

Budget Monitor Report: January 2023

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Lead Member: Deputy Mayor Anna Smith

From: Jon Alsop
Chief Finance Officer

Key decision: Yes

Forward Plan reference: KD2022/083

Recommendations: a) Note the financial position of the Combined Authority for the year to date.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 This report provides an update of the actual spend position against both the 2022-23 revenue budget and capital programme as at 30th November 2022 and forecast outturn position as agreed by end of December 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**.

	Nov Budget £'000	Adjust' £'000	Revised Budget £'000	Actuals to 30 th Nov 22 £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
2022-23 Revenue								
Grant Income	-49,973	-1,124	-51,097	-45,906	-46,909	4,188	3,064	2&3
Mayor's Office	488	-	488	146	241	-247	-119	
CA Gross Staffing Costs	7,528	-	7,528	5,136	7,747	219	-51	1
Other Employee Costs	330	-	330	117	300	-30	-20	
Externally Commissioned Support Services	581	-	581	301	603	23	28	
Corporate Overheads	830	-	830	505	828	-1	55	
Governance Costs	144	-	144	18	60	-84	-84	
Other Corporate Budgets	1,388	-	1,388	-837	-835	-2,223	-	
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,728	-3,233	-	-	
Corporate Services Expenditure	7,568	-	7,568	3,512	5,470	-2,096	-72	
Business and Skills	51,410	61	51,470	15,635	41,741	-9,730	-3,346	2&3
Delivery and Strategy	15,721	169	15,890	8,448	15,006	-884	-	
Housing	563	-	563	236	513	-50	-	
Workstream Expenditure	67,694	230	67,924	24,319	57,260	-10,664	-3,346	
Total Expenditure	75,749	230	75,979	27,977	62,970	-13,007	-3,537	

3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £13.0m.

The increase of £3.5m compared to the previous report is almost entirely due to forecast underspends on Skills bootcamps waves 2 and 3 of £1.4m and £2.0m respectively. These underspends are due to slow uptake from Training providers, employers and learner recruitment in the CPCA area. This is a problem which is reflected nationally, and the DfE have agreed an extension of Wave 3 to allow courses which start (but don't conclude) in March to be included. A line by line breakdown of revenue budgets is included as **Appendix 1** and detail on the Bootcamp variances are provided in **Appendix 4**.

3.3 There have been three changes to the expenditure budget, and two to the income budget, since the Board's previous report:

- i) An increase of £61k from the approval of the Growth Works additional equity fund at the November Board meeting,
- ii) DfT notified transport authorities nationally that the Local Transport Fund grant would be continued for Jan-Mar 2023, providing additional funding to pay for local bus services. The Combined Authority's share of this is £169k and can be seen in increase on both the Local Transport Fund income and expenditure budgets.
- iii) A presentational change to separate the Skills Bootcamps wave 3 delivery budget and the allowance for Combined Authority project management costs.
- iv) As Adult Education Budget (AEB) Level 3 Courses funding is controlled separately from the core AEB grant it is now being reported separately.

3.4 The overall forecast position on staffing costs has improved by £51k since the previous report however this is the net effect of increased forecast spend on corporate services staffing (£119k) due to increased levels of interim support to develop and embed HR policies and processes, the continuation of the governance programme and an update to the assumption on recruitment to the permanent Monitoring Officer role. The increase in Corporate Staffing costs is offset by reduced cost across other areas.

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	Actuals to 30 th Nov 22	22-23 Forecast Outturn	Change in FO	Forecast Variance	
	£'000	£'000	£'000		£'000	%
Corporate Services	242	31	242	-	-	0.00%
Business and Skills	77,343	16,956	69,467	-3,947	-8,018	-10.40%
Delivery and Strategy	62,959	31,047	58,784	1,023	-4,173	-6.60%
Housing	28,389	4,759	12,014	-4,225	-16,376	-57.70%
Totals	168,934	52,793	140,507	-7,149	-28,567	-16.9%

Capital Funding Summary	Revised	Actuals	22-23	Forecast Variance		% received to date
	22-23	to 30 th	Forecast			
	Budget	Nov 22	Outturn	£'000	%	
	£'000	£'000	£'000	£'000	%	
Capital Gainshare	-12,000	-12,000	-12,000	-	0.0%	100.0%
Local Transport Capital Grants	-16,326	-22,481	-23,080	-6,754	41.4%	97.4%
Transforming Cities Funding	-21,000	-	-21,000	-	0.0%	0.0%
DLUHC Housing Funding	-5,000	-1,128	-1,128	3,872	0.0%	100.0%
Totals	-54,326	-35,609	-57,208	-2,882	41.4%	62.2%

4.2 At the end of November, 67% of the way through the year, the total capital spend is only 18.5% of the forecast spend for the year, after removing the highway's maintenance grants and Net Zero retrofit programmes - summarised in the table below.

