

Appendix 4: Detailed Explanations of Material Variances

Corporate Services - Revenue

1. Corporate Services – Staffing			
2021-22 Budget	£2,031k	Variance	£294k
Outturn Expenditure	£2,325k	Requested Slippage	-
		Saving/Overspend	£294k
<p>The Corporate Services Staffing overspend for 2021/22 is due mainly to additional resources required to support increased level of activity in the legal and governance teams and in Human Resources. The increased activity includes supporting an organisational wide governance review and the expansion of activities of subsidiary companies and in grant funded delivery teams including legal and HR support to the expanding net zero hub.</p> <p>The future resource requirements of all Corporate Services will be reviewed as part of the ongoing Even Better transformation programme.</p> <p>Additional costs will be recharged to ring-fenced budgets and to subsidiary companies as allowable administration overheads and through company service level agreements, where applicable.</p>			

2. Housing - Staffing			
2021-22 Budget	£569k	Variance	-£133k
Outturn Expenditure	£436k	Requested Slippage	-
		Saving/Overspend	-£133k
<p>The underspend in Housing staffing costs for the year is due to the reduction in the activities of the team, in particular those relating to Community Land Trusts. The Board will consider the ongoing future Housing activities of the Combined Authority which will determine future resource requirements.</p>			

3. Corporate Accommodation Costs			
2021-22 Budget	£300k	Variance	-£269k
Outturn Expenditure	£31	Requested Slippage	-
		Saving/Overspend	-£269k
<p>The underspend on the Corporate Accommodation costs is due to the fact we did not sign a new lease for accommodation as was originally expected. This was due to the continued impact of the Covid 19 pandemic which resulted in the decision to continue to work from home.</p> <p>The amount actually spent was due to the need to provide occasional rental of office space for face to face meetings (when government guidance</p>			

allowed for this) and to provide office equipment to be provided for employees working from home e.g. chairs and stationery.

4. Committee/Business Board Allowances

2021-22 Budget	£144k	Variance	-£118k
Outturn Expenditure	£26k	Requested Slippage	-
		Saving/Overspend	-£118k

Following a Business Board recommendation, 75% of their remuneration and expenses were funded in 2021/22 by the Local Growth Fund (LGF) topslice, rather than by Enterprise Zone receipts which was the original budget assumption. As LGF funds will not be available to support these costs going forward, this represents a one year only saving against this budget line.

5. Interest Receivable on Investments

2021-22 Budget	-£231k	Variance	-£241k
Outturn Income	-£472k	Requested Slippage	-
		Saving/Overspend	-£241k

Interest rates increased significantly during the course of the 2021/22 financial year, and have continued to rise in the first quarter of the new financial year. This has had a positive impact on interest earned on cash balances.

6. Internally Recharged Grant Funded Staff

2021-22 Budget	-£2,521k	Variance	-£539k
Outturn Income	-£3,060k	Requested Slippage	-
		Saving/Overspend	-£539k

There has been an increase in the recharge of staff time and cost to ring-fenced and separately funded activities. This partially explains the increase in Corporate Services staffing charges (as indicated in the adverse Corporate Services – Staffing cost variance), but more significantly is due to the higher than expected recharge to Energy/Net Zero workstreams.

7. Externally Recharged Staff

2021-22 Budget	-£733k	Variance	£232k
Outturn Income	-£541k	Requested Slippage	-
		Saving/Overspend	£232k

Overall, there was a reduction in the amount of staff time that was recharged to subsidiary company activities. Whilst there was an increase in support provided to the companies engaged in the building of the phased developments of the University of Peterborough, there was reduced activity supporting OneCAM.

Delivery and Strategy – Revenue

8. Passenger Transport – Concessionary Fares			
2021-22 Budget	£9,129k	Variance	-£551k
Outturn Expenditure	£8,544k	Requested Slippage	-
		Saving/Overspend	-£551k
<p>When the budget was set, DfT had not published guidance around reimbursing operators for 2021/22. As such, a contingency amount was included in the budget for factors such as contract inflation that subsequently wasn't required when guidance became available, as DfT instructed that payments remain at pre-covid levels with no inflationary increase applied.</p> <p>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 2023-24 levy for the area.</p>			

