

Budget Monitor Report: October 2022

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 19 October 2022

Lead Member: Mayor Dr Nik Johnson

From: Jon Alsop
Chief Finance Officer

Key decision: No

Forward Plan reference: n/a

Recommendations: The Combined Authority Board is recommended to:

- a) Note the financial position of the Combined Authority for the year to date.
- b) Note the increase in budget for the A1260 in line with ODN 366-2022
- c) Note the correction of the ZEBRA capital budget, increasing it by £270k

Voting arrangements: No vote required – to note only

1. Purpose

- 1.1 This report provides an update of the 2022/23 budget position and capital programme as at 31st July 2022.

2. Background

- 2.1 This report presents the budget and forecast outturn expenditure (year-end) position against that budget and, by exception, explanation of significant forecast variances between outturn and budget.
- 2.2 As previously agreed by the Board, the exception reporting thresholds are: £100k in Mayoral and Corporate Services revenue budgets, £250k for 'Income', 'Housing', 'Business and Skills', and 'Delivery and Strategy' revenue budgets, and £500k on all capital projects.

3. Revenue Budget Position

- 3.1 A summary of the revenue financial position of the Authority is set out in the table below. A more detailed breakdown of income and expenditure budgets for the year to date is shown at **Appendix 1**.

	July Budget £'000	Adjustments £'000	Revised Budget £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
2022-23 Revenue							
Grant Income	-48,595	-1,209	-49,804	-49,804	-	-1,209	
Mayor's Office	488	-	488	411	-77	-77	
CA Gross Staffing Costs	7,528	-	7,528	7,604	75	75	
Other Employee Costs	330	-	330	330	-	-	
Externally Commissioned Support Services	581	-	581	579	-2	-2	
Corporate Overheads	830	-	830	773	-57	-57	
Governance Costs	144	-	144	144	-	-	
Other Corporate Budgets	638	750	1,388	456	-932	-182	1-3
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-3,233	-	-	
Corporate Services Expenditure	6,818	750	7,568	6,653	-915	-165	
Business and Skills	49,915	1,269	51,185	44,727	-6,458	-5,189	4
Delivery and Strategy	15,342	140	15,552	15,548	-4	136	
Housing	513	-	513	513	-	-	
Workstream Expenditure	65,841	1,409	67,250	60,788	-6,462	-5,053	
Total Expenditure	72,306	2,159	75,306	67,851	-7,454	-5,295	

- 3.2 The Workstream Forecast Outturn as set out in the table above shows a ‘favourable’ variance of forecast expenditure against approved budgets of £6.5m, which is materially due to the forecast underspends on the operational costs relating to the Net Zero Hub capital retrofit programmes. A full list of all budgets is included in **Appendix 1** and detail on material changes to expenditure forecasts are covered in **Appendix 4**):
- 3.3 The only changes to the approved revenue budget since the Board’s previous report are those approved by the Board at the July and August CA Boards - £750k approval of the improvement plan, addition of the Multiple programme, Changing Futures project and £140k approved across Climate change, Huntingdonshire Biodiversity and Peterborough Electric Busses Depo projects.
- 3.4 Forecast grant income has increased in line with the £1.2m multiply grant accepted by the CA Board in August. There is no change to the forecast grant income for existing grants.
- 3.5 Outside the additions to the budget approved by the CA Board there are four material changes to the revenue outturn position since the report to the July Board:
- There are a number of individually material variances within the Combined Authority’s staffing budget and these are being managed holistically resulting in a net forecast overspend of £75k.
 - The forecast income from treasury management activities in the year has increased by - £432k
 - The £500k budget available to meet in-year borrowing costs is no longer forecast to be utilised as there are no current projects which require borrowing, and it is unlikely any new projects requiring borrowing would be in place to deliver, and therefore require borrowing, before the end of the financial year.
 - Across the LAD3 and Home Improvement Grant revenue budgets the forecast spend has reduced by £6.5m, in line with the update brought to the Combined Authority Board in August.