There are many potential reasons for this behaviour which would not result in slippage, from projects being planned for initiation in the final third of the year to delays in claims from delivery partners being received. CPCA officers are working closely with delivery partners to ensure that accurate outturn forecasts are being provided and that any potential service delivery slippage risk is highlighted and addressed as a matter of urgency.

Directorate (Excluding Highways capital and Net Zero Hub)	Actuals	22-23	Still to spend	
	to 30 th	Forecast		
	Nov 22	Outturn	£'000	%
	£'000	£'000	£'000	%
Corporate Services	31	242	211	87%
Business and Skills	2,506	14,095	11,589	82%
Delivery and Strategy	3,352	31,089	27,737	89%
Housing	4,759	12,014	7,225	60%
Totals	10,648	57,440	46,762	81%

4.3 Business and Skills has seen several material changes to its forecast spend since the previous report:

- The Illumina programme is forecast to underspend by -£800k.
- The market towns programme has reduced the programmes' forecast spend by -£955k.
- Following the Nov CA Board ratification of the Business Board recommendation to reject the project's change request, Southern Fen Business Park is no longer forecasting any further spend (-£946k).
- The externally managed Start Codon equity fund has reduced it's forecast drawdown of Combined Authority funds by £975k.

4.4 There has been one material increase in forecast spend within Delivery and Strategy: an increase of £684k on the A1260 Junction 3 project due to acceleration of the active travel elements of the project as approved by the CA Board in October 2022.

Beyond this, the approved budget for the year has reduced by £4.8m following the Transforming Cities Fund programme changes approved at the Nov Combined Authority

Board so, combined with other non-material changes, the forecast variance (forecast spend less budget) has decreased substantially from £10m to £4.1m.

- 4.5 The forecast drawdown on the housing loan portfolio has reduced by £1.7m and the grant programme by £2.6m since the previous report.
The movement on the loan portfolio is predominantly due to sales on the Haddenham scheme occurring faster than was anticipated reducing the need for the developer to draw-down on its loan facility and a smaller element is due to construction delays resulting in the need for a separate site to draw down funds being delayed into 2023-24.
The reduction in forecast spend on the housing grant programme this year is due to an update on the optimism bias being applied to the completion dates provided by developers, as a significantly number of sites are forecasting completion in March 2023, applying an increased optimism bias adjustment to their programme results in the spend slipping into 2023-24 but doesn't alter the total value of the grant programme.
- 4.6 Detailed explanations provided by project leads for all material variances are included as **Appendix 4**.
- 4.7 There are a handful of projects which have STA budgets within the 22-23 capital programme which are not on the agenda for this meeting, totalling £4.4m; as the next Combined Authority Board meeting is only 2 days before the end of the financial year these budgets could only be approved in time to spend in exceptional circumstances so it is highly unlikely that these projects will spend as forecast. This is likely due to the business cases to unlock expenditure having been delayed and the project sponsors will be asked to provide a revised profile to be included in the March CA Board agenda.
- 4.8 Following a recommendation from the Transport and Infrastructure Committee the Combined Authority Board approved a substantial change to the capital programme funded by the Transforming Cities Fund to maximise the local benefit from the grant while aligning with required timescales.
The detail of this can be found in the paper to the Committee, which is linked under section 9 of this paper, and the capital programme in **appendix 3** reflects these changes. As appendix 3 does not highlight changes, the Board is reminded that the net effect of the decisions in that paper were to reduce the 22-23 capital programme by £31.5m (£6.2m approved and £25.2m STA) and increase future years capital programme by £23.4m (£3.5m approved and £20.8m STA).