9. Bus Review Implementation			
2021-22 Budget	£1,842k	Variance	-£1,118k
Outturn Expenditure	£724k	Requested Slippage	£1,008k
		Saving/Overspend	-£110k
<p>This budget line supports five 'experimental' (i.e. new, rather than existing) bus services with current contracts let to the end of March 2023 along with funding the work on analysing the case for franchising or an enhanced partnership with our local bus operators.</p> <p>The 5 services supported by this line are: 905 Cambourne-Cambridge Science Park 29 Serpentine Green – Peterborough Hospital V2 St Ives – Chatteris – March X3 Huntingdon – Cambourne – Addenbrookes Ting – West Huntingdonshire DRT (Demand Responsive Transport)</p> <p>The rationale for service contracts covering two years is to give passengers, and intending passengers, greater confidence in the reliability of bus services; and to reduce tendering costs for each service.</p> <p>Ting was initially let for 6 months, extendable by 3+3 months and is now being retendered on a 1 + 1 + 1 year basis. The short initial contract was designed to trigger savings if passenger numbers were too low to sustain the service.</p>			

As the services are contracted till March 2023 there is a contractual need to carry forward the budget in order to continue to deliver the bus routes.

It is expected to close out the experimental funding and move some or all of these experimental services into the overall list of bus services supported by CPCA (within the passenger transport budget area) at the end of the new financial year.

The other reason for the underspend against budget in 2021-22 is the pausing of the review of bus services with regard to the potential for franchising or an enhanced partnerships approach. This work is expected to re-commence in 2022-23.

Delivery and Strategy – Capital

10.A1260 Junction 15			
2021-22 Budget	£3,222k	Variance	-£3,011k
Outturn Expenditure	£211k	Requested Slippage	£3,011k
		Saving/Overspend	-
<p>The £3m variance and carry forward from 2021/2 to 2022/3 is due to construction delays as a result of roadspace booking issues.</p> <p>Construction was originally scheduled for February 2022 (with some site clearance beginning in January). Following the submission of the Full Business Case (with construction programme) in November 2021, National Highways booked nearby roadspace to undertake a bridge replacement scheme, meaning that Peterborough City Council (PCC) were unable to secure a roadspace booking to construct Junction 15 as planned. The National Highway works had not been communicated in advance and were not expected on site during the Junction 15 delivery period. A change request for the delay of programme was approved internally in February 2022.</p> <p>Talks with National Highways and PCC's Network Management Team identified a new provisional start date of 20th May 2022, with a 42-week construction programme. Construction is now in progress.</p>			

11.A1260 Junction 32/2			
2021-22 Budget	£239k	Variance	-£27k
Outturn Expenditure	£212k	Requested Slippage	£27k + £5,030k STA
		Saving/Overspend	-

The subject to approval slippage of £5m is due to programme delays to A1260 Junction 15 as this A1260 Junction 32/3 project cannot begin until Junction 15 has been constructed due to the congestion it would cause.

The project is currently at Full Business Case stage and it is expected to go to January 2023 Combined Authority Board meeting for approval of funds for construction. Construction is expected to begin in February/March 2023.

12. Coldham's Lane Roundabout Improvements

2021-22 Budget	£234k	Variance	-£234k
Outturn Expenditure	-	Requested Slippage	£234k + £2,200k STA
		Saving/Overspend	-

The variance against budget in 2021-22 has resulted from the project being placed on hold, as approved by Transport & Infrastructure Committee in November 2020, until such time as funding becomes available to bridge the gap between budget and cost of the proposed options that Committee considered offered the best value for money.

The budget remains in place as the project has been paused rather than withdrawn.

13. Digital Connectivity

2021-22 Budget	£3,139k	Variance	-£1,875k
Outturn Expenditure	£1,264k	Requested Slippage	£618k
		Saving/Overspend	-£1,257k

The Digital Connectivity Infrastructure programme reduced its forecast spend for 2021/22 by £1.875m. Of this, £618,000 is requested to be carried forward from 2021/22 to future years 2022-2025, and £1.213m is saving.

The carry forward is from 3 strands of the Digital Connectivity Programme, this is Full Fibre, Mobile and Smart.

The Fibre workstream has carry forward of £400,000 for rural gigabit vouchers. The delayed spend is a result of the government temporarily suspending rural gigabit vouchers during the project Gigabit procurement phase (for which the CPCA area is an early government pilot). Of the £400,000, £120,000 has been committed as of March 2022 but had not been spent as projects can take time to deliver and therefore it had not been claimed for it, and the other £280,000 is to continue the scheme to provide future facing connectivity in small rural settlements and very remote (hard to reach) areas.