4. Capital Programme

- 4.1 A summary of the in-year capital programme and capital grant income are shown in the tables below. Detail of the capital programme can be seen across **Appendices 2 and 3**. (Please note: ‘STA’ stands for ‘Subject to Approval’ and ‘YTD’ for ‘year to date’).

Capital Programme Summary	Revised 22-23 Budget	22-23 Forecast Outturn	Forecast Variance	
	£'000	£'000	£'000	%
Corporate Services	242	242	-	0.00%
Business and Skills	173,804	89,193	-84,610	-48.80%
Delivery and Strategy	63,526	54,386	-9,140	-14.40%
Housing	28,389	28,389	-	0.00%
Totals	265,961	172,211	-93,750	-35.2%

Capital Funding Summary	Revised	22-23	Forecast Variance		% received to date
	22-23 Budget	Forecast Outturn	£'000	%	
	£'000	£'000	£'000	%	
Capital Gainshare	-12,000	-12,000	-	0.0%	100.0%
Local Transport Capital Grants	-20,941	-20,941	-	0.0%	100.0%
Transforming Cities Funding	-21,000	-21,000	-	0.0%	0.0%
DLUHC Housing Funding	-5,000	-5,000	-	0.0%	22.6%
Totals	-58,941	-58,941	-	0.0%	57.8%

- 4.2 The only budgets forecasting a variance at this point in the year within Business and Skills are the Net Zero Hub energy retrofit grants as reported to the Board in August.
- 4.3 Within Delivery and Strategy there are 3 material changes to the forecast spend for the year, more detail on these variances are included in **Appendix 4**:
- £3.1m of the £4m total budget for the A10 upgrade business case is no longer expected to be spent this year.
 - Wisbech Access Strategy FBC development is nearing completion and is expected to result in an underspend, some of this will be returned to the Business Board recycled growth fund and the balance to the CPCA's capital single pot.
 - As reported to the Board previously, Soham Station is now open and operating and has been delivered ahead of schedule and under-budget. There are minor final works being completed, and the project is reporting a £2.1m saving against its original budget.
- 4.4 There is one update to the budget made by Officer Decision Notice since the last report to Board: £165k was approved from the subject to approval for the A1260 Nene Parkway Junction 3 project. This increases the budget for the Full Business Case to enable the scheme to be made LTN 1/20 compliant. This is recorded in ODN 366-2022.
- 4.5 There has also been a correction to the ZEBRA capital budget. The CA Board approved £1.963m at their September 2021 meeting however, due to a transposition error, the created budget was only £1.693m – this has been increased by £270k to reflect the amount awarded by the CA Board.

Significant Implications

5. Financial Implications

- 5.1 There are no direct financial implications beyond those in the body of the report.

6. Legal Implications

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

7. Other Significant Implications

- 7.1 There are no other significant implications

8. Appendices

- 8.1 Appendix 1 – Detailed breakdown of the revenue position for the year
- 8.2 Appendix 2 – 22/23 Capital Position
- 8.3 Appendix 3 – Capital Programme
- 8.4 Appendix 4 – Detailed Explanations of Material Variances

9. Background Papers

- 9.1 [Zero Emission Bus Regional Area \(Zebra\) Phase 2 paper to September 2021 Combined Authority Board](#)