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 [Transforming Cities Fund paper at the 16th November Transport and Infrastructure Committee](#)

Appendix 1 - Detailed breakdown of the revenue position

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Grant Income							
Adult Education Budget	-11,989		-11,989	-11,820	-11,989	-	-
AEB Level 3 Courses	-	-955	-955	-955	-955	-	-955
Bus Service Operator Grant	-411		-411	-	-411	-	-
Careers Enterprise Company Funding	-200		-200	-44	-200	-	-
Community Renewal Fund Grants	-1,273		-1,273	-1,848	-1,273	-	-
Local Transport Fund	-506	-169	-675	-	-675	-	-169
Digital Skills Bootcamp	-1,686		-1,686	-114	-330	1,356	1,356
Enterprise Zone receipts	-972		-972	-887	-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	-14,623	-375	-	-
Mayoral Capacity Fund	-1,000		-1,000	-1,000	-1,000	-	-
Multiply Grant	-1,209		-1,209	-	-1,209	-	-
Revenue Gainshare	-8,000		-8,000	-8,000	-8,000	-	-
Skills Advisory Panel Grant	-75		-75	-	-75	-	-
Skills Bootcamp Wave 3	-4,892		-4,892	-	-2,060	2,832	2,832
Transport Levy	-13,300		-13,300	-6,615	-13,300	-	-
Total Grant Income	-49,973	-1,124	-51,097	-45,906	-46,909	4,188	3,064
Mayor's Office							
Mayor's Allowance	96		96	62	96	-	-
Mayor's Conference Attendance	15		15	-	5	-10	-10
Mayor's Office Expenses	40		40	3	10	-30	-13
Mayor's Office Accommodation	77		77	32	50	-27	-27
Mayor's Office Staff	260		260	49	80	-180	-69
Total Mayor's Office	488	-	488	146	241	-247	-119

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'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	1,391	2,299	-59	-82
Chief Executive	331		331	426	325	-6	-
Corporate Services	2,418		2,418	1,907	2,981	563	119
Transport	1,012		1,012	557	1,135	123	-17
Delivery and Strategy	908		908	610	687	-221	-71
Housing	501		501	245	320	-181	-
Total CA Gross Staffing Costs	7,528	-	7,528	5,136	7,747	219	-51
Other Employee Costs							
Travel	80		80	7	50	-30	-20
Training	88		88	31	88	-	-
Change Management Reserve	162		162	79	162	-	-
Total Other Employee Costs	330	-	330	117	300	-30	-20
Externally Commissioned Support Services							
External Legal Counsel	70		70	23	70	-	-
Finance Service	65		65	24	45	-20	-20
Democratic Services	95		95	73	98	3	3
Payroll	10		10	1	3	-7	-2
HR	12		12	10	14	2	2
Procurement	8		8	2	4	-4	-4
Finance System	100		100	-	50	-50	-50
ICT external support	221		221	168	320	99	99
Total Externally Commissioned Support Services	581	-	581	301	603	23	28

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Overheads							
Accommodation Costs	300		300	109	250	-50	-
Software Licences, Mobile Phones cost	113		113	92	113	-	-
Communications	40		40	16	40	-	-
Website Development	10		10	7	10	-	-
Recruitment Costs	100		100	80	120	20	20
Insurance	39		39	39	39	-	-
Audit Costs	140		140	106	180	40	40
Office running costs	31		31	8	20	-11	-5
Corporate Subscriptions	56		56	48	56	-	-
Total Corporate Overheads	830	-	830	505	828	-1	55
Governance Costs							
Committee/Business Board Allowances	144		144	18	60	-84	-84
Total Governance Costs	114	-	114	18	60	-84	-84
Other Corporate Budgets							
Improvement Plan	750		750	-	750	-	-
Corporate Response Fund	145		145	4	145	-	-
Contribution to the A14 Upgrade	61		61	-90	61	-	-
Interest Receivable on Investments	-68		-68	-751	-1,791	-1,723	-
Interest charges on borrowing	500		500	-	-	-500	-
Total Other Corporate Budgets	1,338	-	1,388	-837	-835	-2,223	-
Recharges to Ringfence Funded Projects							
Internally Recharged Grant Funded Staff	-2,749		-2,749	-1,488	-2,749	-	-
Externally Recharged Staff	-484		-484	-240	-484	-	-
Total Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,728	-3,233	-	-
Total Corporate Services Expenditure	7,568		7,568	3,512	5,470	-2,096	-72