The mobile workstream has carry forward of £200,000, this is due to delays in appointing a planning specialist to facilitate planning permissions for where telecoms improvements have been refused therefore hampering better connectivity, this is therefore due to scheme delay.

The smart workstream has carry forward of £18,000, this is also related to project delays of flood sensors and travel screens.

There was also £1.2m saving on digital connectivity. Of which, £1m was due to National Highways rejecting funds for ducting on the A428. At its meeting on 30 March 2022, the Combined Authority Board agreed that this decision by National Highways should be challenged. Following this the Mayor, on behalf of the Combined Authority Board, wrote to the Minister of State for Media, Data, and Digital Infrastructure and the Parliamentary Under Secretary of State for the Department for Transport. The letter stated that as a Combined Authority, we believe this is a missed opportunity that would help to meet Government's targets to deliver gigabit-capable fibre connectivity across the UK, while also providing legacy community benefits from road upgrade schemes, and that we hope that they will consider a more collaborative pan Government approach for forthcoming schemes and work with Combined Authorities to enable widespread digital delivery.

The other £200,000 saving is made up of procurement savings of £129,226 from the Smart workstream, £68,125 from the Fibre workstream and £15,923 from the Keeping Everyone Connected workstream.

In January 2022 CA Board approved £4.5m budget from the subject to approval line in the Medium-Term Financial Plan for 2022/23 to 2024/25. This funding has been fully forecasted and plans are being put in place to ensure effective delivery.

14. King's Dyke

2021-22 Budget	£7,589k	Variance	-£1,109k
Outturn Expenditure	£6,480k	Requested Slippage	£1,109k + £2,100k STA
		Saving/Overspend	-

The King's Dyke crossing budget included a provision for risk. The risk element of the project will not be known until the completion of the project, when the final account is settled. This has resulted in an underspend against the 2021-22 budget.

The variance between the forecast expenditure as per the March 2022 report and the final outturn expenditure figure relates to construction changes around the Star Pit area of the crossing, which has resulted in additional works. It was anticipated that these works would be completed by the end of 2021-22, but this slipped into 2022-23.

Carry forward of the underspend into 2022-23 will make funds available to manage any risks that may emerge in 2022-23 pending outcome of the Star Pit additional works.

15. March Area Transport Study			
2021-22 Budget	£3,624k	Variance	£2,493k
Outturn Expenditure	£1,131k	Requested Slippage	£2,493k + £1,228k STA
		Saving/Overspend	-
<p>March Area Transport Study project comprises 2 elements – the Major Highways Scheme and Quick Wins:</p> <ul style="list-style-type: none"> Quick Wins <ul style="list-style-type: none"> 2021-22 approved budget of £1.3m spend £0.5m underspend of £0.8m Major Highways Project <ul style="list-style-type: none"> 2021-22 approved budget of £2.3m spend £0.6m underspend of £1.7m <p>March Area Transport Study had an underspend of £2.493m re OBC/preliminary design, for a number of reasons:</p> <p><i>Major Highways Project</i></p> <ul style="list-style-type: none"> Milestone identified cost savings on some of the schemes, which resulted in lower costs billed than originally quoted and budgeted Preliminary design of the Northern Industrial Link Road could not be completed due to difficulty obtaining access to Network Rail land to undertake surveys. This scheme is still at preliminary design stage, while the others have moved on to detailed design. Consultation at OBC stage was not carried out, although budgeted for. The Project Board agreed on 20 May 2021 to defer this to the FBC/detailed design stage. Many contingency and risk costs did not materialise CCC officer staff time requirements, and hence costs, were lower than estimated at the outset <p><i>Quick Wins</i></p> <ul style="list-style-type: none"> Delays in the commencement of the Quick Wins schemes due to capacity issues – slippage into 2022-23 Due to the delay in commencement, less CCC officer staff time has been utilised, and therefore charged, than forecast for the year. <p>The reasons for the variance between the forecast expenditure in the March report of £2.083m and the final outturn figure of £1.131m are as follows:</p>			

- Risk budget of £300k not forecast as likely to be unspent during the year
- Reallocation of £350k to Broad Street and Peas Hill anticipated in 2021-22 but slipped into 2022-23
- Walking and cycling strategy works were anticipated to commence in 2021-22 and forecast as such. These works will not commence until early 2022-23
- Delays to Quick Wins projects during the year – expectation that work would take place in latter stages of year and forecast as such. These works have not been completed and will take place in early 2022-23.