Appendix 1 - Detailed breakdown of the revenue position

	July Budget £'000	Adjustments £'000	Revised Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Grant Income						
Adult Education Budget	-11,989		-11,989	-11,989	-	-
Bus Service Operator Grant	-411		-411	-411	-	-
Careers Enterprise Company Funding	-200		-200	-200	-	-
Community Renewal Fund Grants	-1,273		-1,273	-1,273	-	-
Local Transport Fund	-337		-337	-337	-	-
Digital Skills Bootcamp	-1,686		-1,686	-1,686	-	-
Enterprise Zone receipts	-972		-972	-972	-	-
ERDF - Growth Service Grant	-2,918		-2,918	-2,918	-	-
ESF Growth Service Grant	-920		-920	-920	-	-
Growth Hub Grants	-246		-246	-246	-	-
LEP Core Funding	-375		-375	-375	-	-
Mayoral Capacity Fund	-1,000		-1,000	-1,000	-	-
Multiply Grant	-	-1,209	-1,209	-1,209	-	-1,209
Revenue Gainshare	-8,000		-8,000	-8,000	-	-
Skills Advisory Panel Grant	-75		-75	-75	-	-
Skills Bootcamp Wave 3	-4,892		-4,892	-4,892	-	-
Transport Levy	-13,300		-13,300	-13,300	-	-
Total Grant Income	-48,595	-1,209	-49,804	-49,804	-	-1,209
Mayor's Office						
Mayor's Allowance	96		96	96	-	-
Mayor's Conference Attendance	15		15	15	-	-
Mayor's Office Expenses	40		40	30	-10	-10
Mayor's Office Accommodation	77		77	77	-	-
Mayor's Office Staff	260		260	193	-67	-67
Total Mayor's Office	488	-	488	411	-77	-77

	July Budget £'000	Adjustments £'000	Revised Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Services						
Combined Authority Gross Staffing Costs						
Business and Skills	2,358		2,358	2,317	-41	-41
Chief Executive	331		331	323	-8	-8
Corporate Services	2,418		2,418	2,837	419	419
Transport	1,012		1,012	1,146	134	134
Delivery and Strategy	908		908	696	-213	-213
Housing	501		501	285	-216	-216
Total CA Gross Staffing Costs	7,528	-	7,528	7,604	75	75
Other Employee Costs						
Travel	80		80	80	-	-
Training	88		88	88	-	-
Change Management Reserve	162		162	162	-	-
Total Other Employee Costs	330	-	330	330	-	-
Externally Commissioned Support Services						
External Legal Counsel	70		70	70	-	-
Finance Service	65		65	65	-	-
Democratic Services	95		95	95	-	-
Payroll	10		10	8	-2	-2
HR	12		12	12	-	-
Procurement	8		8	8	-	-
Finance System	100		100	100	-	-
ICT external support	221		221	221	-	-
Total Externally Commissioned Support Services	581	-	581	579	-2	-2

	July Budget £'000	Adjustments £'000	Revised Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Overheads						
Accommodation Costs	300		300	250	-50	-50
Software Licences, Mobile Phones cost	113		113	113	-	-
Communications	40		40	40	-	-
Website Development	10		10	10	-	-
Recruitment Costs	100		100	100	-	-
Insurance	39		39	39	-	-
Audit Costs	140		140	140	-	-
Office running costs	31		31	25	-6	-6
Corporate Subscriptions	56		56	56	-	-
Total Corporate Overheads	830	-	830	773	-57	-57
Governance Costs						
Committee/Business Board Allowances	144		144	144	-	-
Total Governance Costs	114	-	114	114	-	-
Other Corporate Budgets						
Improvement Plan	-	750	750	750	-	750
Corporate Response Fund	145		145	145	-	-
Contribution to the A14 Upgrade	61		61	61	-	-
Interest Receivable on Investments	-68		-68	-500	-432	-432
Interest charges on borrowing	500		500	-	-500	-500
Total Other Corporate Budgets	638	750	1,388	456	-932	-182
Recharges to Ringfence Funded Projects						
Internally Recharged Grant Funded Staff	-2,749		-2,749	-2,749	-	-
Externally Recharged Staff	-484		-484	-484	-	-
Total Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-3,233	-	-
Total Corporate Services Expenditure	6,818	750	7,568	6,653	-915	-165