<u>Business and Skills</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
AEB Devolution Programme	10,449		10,449	8,315	10,449	-	-
AEB Innovation Fund - Revenue	629		629	188	629	-	-
AEB Programme Costs	367		367	331	367	-	-
AEB Provider Capacity Building	156		156	68	156	-	-
AEB Strategic Partnership Development	196		196	33	196	-	-
Careers and Enterprise Company (CEC)	75		75	83	83	8	8
Changing Futures	60		60	-	60	-	-
CRF Start & Grow Project	930		930	930	930	-	-
CRF Turning Point Project	307		307	307	307	-	-
CRF Programme Management	53		53	11	53	-	-
CRF Turning Point CPCA Programme management	28		28	-	28	-	-
Digital Skills Bootcamp	1,785		1,785	242	330	-1,455	-1,455
Economic Rapid Response Fund	41		41	43	41	-	-
FE Cold Spots (rev)	225		225	-	225	-	-
Growth Co Services	5,073		5,073	209	5,073	-	-
Growth Works Equity Fund (rev)	-	61	61	-	61	-	61
GSE Energy Hub	2,186		2,186	465	2,186	-	-
GSE COP 26	23		23	18	23	-	-
GSE Green Homes Grant Sourcing Activity	699		699	351	699	-	-
GSE Green Homes Grant Ph 3 (LAD 3)	10,601		10,601	811	6,094	-4,508	-
GSE Home Improvement Grant	4,443		4,443	207	2,493	-1,950	-
GSE Net Zero Investment Design	1,500		1,500	600	1,500	-	-
GSE Public Sector Decarbonisation	1,150		1,150	64	1,150	-	-
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,373	1,974	-	-
Health and Care Sector Work Academy	2,467		2,467	264	2,467	-	-
Insight and Evaluation Programme	75		75	78	75	-	-
Local Growth Fund Costs	426		426	219	426	-	-
Market Town and Cities Strategy	35		35	18	64	29	29
Marketing and Promotion of Services	90		90	-	90	-	-
Multiply	1,209		1,209	190	1,209	-	-
Peterborough University Quarter Masterplan	100		100	100	100	-	-

<u>Business and Skills</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	11	77	-	-
Skills Advisory Panel (SAP) (DfE)	40		40	41	40	-	-
Skills Bootcamp Wave 3	3,914	-274	3,640	65	1,925	-1,715	-1,989
Skills Bootcamp Wave 3 PM costs	-	274	274	-	135	-139	
Skills Rapid Response Fund	27		27	-	27	-	-
Total Business and Skills	51,410	61	51,470	15,635	41,741	-9,730	-3,346

<u>Delivery and Strategy</u>	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Bus Review Implementation	1,008		1,008	249	753	-255	-
Climate Change	100		100	100	50	-50	-
Doubling Nature Metrics	25		25	-	25	-	-
Hunts Biodiversity for all - Revenue	50		50	-		-50	-
Lifebelt City Portrait	40		40	80	40	-	-
Local Transport Fund	506	169	675	-	675	-	169
Local Transport Plan	-		-	115	100	100	-
Monitoring and Evaluation Framework	66		66	23	62	-4	-
Natural Cambridgeshire	70		70		70	-	-
P'boro Station Quarter SOBC	175		175	104	175	-	-
Peterborough Electric Bus Depot business case	40		40	-	40	-	-
Public Transport: Bus Service Operator Grant	411		411	-	411	-	-
Public Transport: Concessionary fares	8,845		8,845	4,486	7,645	-1,200	-
Public Transport: Contact Centre	286		286	205	286	-	-
Public Transport: ENCTS rationalisation			-			-	-
Public Transport: RTPi, Infrastructure & Information	221		221	296	221	-	-
Public Transport: S106 supported bus costs	-		-	61	-	-	-
Public Transport: Supported Bus Services	3,422		3,422	2,473	3,997	575	-169
Public Transport: Team and Overheads	456		456	256	456	-	-
Total Delivery and Strategy	15,721	169	15,890	8,448	15,006	-884	-

	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 30 th Nov £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Housing							
CLT	120		120	26	70	-50	-
Affordable Housing Programme Revenue Costs	443		443	210	443	-	-
Total Housing	563	-	563	236	513	-50	-
Total Workstream Expenditure	67,694	230	67,924	24,319	57,260	-10,664	-3,346
Total Revenue Expenditure	75,749	230	75,979	27,977	62,970	-13,007	-3,537