The underspend was requested to be moved to the next financial year for the project and some of it has approval for spend as below:

- £180,000 MATS Broad Street Early release of funds
- £60,000 MATS Peas Hill for preliminary design of the signalised Hostmoor Avenue junction
- £40,000 MATS Broad Street Monitoring and Evaluation
- £500,000 MATS Broad Street Advanced construction funding for utility diversions (from FHSF and needs repaying after FBC)

The Full Business Case (Broad Street) is planned to go to board in Jan 2023.

16. Regeneration of Fenland Stations

2021-22 Budget	£2,610k	Variance	-
Outturn Expenditure	£2,610k	Requested Slippage	£674k STA
		Saving/Overspend	-

Forecast expenditure as per the March 2022 report was £2.657m. The final outturn expenditure was £2.610m, a variance of £47k. Initial indications of spend received during March were used to forecast expenditure for the March report. These were later updated for Whittlesea SOBC being anticipated to be completed in early 2022-23 and this was reflected in the final outturn position by a slight reduction in spend for 2021-22.

Drawdown of part of the subject to approval budget of £0.674m will be required in 2022-23 for the completion of works on the scheme.

17. Soham Station

2021-22 Budget	£9,244k	Variance	£1,732k
Outturn Expenditure	£10,975k	Requested Slippage	-£1,732k
		Saving/Overspend	-

Station opened in December 2021, 6 months ahead of schedule. The completion of the majority of works earlier than planned did not align with the profiling of the budget across financial years 2021-22 and 2022-23. Spend in 2021-22 exceed the 2021-22 budget by £1.732m.

Spend remains within budget across the two years 2021-22 and 2022-23, and a substantial saving on the programme as a whole is anticipated.

The variance between the forecast expenditure as per the March 2022 report and the final outturn expenditure figure relates to contractor costs that were anticipated to be due in early 2022-23. These works that were completed ahead of schedule and billed in late 2021-22.

18. Transport Modelling			
2021-22 Budget	£750k	Variance	-£740k
Outturn Expenditure	£10k	Requested Slippage	£740k
		Saving/Overspend	-
<p>The Transport Modelling budget was established to fund consultancy work to support the development of a regional transport model. An initial study was undertaken to consider the scope. However, in response to the inclusion of a larger, multi-year budget for a transport model within the MTFP, a paper is being developed proposing that the scope be changed from a Transport Model to the development of a data centre across all partners, for the benefit of modelling across all disciplines to include transport, housing, economy, education, retail, and leisure. The underspend for 2021-22 has arisen as a direct result of the emergence of the new proposal.</p> <p>The carry forward of £740k would enable the development of a region-wide Transport Model in addition to the proposed data spend.</p>			

19. Wisbech Access Strategy			
2021-22 Budget	£2,739k	Variance	-£1,573k
Outturn Expenditure	£1,166k	Requested Slippage	£1,573k
		Saving/Overspend	-
<p>The project budget was intended to fund phase 1 of a 3-phase programme. Completion of the purchase of several parcels of land by the land agents was expected to take place within 2021-22. Completion of these purchases was delayed and not finalised within 2021-22. Carry forward of unspent budget in 2021-22 has been requested to fund the expected completion of the securing of land for the scheme in early 2022-23.</p> <p>The variance between the forecast expenditure as per the March 2022 report and the final outturn expenditure was related to the purchase of land. It was not known until the late stages of 2021-22 that the land purchases were unlikely to complete within the year, following the death of one landowner and protracted negotiations with the other landowners.</p>			

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20. Wisbech Rail			
2021-22 Budget	£306k	Variance	-£241k
Outturn Expenditure	£65k	Requested Slippage	£241k + £2,688k STA
		Saving/Overspend	-
<p>The variance between budget and outturn for 2021-22 has resulted from resourcing problems at Network Rail. This created delays in getting an agreement in place and for the preparation of the engineering and modelling review report to consider light rail options.</p> <p>The variance between the forecast expenditure in the March 2022 report of £0.195m and the final outturn figure of £0.130m relates to lower than anticipated Network Rail management costs being notified to CPCA at year-end.</p>			