<u>Business and Skills</u>	July Budget	Adjustments	Revised Budget	Forecast Outturn	Forecast Outturn Variance	Change in FO
	£'000	£'000	£'000	£'000	£'000	£'000
AEB Devolution Programme	10,449		10,449	10,449	-	-
AEB Innovation Fund - Revenue	629		629	629	-	-
AEB Programme Costs	367		367	367	-	-
AEB Provider Capacity Building	156		156	156	-	-
AEB Strategic Partnership Development	196		196	196	-	-
Careers and Enterprise Company (CEC)	75		75	75	-	-
Changing Futures	-	60	60	60	-	60
CRF Start & Grow Project	930		930	930	-	-
CRF Turning Point Project	307		307	307	-	-
CRF Programme Management	53		53	53	-	-
CRF Turning Point CPCA Programme management	28		28	28	-	-
Digital Skills Bootcamp	1,785		1,785	1,785	-	-
Economic Rapid Response Fund	41		41	41	-	-
Growth Co Services	5,073		5,073	5,073	-	-
GSE Energy Hub	2,186		2,186	2,186	-	-
GSE COP 26	23		23	23	-	-
GSE Green Homes Grant Sourcing Activity	699		699	699	-	-
GSE Green Homes Grant Ph 3 (LAD 3)	10,601		10,601	6,094	-4,508	-4,508
GSE Home Improvement Grant	4,443		4,443	2,493	-1,950	-1,950
GSE Net Zero Investment Design	1,500		1,500	1,500	-	-
GSE Public Sector Decarbonisation	1,150		1,150	1,150	-	-
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,974	-	-
Health and Care Sector Work Academy	2,467		2,467	2,467	-	-
Insight and Evaluation Programme	75		75	75	-	-
Local Growth Fund Costs	426		426	426	-	-
Market Town and Cities Strategy	35		35	35	-	-
Marketing and Promotion of Services	90		90	90	-	-
Multiply Programme	-	1,209	1,209	1,209	-	1,209
Peterborough University Quarter Masterplan	100		100	100	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	77	-	-

Business and Skills	July Budget	Adjustments	Revised Budget	Forecast	Forecast	Change in
	£'000	£'000	£'000	Outturn	Outturn	FO
				£'000	£'000	£'000
Skills Advisory Panel (SAP) (DfE)	40		40	40	-	-
Skills Bootcamp Wave 3	3,914		3,914	3,914	-	-
Skills Rapid Response Fund	27		27	27	-	-
Total Business and Skills	49,915	1,269	51,185	44,727	-6,458	-5,189

Delivery and Strategy	July Budget	Adjustments	Revised Budget	Forecast	Forecast	Change
	£'000	£'000	£'000	Outturn	Outturn	in FO
				£'000	£'000	£'000
Bus Review Implementation	1,008		1,008	1,008	-	-
Climate Change	50	50	100	100	-	50
Doubling Nature Metrics	25		25	25	-	-
Hunts Biodiversity for all - Revenue	-	50	50	50	-	50
Lifebelt City Portrait	40		40	40	-	-
Local Transport Fund	337		337	337	-	-
Local Transport Plan	-		-	-	-	-
Monitoring and Evaluation Framework	66		66	62	-4	-4
P'boro Station Quarter SOBC	175		175	175	-	-
Peterborough Electric Bus Depot business case	-	40	40	40	-	40
Public Transport: Bus Service Operator Grant	411		411	411	-	-
Public Transport: Concessionary fares	8,845		8,845	8,845	-	-
Public Transport: Contact Centre	286		286	286	-	-
Public Transport: ENCTS rationalisation					-	-
Public Transport: RTP1, Infrastructure & Info	221		221	221	-	-
Public Transport: S106 supported bus costs	-		-	-	-	-
Public Transport: Supported Bus Services	3,422		3,422	3,422	-	-
Public Transport: Team and Overheads	456		456	456	-	-
Natural Cambridgeshire	70		70	70	-	-
Total Delivery and Strategy	15,342	140	15,552	15,448	-4	136

<u>Delivery and Strategy</u>	July Budget £'000	Adjustments £'000	Revised Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<u>Housing</u>						
CLT	70		70	70	-	-
Affordable Housing Programme Revenue Costs	443		443	443	-	-
Total Housing	513	-	513	513	-	-
Total Workstream Expenditure	65,841	1,409	67,250	60,769	-6,462	-5,053
Total Revenue Expenditure	72,306	2,159	75,306	67,832	-7,454	-5,295