Appendix 2 – 22/23 Capital Position

Business and Skills	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Advanced Manufacturing	487	245	-242	487	-	140
Barn4 specialist growing facilities	400	193	-207	400	-	-
Cambridge Biomedical MO Building	185	185	-	185	-	-
Cambridge City Centre	481	-	-481	-	-481	-481
College of West Anglia - Net Zero	274	-	-274	274	-	-
Expansion of Growth Co Inward Investment	400	-	-400	400	-	-
Fenland Hi-tech Futures	400	-	-400	400	-	-
GSE Green Home Grant Capital Programme Ph 2	16,634	14,281	-2,353	15,301	-1,333	-
GSE Green Home Grant Capital - LAD 3	29,842	125	-29,717	29,247	-595	-
GSE Green Home Grant Capital - HUG 1	10,824	44	-10,780	10,824	-	-
Illumina Accelerator	1,700	400	-1,300	900	-800	-800
Market Towns: Chatteris	596	180	-416	226	-370	-148
Market Towns: Ely	735	28	-707	740	5	22
Market Towns: Huntingdon	391	86	-305	951	560	625
Market Towns: March	2,068	12	-2,056	900	-1,168	-1,168
Market Towns: Ramsey	1,000	190	-810	190	-810	-20
Market Towns: Soham	894	256	-638	492	-402	209
Market Towns: St Ives	433	86	-347	428	-5	102
Market Towns: St Neots	1,141	-	-1,141	-	-1,141	-930
Market Towns: Whittlesey	719	12	-707	233	-486	15
Market Towns: Wisbech	746	338	-408	659	-87	338
IEG Student Space	7	-	-7	7	-	-
Ramsey Food Hub	302	-	-302	302	-	-
South Fen Business Park	-	-	-	-	-	-946
St Neots Masterplan	215	-	-215	285	70	70
Start Codon (Equity)	1,475	295	-1,180	500	-975	-975
The Growth Service Company	5,135	-	-5,135	5,135	-	-
University of Peterborough Phase 3	-	-	-	-	-	-
Total Business and Skills	77,483	16,956	-60,527	69,467	-8,018	-3,947

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Delivery and Strategy						
A10 Dualling	3,993	14	-3,979	1,726	-2,267	-
A1260 Nene Parkway Junction 15	7,111	1,292	-5,819	7,111	-	-32
A1260 Nene Parkway Junction 32/3	711	844	133	711	-	684
A141 & St Ives	1,737	25	-1,712	1,737	-	-
A16 Norwood Dualling	1,427	135	-1,292	227	-1,200	-
A505 Corridor	135	21	-114	135	-	1
CAM Delivery to OBC	150	-	-150	150	-	-
Care Homes Retrofit Programme	500	-	-500	500	-	-
Digital Connectivity Infrastructure Programme	2,118	358	-1,760	1,440	-678	178
Ely Area Capacity Enhancements	124	-	-124	124	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	155	149	-6	155	-	46
Fengate Access Study - Eastern Industries Access - Phase 2	1,322	269	-1,053	1,322	-	-14
Fletton Quays Footbridge	465	-	-465	465	-	-
Hunts Biodiversity for all - Capital	400	-	-400	450	50	-
Local Highways Maintenance & Pothole (PCC and CCC)	27,695	27,695	-	27,695	-	-
Logan's Meadow Nature Reserve	250	-	-250	250	-	-
King's Dyke	1,700	-	-1,700	1,700	1	-
March Junction Improvements	2,114	212	-1,902	2,114	1	-
Net Zero Villages Fund	750	-	-750	750	-	-
Peterborough Green Wheel	250	-	-250	250	-	-
School Streets	10	-	-10	10	-	10
Snailwell Loop	150	-	-150	150	-	150
Soham Station	175	22	-153	175	-	-
Thorpe Wood Cycle Way	625	-	-625	625	-	-
Transport Modelling	740	-	-740	740	-	-
Wisbech Access Strategy	1,573	-	-1,573	1,573	-	-
Wisbech Rail	321	11	-310	241	-80	-
ZEBRA capital funding	6,258	-	-6,258	6,258	-	-
Total Delivery and Strategy	62,959	31,047	-31,912	58,784	-4,173	1,023

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
Housing			
Affordable Housing Grant Programme	21,934	531	-21,403
Housing Investment Fund - contracted payments	6,456	4,228	-2,228
Total Housing	28,389	4,759	-23,630
	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
Corporate Services			
ICT Capital Costs	42	-	-42
Office Fit-out costs	200	31	-169
Total Corporate Services	242	31	-211
Total Capital Programme	169,074	52,793	-116,281

Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
6,163	-15,771	-2,556
5,851	-605	-1,669
12,014	-16,376	-4,225
Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
42	-	-
200	-	-
242	-	-
140,507	-28,567	-7,149

Appendix 3: Capital Programme

	Approved to Spend Budgets				Total approved 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	
Business and Skills										
Advanced Manufacturing	487	-	-	-	487	-	-	-	-	487
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	-	2,850	3,325	3,325	9,500	-	-	-	-	9,500
GSE Green Home Grant Capital Programme Ph 2	16,634	-	-	-	16,634	-	-	-	-	16,634
GSE Green Home Grant Capital - LAD 3	29,842	-	-	-	29,842	-	-	-	-	29,842
GSE Green Home Grant Capital - HUG 1	10,824	-	-	-	10,824	-	-	-	-	10,824
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	719	-	-	-	719	-	195	-	-	914
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
Ramsey Food Hub	302	709	147	-	1,159	-	-	-	-	1,159
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
Total Business and Skills	77,483	9,399	4,608	3,424	94,914	3,052	3,845	2,175	-	103,986

<u>Delivery and Strategy</u>	Approved to Spend Budgets				Total approved spend	Subject to Approval budget				Total project budgets
	2022-23	2023-24	2024-25	2025-26	2022-23	2023-24	2024-25	2025-26	2022-23	2023-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A10 Dualling	3,993	-	-	-	3,993	-	-	-	-	3,993
A1260 Nene Parkway Junction 15	7,111	900	-	-	8,011	-	-	-	-	8,011
A1260 Nene Parkway Junction 32/3	711	-	-	-	711	-	5,850	-	-	6,561
A141 & St Ives	1,737	5,715	-	-	7,452	-	-	-	-	7,452
A16 Norwood Dualling	1,427	-	-	-	1,427	-	-	-	-	1,427
A505 Corridor	135	-	-	-	135	-	-	-	-	135
A603 Barton Road	-	-	-	-	-	-	400	-	-	400
Active Travel Funding (Cap)	-	-	-	-	-	830	1,500	1,779	850	4,959
Addenbrookes Roundabout	-	-	-	-	-	-	200	-	-	200
Brook Crossing - Sutton	-	-	-	-	-	-	225	-	-	225
CAM Delivery to OBC	150	-	-	-	150	-	-	-	-	150
Care Homes Reterofit Programme	500	1,500	-	-	2,000	-	-	-	-	2,000
Carlyle Road Crossing	-	-	-	-	-	-	225	-	-	225
Centre for Green Technology	-	-	-	-	-	-	2,500	-	-	2,500
City of Cambridge Culture - Capital	-	-	-	-	-	183	153	30	-	366
County-wide Speed Reduction	-	-	-	-	-	-	800	-	-	800
Digital Connectivity Infrastructure Programme	2,118	1,500	1,500	-	5,118	-	-	-	-	5,118
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Ely Area Capacity Enhancements	124	-	-	-	124	-	-	-	-	124
Fengate Study - Eastern Industries Access - Ph 1	155	819	-	-	974	-	10,817	-	-	11,791
Fengate Study - Eastern Industries Access - Ph 2	1,322	448	20	-	1,790	-	-	230	-	2,020
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	1,700	-	-	-	1,700	-	-	-	-	1,700
Local Highways Maintenance & Pothole (PCC and 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	2,114	1,604	-	-	3,718	-	3,969	-	-	7,687
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
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Northstowe P&R Link	-	-	-	-	-	-	500	-	-	500
Peterborough Green Wheel	250	500	-	-	750	-	-	-	-	750
Regeneration of Fenland Railway Stations	-	-	-	-	-	-	267	-	-	267
School Streets	10	-	-	-	10	-	-	-	-	10
Smaller Road Safety Measures	-	-	-	-	-	-	100	-	-	100
Snailwell Loop	150	-	-	-	150	-	350	-	-	500
Soham Station	175	-	-	-	175	-	-	-	-	175
Thorpe Wood Cycle Way	625	-	-	-	625	-	-	-	-	625
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	321	-	-	-	321	80	5,000	-	-	5,400
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
Total Delivery and Strategy	62,959	42,553	32,386	27,695	165,593	4,329	35,761	2,354	1,065	209,102