Business and Skills – Revenue

21. AEB programme (combined)			
2021-22 Budget	£14,128k	Variance	-£1,938k
Outturn Expenditure	£12,189k	Requested Slippage	£285k
		Savings/Overspend	-£1,653k
<p>A large amount of work is being carried out with both existing and potential providers to improve the delivery of the various projects within the programme, and whilst improvements are being made, these will not necessarily impact the current fiscal year. They will, however, improve the academic year outturn.</p> <p>Some of the actions that are being implemented to reduce the underspend, particularly by the end of the academic year include:</p> <ul style="list-style-type: none"> - Inviting providers to submit cases for in-year 'growth' and increasing grant and contract values where realistic proposals have been agreed. £0.5m of additional funding has been approved for in-year growth. - Introducing a new grant-funded adult learning institute, the Workers Education Association (WEA) in-year to commence delivery from March. - Payments for level 3 courses to grant providers are made in arrears. - We expect to increase the number of Independent Training Providers, through our upcoming commissioning round from eight to at least 15 for the 2022/23 academic year. Doubling the capacity and funding that is contracted 			

The funding for AEB is ring-fenced, and whilst it is not ideal that there will be an underspend, this funding will be held in a ringfenced reserve available in future fiscal years to ensure it is spent on learners in our region.

22. Digital Skills Bootcamp (Wave 2)

2021-22 Budget	£1,826k	Variance	-£1,785k
Outturn Expenditure	£41k	Requested Slippage	£1,785k
		Increase/Decreased income	-

As reported to the March Skills Committee, a change control notice was agreed with the Department for Education (DfE) which allowed enrolment of students to continue later into the year as 80% of course delivery could continue into 2022-23.

As payments to providers are made after the courses complete, and in line with payment milestone evidence, payments against this budget are expected to continue until December 2022.

Based on enrolments to the end of March Combined Authority have committed £1.4m against the total allocation of £1.8m; as a fully grant funded project any underspend will result in less funding being drawn down from DfE and so has no effect on the wider Combined Authority budget.

As the Combined Authority submits claims for this grant in arrears the grant income associated with this project is also now expected in 2022-23.

23. Enterprise Zone Receipt income

2021-22 Budget	-£1,209k	Variance	£682k
Outturn Income	-£527k	Requested Slippage	-
		Increase/Decreased income	£682k

The variance on the Enterprise Zone receipts line is due to a change in accounting treatment. The £682k income shown as a variance for 21-22 will be received in arrears during 22-23 and should not have been included in the 21-22 budget here. This income is therefore still expected to be received and does not represent a gap in the enterprise zone receipt budget.

24. Greater South-East Net Zero Hub revenue budgets (Combined)

2021-22 Budget	£4,092k	Variance	-£2,323k
Outturn Expenditure	£1,769k	Requested Slippage	£2,319k
		Saving/Overspend	-

Due to the necessary focus on recovery of the GHG Phase 2 programme, resources have not been available to deliver on the other, less time-critical workstreams, resulting in underspends on the Net Zero Investment Design,

LAD 3, Home Improvement Grant, and Public Sector Decarbonisation budgets.

The funding for these workstreams is ringfenced and can be spent in 2022-23, so carry forward of the underspends is being requested from the Combined Authority Board.

25. Growth Co Services inc Growth Hub			
2021-22 Budget	£3,223k	Variance	-£1,605k
Outturn Expenditure	£1,619k	Requested Slippage	£1,605k
		Saving/Overspend	-
<p>The lower than forecast expenditure on Growth Co Services is predominantly due to the ERDF grant funded programme delivered via the Growth Co being behind profile, this is something Growth Co Board and Officers in the CPCA are fully aware of and are taking actions to address.</p> <p>A recent external audit of the ERDF nudge grants found the processes / procedures in place with the Consortia delivery partner were compliant and the number of grant offer letters with businesses is in line with the forecast.</p> <p>From analysis it appears client journeys are taking 9 - 10 months to complete, rather than the estimated 6 months, so this will account for some of the lag between forecast and actual spend.</p> <p>As the contract is only 18 months into its 3-year tenure (31st December 2023), there are no reasons at this point to suggest the performance of ERDF won't be achieved. The ESF grants are only slightly behind profile and the Consortia partner is already producing a Project Change Request (PCR) to reflect this.</p>			