Appendix 2 – 22/23 Capital Position

	Approved Budget	Forecast Spend	Forecast Over (Under) spend	Change to Forecast Over (Under) spend
Business and Skills	£'000	£'000	£'000	£'000
Barn4 specialist growing facilities	400	400	-	-
Cambridge Biomedical MO Building	185	185	-	-
Cambridge City Centre	481	481	-	-
College of West Anglia - Net Zero	274	274	-	274
Expansion of Growth Co Inward Investment	400	400	-	-
Fenland Hi-tech Futures	400	400	-	-
GSE Green Home Grant Capital Programme Ph 2	49,984	20,000	-29,984	-29,984
GSE Green Home Grant Capital - LAD 3	73,675	34,530	-39,145	-39,145
GSE Green Home Grant Capital - HUG 1	29,610	14,128	-15,482	-15,482
IEG Student Space	7	7	-	7
Illumina Accelerator	1,700	1,700	-	-
Market Towns: Chatteris	596	596	-	-
Market Towns: Ely	735	735	-	-
Market Towns: Huntingdon	391	391	-	-
Market Towns: Littleport	-	-	-	-
Market Towns: March	2,068	2,068	-	-
Market Towns: Ramsey	1,000	1,000	-	-
Market Towns: Soham	894	894	-	-
Market Towns: St Ives	433	433	-	-
Market Towns: St Neots	1,141	930	-211	-211
Market Towns: Whittlesey	914	914	-	-
Market Towns: Wisbech	746	746	-	-
South Fen Business Park	946	946	-	-
St Neots Masterplan	215	215	-	-
Start Codon (Equity)	1,475	1,475	-	-
The Growth Service Company	5,135	5,135	-	-
University of Peterborough Phase 3	-	-	-	-
Total Business and Skills	173,804	89,193	-	-84,329

	Approved Budget £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Delivery and Strategy				
A10 Dualling	3,993	926	-3,067	-3,067
A1260 Nene Parkway Junction 15	8,011	7,143	-868	-868
A1260 Nene Parkway Junction 32/3	192	27	-165	-
A141 & St Ives	1,900	1,900	-	1,900
A16 Norwood Dualling	227	227	-	-
A505 Corridor	134	134	-	-
Active Travel - CCC Schemes	-	-	-	-
CAM Delivery to OBC	150	150	-	-
Care Homes Reterofit Programme	500	500	-	-
Coldhams Lane roundabout improvements	234	-	-234	-234
Digital Connectivity Infrastructure Programme	2,118	1,440	-678	-678
Ely Area Capacity Enhancements	124	124	-	-
Fengate Access/Eastern Industries Access - Phase 1	109	109	-	-
Fengate Access/Eastern Industries Access - Phase 2	1,342	1,336	-6	-6
Fletton Quays Footbridge	465	465	-	-
Hunts Biodiversity for all - Capital	400	450	50	450
Local Highways Maintenance Grants (PCC & CCC)	27,695	27,695	-	-
Logan's Meadow Nature Reserve	250	250	-	-
King's Dyke	1,109	1,109	1	1
March Junction Improvements	2,493	2,083	-410	-410
Net Zero Villages Fund	750	750	-	-
Peterborough Green Wheel	250	250	-	-
Regeneration of Fenland Railway Stations	-	-	-	-
Soham Station	2,268	175	-2,093	-2,093
Transport Modelling	740	740	-	-
Wisbech Access Strategy	1,573	135	-1,438	-1,438
Wisbech Rail	241	11	-230	-230
ZEBRA capital funding	6,258	6,258	-	270
Total Delivery and Strategy	63,526	54,386	-9,140	-6,405