	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	
Housing										
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	
Corporate Services										
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	169,074	51,993	37,036	31,161	289,263	7,381	39,606	4,529	1,065	341,845
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Appendix 4: Detailed Explanations of Material Variances

Operational Revenue Variances >£100k

1. Combined Authority Staffing		Change in forecast expenditure	-£51k
2022-23 Budget	£7,528k	Forecast expenditure	£7,747k
<p>The forecast outturn position on corporate staffing spend has increased by £119k since November's update due to the recruitment of an interim Assistant Director of HR to support the development of processes and policies until the end of the financial year, a revised assumption on the permanent recruitment to the MO post and an extension to the contract of the interim officer supporting the governance programme.</p> <p>This is mitigated by savings elsewhere on the structure and has resulted in an overall decrease of £51k in forecast staffing expenditure for the year.</p>			

Workstream Revenue Variances >£250k

2. Wave 2 Digital Skills Bootcamp		Change in forecast expenditure and associated income	-£1,455k
2021-22 Budget	£1,785k	Forecast expenditure	£330k
<p>The underspend on the Wave 2 Digital Skills Bootcamp programme is due to a number of factors, including:</p> <ul style="list-style-type: none"> - The Combined Authority submitted a consortium bid with 7 Training Providers, however DfE only approved 2 Training Providers in the bid - DfE issued Wave 2 contracts after the start of the 2021-22 Financial Year. The Combined Authority received the DfE contract for review and signature in June 2021, leaving a limited mobilisation and delivery time period for The Combined Authority and Training Providers, where originally the policy was for Training Providers to complete course delivery to learners by the 31st March 2022, with courses being up to 16 weeks in duration - Skills Bootcamps are a new style of delivery. Training Providers often need to develop and implement new courses alongside employer and local skills needs and ensure tutor capacity. It has been challenging engaging Providers to deliver in our region, particularly due to the shorter contract durations - A local college pulled out of the Wave 2 contract with a high number of learners. The Combined Authority sourced a new additional Training Provider to deliver the provision resulting in the Provider having very limited time for mobilisation and learner recruitment 			

All delivery on the project is now complete and final outcomes are being achieved and claimed. We will not have any further delivery or spend after this financial year. As the project was competitively tendered for and CPCA make payment claims to DfE in arrears as and when payments have been made, there is a corresponding decrease in forecast income rather than the Combined Authority holding funds which will need to be returned to DfE.

To ensure this does not happen again in the future The Combined Authority has provided feedback to the DfE regarding contract durations and the need for multi-year funding. Unlike Wave 2 Digital Skills Bootcamps, Wave 3 Skills Bootcamps is grant funded, which enables The Combined Authority to procure and contract delivery. The Combined Authority has increased its marketing activity to raise awareness of the Skills Bootcamp funding opportunities to individuals and residents in the region.

3. Skill Bootcamp Wave 3		Change in forecast expenditure	-£1,989k
2021-22 Budget	£3,914k	Forecast expenditure	£1,925k

The underspend on the Skill Bootcamp Wave 3 programme is due to slow uptake from Training providers, employers and learner recruitment in our area.

A request has been accepted by DfE to reduce the number of students from 1,780 to 1,220. This has reduced the overall value of the project to £3,050k

A slippage of £722k is also expected as DfE is extending the course delivery completion date allowing students to start by the end of March 23, whilst originally 31st March 23 was the deadline for the completion of the course delivery.

Measures such as increased marketing across social media, enhancing awareness with key stakeholders such as JCP with the intention of increased applicant referrals, and engagement with additional Training Providers has been taken in the last couple of months to increase awareness of the funding opportunity and to extend our provision.

Capital Variances >£500k

4. Illumina Accelerator		Change in forecast expenditure	-£800k
2022-23 Budget	£1,700k	Forecast expenditure	£900k

The Combined Authority awarded funding to the Illumina Accelerator programme which is offered to companies which are accepted onto Illumina's accelerator programme.

There are two intakes of participants every year and each intake can have up to 5 companies, each of whom are offered a £100k agreement, meaning the

maximum possible spend in a year is £1m - Illumina are forecasting to have 9/10 of the potential companies take up the offer of the funding in 22-23.

The underspend from 2021-22 financial year, when there was significantly lower uptake due to global COVID impacts, was rolled into the 2022-23 budget and should have been moved into 2023-24. The Combined Authority board will be asked to approve this be slipped into 23-24 as the original funding award to Illumina allows for delivery over 5 years.

