

<b>Agenda Item 9</b>	<b>Appendix</b>
<b>Budget Update Report September 23</b>	<b>B</b>

## Detailed Variance Explanations

### Revenue Forecast Variances >£200k

<b>1. Skills Bootcamps wave 3</b>		Change in forecast expenditure	<b>-£1,072k</b>
2023-24 Budget	<b>£1,871k</b>	Forecast expenditure	<b>£799k</b>

CPCA submitted an ambitious bid to DfE for Wave 3 (2022-23 FY) Skills Bootcamps. CPCA had delivered Digital Skills Bootcamps in Wave 2 (2021-22) in a short time frame and aspired to expand this provision for Wave 3 into several sectors, including Digital, Construction, Technical and Green Skills. As a new programme, it was challenging to assess the level of demand from training providers, individuals and employers. The initial projected enrolments will not be met and funding will not be drawn down from the DfE. We are now delivering Wave 4 Bootcamps which reflects a more realistic position.

<b>2. Public Transport Concessionary Fares</b>		Change in forecast expenditure	<b>-£1,545k</b>
2023-24 Budget	<b>£8,915k</b>	Forecast expenditure	<b>£7,370k</b>

The underspend on Public Transport Concessionary Fares is due to a drop in concessionary journeys during Covid. Passenger numbers have gradually increased but have not yet recovered to the previous level. Because of this fall in journeys, the number of reimbursements to transport providers has been lower.

CPCA is supporting a Department for Transport (DfT) led publicity campaign to encourage concessionaires back onto public transport, which provides access to vital services and leisure opportunities, though not currently to peak travel to work and education.

The DfT is running a comprehensive stakeholder engagement which will lead to the review of fundamental rules of the current scheme. A proposal is to remove the 'off-peak only' travel rule allowing passholders to travel before 9:30am on weekdays. This has the potential to generate additional bus journeys to work and school which are currently either made as a fare paying passenger or by other means of transport.

The eligibility rules under the disability criteria are also being reviewed and, depending upon the outcome, the range of eligibility could increase leading to more passholders, and therefore more journeys.

In addition the DfT found a mistake in their calculator and have now amended this. There will be some cases where we have paid operators actual reimbursement (rather than a fixed amount) and the amount we should have reimbursed will be higher, and we will need to pay the difference. There may also be cases where we have paid the fixed amount but the change to reimbursement arrangements means the actual reimbursement becomes greater than the fixed amount, so we will have to reimburse the operator the difference to the higher amount in this scenario also.

Year-end surpluses and deficits across all Transport Levy funded workstreams will be held within a transport levy reserve and taken into account when setting the 2024-25 levy for the area.

### Capital forecast variances >£500k

<b>3. Care Home Retrofit Programme</b>		Change in forecast expenditure	<b>-£1,250k</b>
2023-24 Budget	<b>£2,000k</b>	Forecast expenditure	<b>£750k</b>
<p>The Care Home Retrofit Programme has undertaken an Expression of Interest phase, targeting all independent care homes in the Combined Authority area. Returns suggest that care homes are seeking smaller programmes of retrofit than assumed in the business case, and/or are programming their own investment to take place in future years.</p> <p>The Programme is an innovative capital programme, seeking to address a potential gap in the market response to climate change issues. Although initial expressed interest is below the scale of the Programme, the CPCA investment will still demonstrate to the sector the opportunities and benefits of retrofitting in the light of more extreme weather events.</p> <p>Officers are working with the sector to ensure that the offer of the programme has not put unnecessary barriers in the way of take-up, and will work with those care homes who have investment plans for future years to see if any can be accelerated. The existence of the Programme and future publicity around successful projects will encourage additional care homes to consider retrofit measures. This may increase expenditure.</p> <p>Progress on full applications will be monitored and the Programme reviewed in the autumn to bring forward proposals to either re-profile additional spend into 2024/25 or redeploy.</p>			

<b>4. Affordable Housing Grant Programme</b>		Change in forecast expenditure	<b>-£6,563k</b>
2023-24 Budget	<b>£18,235k</b>	Forecast expenditure	<b>£11,672k</b>
<p>Projects are going accordingly to plan in the Affordable Housing Programme; however some sites have proven to be problematic which has led the CPCA to work hard to resolve these issues. Some of these issues are contractual issues and delays in acquiring materials and supplies and therefore delays in completion. CPCA is reliant on partner organizations to provide the housing and to acquire grant, therefore the slow up take of grant is due to the above.</p>			

<b>5. Housing Loan Histon Road</b>		Change in forecast expenditure	<b>-£620k</b>
2023-24 Budget	<b>£891k</b>	Forecast expenditure	<b>£271k</b>
<p>This budget relates to the drawdown of the capital loan by the developer. Due to delays to the scheme the full facility was not drawn down before the final drawdown date. CPCA will receive sale proceeds from the remaining units on the development, or the Borrower must repay the loan from an alternative source by the Final Repayment Date of 30<sup>th</sup> September 2023.</p>			

<b>6. Fletton Quays Footbridge</b>		Change in forecast expenditure	<b>-£942k</b>
2023-24 Budget	<b>£1,407k</b>	Forecast expenditure	<b>£465k</b>

The River Nene Pedestrian Bridge Project is currently in the detailed design stage. A public consultation was completed in June 2023 and the feedback has since been reviewed, enabling the scheme to move forward. There have been delays to the design process, which has meant the forecast programme has shifted back slightly, hence the reforecast CPCA Grant Funding spend from 2023-24 to 2024-25