	Approved Budget £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<u>Housing</u>				
Affordable Housing Grant Programme	21,934	21,934	-	-
Housing Investment Fund - contracted payments	6,456	6,456	-	-
Total Housing	28,389	28,389	-	-
	Approved Budget £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<u>Corporate Services</u>				
ICT Capital Costs	42	42	-	-
Office Fit-out costs	200	200	-	-
Total Corporate Services	242	242	-	-
Total Capital Programme	265,961	172,211	-93,750	-90,733

Appendix 3: Capital Programme

Business and Skills	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23	2023-24	2024-25	2025-26		2022-23	2023-24	2024-25	2025-26	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
Barn4 specialist growing facilities	400	-	-	-	400	-	-	-	-	400
Cambridge Biomedical MO Building	185	-	-	-	185	-	-	-	-	185
Cambridge City Centre	481	-	-	-	481	-	-	-	-	481
College of West Anglia - Net Zero	274	850	876	-	2,000	-	-	-	-	2,000
Expansion of Growth Co Inward Investment	400	-	-	-	400	-	-	-	-	400
FE Cold Spots (capital)	-	-	-	-	-	-	2,400	2,175	-	4,575
Fenland Hi-tech Futures	400	-	-	-	400	-	-	-	-	400
Growth Works Additional Equity Fund	-	-	-	-	-	950	2,850	2,850	2,850	9,500
GSE Green Home Grant Capital Programme Ph 2	49,984	-	-	-	49,984	-	-	-	-	49,984
GSE Green Home Grant Capital - LAD 3	73,675	-	-	-	73,675	-	-	-	-	73,675
GSE Green Home Grant Capital - HUG 1	29,610	-	-	-	29,610	-	-	-	-	29,610
IEG Student Space	7	30	260	99	397	-	-	-	-	397
Illumina Accelerator	1,700	-	-	-	1,700	-	-	-	-	1,700
Market Towns: Chatteris	596	-	-	-	596	-	-	-	-	596
Market Towns: Ely	735	-	-	-	735	-	-	-	-	735
Market Towns: Huntingdon	391	-	-	-	391	422	-	-	-	813
Market Towns: Littleport	-	-	-	-	-	1,000	-	-	-	1,000
Market Towns: March	2,068	-	-	-	2,068	-	-	-	-	2,068
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	894	-	-	-	894	-	-	-	-	894
Market Towns: St Ives	433	-	-	-	433	380	-	-	-	813
Market Towns: St Neots	1,141	1,959	-	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	914	-	-	-	914	-	-	-	-	914
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
South Fen Business Park	946	-	-	-	946	-	-	-	-	946
St Neots Masterplan	215	-	-	-	215	-	-	-	-	215
Start Codon (Equity)	1,475	-	-	-	1,475	-	-	-	-	1,475
The Growth Service Company	5,135	3,000	-	-	8,135	-	-	-	-	8,135
University of Peterborough Phase 3	-	-	-	-	-	-	-	-	-	-
Total Business and Skills	173,804	5,840	1,136	99	180,879	4,002	6,500	5,025	2,850	199,256

