		191.3
Total Mayoral Costs	353.7	0.0	353.7
Combined Authority Staffing Costs			
Salaries			
Chief Executive	246.2		246.2
Business and Skills	1,746.3		1,746.3
Transport	574.2		574.2
Housing	393.5		393.5
Strategy & Planning	680.2		680.2
Corporate Services	1,204.8		1,204.8
Travel	100.0		100.0
Training, Conferences & Seminars	100.0		100.0
Total Combined Authority Staffing Costs	5,045.2	0.0	5,045.2
Externally Commissioned Support Services			
Payments to LAs for services	300.0		300.0
Procurement	25.0		25.0
ICT external support	50.0		50.0
Total Externally Commissioned Support Services	375.0	0.0	375.0
Corporate Overheads			
Accommodation Costs	339.2		339.2
ICT consumables	20.0		20.0
Insurance	25.0		25.0
Audit Costs	70.0		70.0
Office running costs	20.0		20.0
Total Corporate Overheads	474.2	0.0	474.2
Governance Costs			
Committee/Business Board Allowances	47.0		47.0
Meeting Costs	10.0		10.0
Miscellaneous	10.0		10.0
Total Governance Costs	67.0	0.0	67.0
Election Costs			
Election costs	260.0		260.0
Total Election Costs	260.0	0.0	260.0
Capacity Funding			
Total Capacity Funding	125.0	0.0	125.00
Financing Costs			
Interest Receivable on Investments	(800.0)		(800.0)
Total Financing Costs	(800.0)	0.0	(800.0)
Total Operational Expenditure	5,546.4	0.0	5,546.4

	<u>Original Budget per MTFP £'000</u>	<u>Agreed Carry Forward £'000</u>	<u>Revised 2019-20 Budget £'000</u>
<u>Workstream Revenue Budgets</u>			
<u>Non-Transport Feasibility Funding</u>			
Total non-transport Feasibility Funding	1,000.00	0.0	1,000.00
<u>Transport</u>			
Feasibility Studies non-capital	500.00		500.00
CAM	1,000.00	127.00	1,127.00
A10 SOBC	500.00		500.00
Huntingdon 3rd River Crossing	200.00	196.50	396.50
Bus Review Implementation	1,000.00		1,000.00
Cambridge South - Interim Concept	100.00		100.00
Garden Villages	700.00		700.00
Local Transport Plan	100.00		100.00
Sustainable Travel	150.00		150.00
Schemes, Studies and Monitoring	100.00		100.00
Total Transport	4,350.00	323.50	4,673.50
<u>Business and Skills</u>			
Work Readiness Programme (Hamptons)	110.00		110.00
Skills Brokerage	250.00		250.00
Reclaimed Skills Funding	(250.0)		(250.0)
University of Peterborough			
Skills Strategy Programme Delivery	150.00		150.00
AEB Devolution Programme	11,506.10		11,506.10
Growth Company Development		63.00	63.00
Total Business and Skills	11,766.10	63.00	11,829.10
<u>Economic Strategy</u>			
Growth Hub	69.90		69.90
Development of a Market Towns Strategy	200.00		200.00
St Neots Masterplan		18.90	18.90
Trade and Investment Programme	50.00		50.00
Industrial Strategy Programme Delivery	200.00		200.00
Independent Economic Commission	20.00		20.00
Total Economic Strategy	539.90	18.90	558.80
<u>Strategy and Performance</u>			
Monitoring and Evaluation Framework	170.90		170.90
Public Service Reform	100.00		100.00
Communications	50.00		50.00
Website Development	10.00	19.50	29.50
Non-Statutory Spatial Framework (Phase 2)	150.00	111.50	261.50
Cambridgeshire and Peterborough Land Commission	25.00	80.00	105.00
Total Strategy and Performance	505.90	211.00	716.90
Total Workstream expenditure	18,162	616	18,778
<u>Total Revenue Expenditure</u>	<u>24,062.00</u>	<u>616.40</u>	<u>24,678.40</u>
<u>Net Revenue Position</u>	<u>962.80</u>	<u>616.40</u>	<u>1,579.20</u>