5. Market town (March, Ramsey and St Neots)		Change in forecast expenditure	-£2,118
2021-22 Budget	£4,209k	Forecast expenditure	£1,090

The table below show the underspend on the market towns indicated above. All the variances will be carried forward to next financial year.

Programme	Budget	FO Spend	Slippage
March	£2,608k	£900k	£1,168k
Ramsey	£1,000k	£190k	£810k
St Neots	£1,141k	0	£1,141k

Reason:

Ramsey - HDC subsequently made an application to CPCA Local Growth Fund for a Great Whyte Enhancements project which includes the delivery of a Market Produce Hub alongside the Ramsey market towns funded projects. As such the actual roll out of this project is likely to be over the 2023/24 period. Recognising potential delays etc (procuring construction contractors, supplies and materials) and a final date for completion is set to June 2024.

St Neots (Future High Streets) - this was initially delayed due to Covid 19 restrictions. Preliminary Design commenced in Autumn 2021 with a team of Cambridgeshire County Council (CCC) undertaking the PM role and WSP as Design Consultants. Preliminary design now complete and about to commence Detailed Design in September 2022 and Procurement thereafter. While target date for completion remains March 2024 there may be need to adjust this target.

March (Future High Streets) – some delays experienced due to Covid 19 restrictions. As with St Neots, Cambridgeshire County Council (CCC) undertaking the PM role and WSP as Design Consultants. Draw down of CPCA funding in full by September 2023.

6. Start Codon (Equity)		Change in forecast expenditure	-£975k
2022-23 Approved Budget	£1,475k	Forecast expenditure	£500k
<p>This project is the Combined Authority's contribution to a larger fund managed by Start Codon which invests in high growth potential SMEs in the life science and healthcare sectors. As a managed fund investments are made as and when appropriate companies are identified by the fund managers.</p> <p>The fund has a 5-year investment period ending in January 2025, as such payment from the Combined Authority to the fund (drawdowns) will be spread over this time period.</p> <p>The profile which was included for 2021-22 and 22-23 was overly front-loaded and a revised drawdown profile is being established with the fund manager and will result in an updated budget profile being brought to Board for approval.</p> <p>The fund managers are confident that the fund will develop a portfolio to the full value of the fund within the investment period, and the Combined Authority is contractually committed to its contribution so the budget will be requested to be carried forward pending the updated profile.</p>			

7. A1260 Junction 3		Change in forecast expenditure	£684k
2022-23 Budget	£711k	Forecast expenditure	£711k
<p>The increase in expenditure on A1260 Nene Parkway Junction 3 is due to bringing forward active travel elements of this project. Bringing forward some of the active travel schemes for delivery into the third and fourth quarters of the 2022/23 financial year will reduce the pressure on the wider construction programme, and specifically reduce the risk to funding availability caused by any programme delays</p> <p>The schemes identified for accelerated delivery are:</p> <ul style="list-style-type: none"> • Malborne Way Footpath (completes the missing link along an existing route); • Shrewsbury Avenue Cycleway (new cycle way and resurfacing of existing route). <p>Funding for this project was agreed at the CPCA board meeting 19th October 2022</p>			

8. Affordable Housing Grant Programme		Change in forecast expenditure	-£2,556k
2022-23 Budget	£21,934k	Forecast expenditure	£6,163k
<p>The programme includes a large number of schemes forecast to complete in the last quarter, many of them in March. Due to the delays being experienced across the construction industry, in reality it's likely that some of these schemes will not complete and therefore meet conditions for final grant payments until the following financial year. To reflect this an optimism basis adjustment has been made to the forecast representing 25% of further schemes not completing by the end of March.</p>			

9. Housing Investment Fund		Change in forecast expenditure	-£1,669k
2022-23 Budget	£6,456k	Forecast expenditure	£5,851k
<p>Following good sales success the scheme at Haddenham will be repaid earlier than previously forecast resulting in reduced drawdowns (£1.1m). The scheme at Histon Road is experiencing delays common across the construction industry due to the knock-on impacts from Brexit, covid and the Ukraine war on skills and supply chain which will result in £0.6m of drawdown slipping to next financial year.</p> <p>All loans are being closely monitored and are anticipated to be repaid within terms of the current loan agreements.</p>			