Delivery and Strategy	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23	2023-24	2024-25	2025-26		2022-23	2023-24	2024-25	2025-26	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
A505 Corridor	134	-	-	-	134	-	-	-	-	134
Active Travel Funding (Cap)	-	-	-	-	-	830	1,500	1,779	850	4,959
CAM Delivery to OBC	150	-	-	-	150	-	-	-	-	150
Care Homes Reterofit Programme	500	1,500	-	-	2,000	-	-	-	-	2,000
City of Cambridge Culture - Capital	-	-	-	-	-	183	153	30	-	366
Coldhams Lane roundabout improvements	234	-	-	-	234	2,200	-	-	-	2,434
Digital Connectivity Infrastructure Programme	2,118	1,500	1,500	-	5,118	-	-	-	-	5,118
Ely Area Capacity Enhancements	124	-	-	-	124	-	-	-	-	124
Fengate Access/Eastern Industries Access - Ph 1	109	-	-	-	109	5,380	-	-	-	5,489
Fengate Access/Eastern Industries Access - Ph 2	1,342	448	-	-	1,790	-	-	-	-	1,790
Fletton Quays Footbridge	465	942	2,021	-	3,428	-	-	-	-	3,428
Greater Cambridge Chalk Stream - Capital	-	-	-	-	-	100	100	100	-	300
Hunts Biodiversity for all - Capital	400	400	400	-	1,200	-	-	-	-	1,200
King's Dyke	1,109	-	-	-	1,109	2,100	-	-	-	3,209
Local Highways Maintenance Grant (PCC & CCC)	27,695	27,695	27,695	27,695	110,780	-	-	-	-	110,780
Logan's Meadow Nature Reserve	250	30	-	-	280	-	-	-	-	280
March Junction Improvements	2,493	-	-	-	2,493	1,228	-	-	-	3,721
Meanwhile, North East Cambridge - Capital	-	-	-	-	-	-	1,000	-	-	1,000
Nature and Environment Investment Fund	-	250	750	-	1,000	-	-	-	-	1,000
Net Zero Villages Fund	750	250	-	-	1,000	-	-	-	-	1,000
Peterborough Green Wheel	250	500	-	-	750	-	-	-	-	750
Regeneration of Fenland Railway Stations	-	-	-	-	-	674	-	-	-	674
Snailwell Loop	-	-	-	-	-	500	-	-	-	500
Soham Station	2,268	-	-	-	2,268	-	-	-	-	2,268
St Ives (SOBC, OBC & FBC)	-	-	-	-	-	-	-	-	-	-
Transport Modelling	740	-	-	-	740	1,136	585	215	215	2,891
Waterbeach solar PV vehicles - capital	-	-	-	-	-	2,000	700	-	-	2,700
Wisbech Access Strategy	1,573	-	-	-	1,573	-	-	-	-	1,573
Wisbech Rail	241	-	-	-	241	5,688	5,000	-	-	10,928
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
Total Delivery and Strategy	63,526	39,067	33,214	27,695	163,502	40,804	9,038	2,124	1,065	216,533

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Housing</u>										
Affordable Housing Grant Programme	21,934	-	-	-	21,934	-	-	-	-	21,934
Housing Investment Fund - contracted payments	6,456	-	-	-	6,456	-	-	-	-	6,456
Total Housing	28,389	-	-	-	28,389	-	-	-	-	28,389

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Corporate Services</u>										
ICT Capital costs	42	42	42	42	167	-	-	-	-	167
Office Fit-Out costs	200	-	-	-	200	-	-	-	-	200
Total Corporate Services	242	42	42	42	367	-	-	-	-	367

Total Capital Programme	265,561	44,948	34,391	27,836	373,136	44,806	15,538	7,149	3,915	444,544
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Appendix 4: Detailed Explanations of Material Variances

Operational Revenue Variances >£100k

1. Combined Authority Staffing		Change in forecast expenditure	£75k
2022-23 Budget	£7,528k	Forecast expenditure	£7,604k
<p>We are currently looking at the structure as part of the improvement plan. There are a number of areas which are over and under-forecast and this is being managed holistically to minimise variance for the year.</p> <p>There are vacancies which create savings which are set against the pressures from interim appointments being more costly than permanent staff.</p> <p>Where interim staff are specifically working on the improvement plan they will be charged to that budget line</p>			

2. Interest Receivable on Investments		Change in forecast income	-£432k
2022-23 Budget	-£68k	Forecast income	-£500k
<p>The 2022/23 budget was set in late 2021 at which point inflation, and the Bank of England base rate, were significantly lower than they are currently, and expected to stay for the rest of the year.</p> <p>Following the national trend interest available on deals to the Combined Authority have increased, as the Combined Authority holds most of its funds in short term deals we have been able to capitalise on this and achieve substantially higher interest income than was anticipated.</p> <p>As the final income will depend on the behaviour of interest rates throughout the rest of 2022-23 the forecast is an estimate which will continue to be updated throughout the year as the final position crystallises.</p>			