Appendix 2: CPCA Capital Programme - 2019/20			
	<u>Original</u>	<u>Agreed</u>	<u>Revised</u>
<u>Direct Control</u>	<u>Budget per</u>	<u>18/19 Carry</u>	<u>2019-20</u>
	<u>MTFP</u>	<u>Forward</u>	<u>Budget</u>
	£m	£m	£m
Kings Dyke CPCA Contribution	4.60	0.00	4.60
Cambridge South Station	0.75	0.00	0.75
Peterborough University - Business case	1.45	0.30	1.75
Soham Station GRIP 3	0.95	0.00	0.95
St Neots River Northern Crossing cycle bridge	2.50	0.50	3.00
Wisbech Garden Town	0.75	1.00	1.75
Wisbech Rail	0.75	0.73	1.48
Wisbech Access Study	0.00	0.30	0.30
Digital Connectivity Infrastructure	1.99	0.16	2.15
A47 Dualling	0.00	0.41	0.41
Total Committed Direct Control Expenditure	13.74	3.40	17.14
<u>Schemes Previously Identified and Costed</u>			
Ely Rail Capacity next stage	1.00	0.00	1.00
Market Town pump priming	1.00	0.00	1.00
Coldhams Lane roundabout improvements	0.30	0.23	0.53
Eastern Industries Access - Phase 1	0.30	0.13	0.43
Eastern Industries Access - Phase 2	0.10	0.00	0.10
March junction improvements	1.00	0.08	1.08
Regeneration of Fenland Railway Stations	2.70	0.28	2.98
A10 Foxton Level Crossing	1.50	0.50	2.00
A1260 Nene Parkway Junction 15	0.25	0.13	0.38
A1260 Nene Parkway Junction 32-3	0.20	0.12	0.32
A141 Capacity enhancements	1.00	0.27	1.27
A16 Norwood Dualling	0.05	0.00	0.05
A142 Capacity Study	0.00	0.15	0.15
A14 Junctions Improvement feasibility study	0.00	0.15	0.15
A505 Corridor	0.50	0.88	1.38
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.50	0.01	0.51
Schemes Previously Identified and Costed Total	10.40	2.93	13.33

	<u>Original</u> <u>Budget per</u> <u>MTFP</u> <u>£m</u>	<u>Agreed</u> <u>18/19 Carry</u> <u>Forward</u> <u>£m</u>	<u>Revised</u> <u>2019-20</u> <u>Budget</u> <u>£m</u>
<u>Passported</u>			
Cambridge City Housing Programme	21.91	1.51	23.42
East Cambs - Housing Loan Provision	4.83	1.67	6.50
Housing Infrastructure Programme	20.66	6.29	26.95
LTP Schemes with PCC and CCC	23.08	0.00	23.08
Housing Investment Fund	23.00	0.00	23.00
National Productivity Investment Fund	2.00	3.05	5.05
Passported/Ringfenced Total	95.48	12.52	108.00
<u>Growth Funds</u>			
King's Dyke Crossing (Growth Fund)	1.40	(0.62)	0.78
A428 Cambourne to Cambridge	3.00	1.00	4.00
Ely Rail Improvements	1.35	0.97	2.32
In Collusion	0.02	0.00	0.02
Wisbech Access Strategy - Delivery Phase	4.00	0.72	4.72
Agri-tech	2.50	1.19	3.69
Soham Station Feasibility	1.00	0.00	1.00
Haverhill Innovation Centre	0.65	0.00	0.65
Small Grants Programme	0.10	0.00	0.10
Whittlesea and Manea Railway Stations	0.00	0.03	0.03
iMET Phase 3	0.00	0.30	0.30
Lancaster Way Phase 2	0.00	0.86	0.86
Growth Funds Total	14.02	4.45	18.47
Total	133.64	23.30	156.94