3. Interest charged on borrowing		Change in forecast income	-£500k
2022-23 Budget	£500k	Forecast expenditure	£0k
<p>The 2022/23 budget was set in late 2021 at which point inflation, and the Bank of England base rate, were significantly lower than they are currently, and expected to stay for the rest of the year.</p> <p>Following the national trend interest available on deals to the Combined Authority have increased, as the Combined Authority holds most of its funds</p>			

in short term deals we have been able to capitalise on this and achieve substantially higher interest income than was anticipated.

As the final income will depend on the behaviour of interest rates throughout the rest of 2022-23 the forecast is an estimate which will continue to be updated throughout the year as the final position crystalises.

Workstream Revenue Variances >£250k

4. LAD Phase 3 and Home Improvement Grant		Change in forecast expenditure	-£6,458k
2022-23 Budget	£15,045k	Forecast expenditure	£8,587k
<p>As the delivery of Sustainable Warmth is forecast to be substantially lower than the original grant value (more detail is set out in the capital variance explanation below), the amount spent on the revenue elements of administering the grant, along with non-capitalisable costs within the programme, are forecast to be correspondingly lower.</p>			

Capital Variances >£500k

5. Retrofit grants (LAD 2 & 3, home improvement grant)		Change in forecast expenditure	-£84,610k
2022-23 Budget	£153,269k	Forecast expenditure	£68,658k
<p>Work is ongoing to maximise our delivery of LAD2. This involves building both the project team, and installer, capability and capacity. It must be noted that this will have minimal impact in the time remaining on LAD 2 but will provide larger benefits to the delivery of Sustainable Warmth and future projects.</p> <p>Using actuals to end of June 2022 and applying various delivery scenarios our current forecast gives a range of ~£16m - £21m on LAD 2 at scheme end. Once the forecast is risk adjusted for late billing variance, and potential increasing impact from it, we have an upper end forecast around £24m. Note that the upper forecast is extremely unlikely, and we require performance to improve compared to June 2022 delivery to achieve the lower forecast of £16m.</p> <p>Extending these forecast delivery levels through the Sustainable Warmth programme to the end of March 2023 produces an upper bound expected spend of £48.7m which combined with the middle of LAD 2's forecast gives the forecast outturn of £68.7m.</p>			

Lessons must be learned from this and prior scheme underperformance to ensure the same issues do not occur in future initiatives. The complexity, difficulty, and greater exposure to risk from aggregating delivery across a large territory should be better assessed in future schemes and compared to the ability for Local Authorities to be funded to deliver for themselves as some have been able to do through grant funding agreements. This will lead to a better balance of delivery and monitoring and enable Local Authorities to be supported to grow their local delivery capability through shared good practice, installer networks, and the development of required Green Skills and Qualifications.

Significantly more detail and context were included in the project reports to the Combined Authority at their meeting on the 31st August.

6. A10 Dualling		Change in forecast expenditure	-£3,067k
2022-23 Approved Budget	£3,993k	Forecast expenditure	£926k

The forecast spend on the A10 project does not include the project programme costs, which are anticipated to be delivered over three financial years.

The detailed costs and programme for the A10 improvements are still being finalised, once they are complete a change request will be brought setting out the revised delivery timeline and expenditure profile.

7. Soham Station		Change in forecast expenditure	-£1,438k
2022-23 Approved Budget	£2,268k	Forecast expenditure	£175k

As reported alongside the outturn report to the Combined Authority's meeting in July, Soham Station has been completed ahead of schedule and with a substantial saving against the original budget.

A small number of ancillary works are being completed around the functioning station, hence a small degree of spend is still anticipated this year, but the vast majority of the saving can now be realised.

8. Wisbech Access Strategy		Change in forecast expenditure	-£1,438k
2022-23 Approved Budget	£1,573k	Forecast expenditure	£135k

Awaiting explanation from transport team