Business and Skills – Capital

26. Green Home Grant Capital Programme Ph 2			
2021-22 Budget	£31,500k	Variance	-£28,144k
Outturn Expenditure	£3,356k	Requested Slippage	£28,144k
		Saving/Overspend	-
<p>In the report to the January meeting of the Combined Authority Board, dependencies were outlined that would need to be met to deliver the £31.5m 2021/22 forecast:</p> <p>A) Securing sufficient installers to deliver the energy efficiency measures (first mini competition on the installer DPS closed 14th January)</p>			

- B) Achieving sufficient take up by eligible households.
- C) Reaching agreements with a range of local authorities and Housing Associations to allocate grant funding to deliver local projects.
- D) The capability and capacity of Warmworks (our only Managing Agent) to increase delivery from £23.3m to £36.9m.

The underspend against this profile was due to dependency A) not being met:

11 installers were successful in the first mini competition, however 9 failed quality assessment. Which heavily impacted delivery in the final quarter of 21-22.

To address this, further mini competitions have been run and there are now 31 installers working on the scheme and there are 56 installers on the DPS – these enable a greater rate of delivery moving forward but were not in place to deliver before March 2022.

The reduced delivery expectation due to the lack of high quality installers was reflected in the LAD2 Recovery Plan, submitted to BEIS in March, which contained a forecast programme spend of £11.5m.

The project had sufficient referrals to deliver the target capital spend, however, the constraining factor remains supply chain capacity and to a lesser degree retrofit Assessor and Coordinators. These constraints will mean that the pipeline of referrals will not be delivered by the end of September (funding period for LAD2), it is estimated that the target spend could be delivered between September to December.

To mitigate the impacts on households signed up to the scheme, the Managing Agent is running additional mini competition for installers The Net Zero Hub request for the extension of the LAD2 beyond September 2022, to run concurrently with Sustainable Warmth, was not approved.

A supply chain intelligence and skills need study is currently in procurement, the outcomes of this study will support Local Enterprise Partnerships and local authorities to develop strategies and plans for the long-term sustainable growth of the sector.

There is a detailed report on the LAD2 and sustainable warmth programmes on the forward plan for the next meeting of the Combined Authority Board.

27. Market Towns – Chatteris			
2021-22 Budget	£1,000k	Variance	-£596k
Outturn Expenditure	£404k	Requested Slippage	£596k
		Saving/Overspend	0
The delay on delivery of the Chatteris Town Centre Renaissance Fund and			

Museum & Community Space project is due to contract documentation taking longer than was anticipated to be completed. This is now in place and delivery of the programme is underway with revised spend and project completion by the end of April 2023.

28. Market Towns – March

2021-22 Budget	£550k	Variance	-£518k
Outturn Expenditure	£32k	Requested Slippage	£518k
		Saving/Overspend	0

The delay on delivery of the March programme is due to contract documentation taking longer than was anticipated to be completed. This is now in place and delivery of the programme is underway with revised spend and project completion by March 2023

29. Market Towns – Ramsey

2021-22 Budget	£705k	Variance	-£705k
Outturn Expenditure	£0k	Requested Slippage	£705k
		Saving/Overspend	0

The project in Ramsey involves the purchase of a capital asset (the former Lloyds TSB bank building).
Concluding the negotiation for the purchase has taken a few months longer than was anticipated however the contracts are now in place for the purchase and the project is therefore anticipating drawdown of their total funding by the end of December 2022.

30. Illumina Accelerator

2021-22 Budget	£1,000k	Variance	-£700k
Outturn Expenditure	£300k	Requested Slippage	£700k
		Saving/Overspend	0

Applications to the Illumina Accelerator programme have been affected by the global COVID pandemic, resulting in only 3 SMEs joining the programme who were in need of the £100k seed funding rather than the forecast 10.

As the impact of COVID globally is reducing the accelerator is proving very popular, buoyed by the positive publicity from the first rounds which now have companies graduated and succeeding so are anticipating that there will be full uptake going forward.

The programme was always intended to extend beyond the end of the CPCA funding as other investors joined at the same point and their funding will continue, as such the £700k unspent in 21-22 will be used to support future

SMEs through the accelerator programme.

31. South Fen Business Park

2021-22 Budget	£997k	Variance	-£946k
Outturn Expenditure	£51k	Requested Slippage	£946k
		Saving/Overspend	0

The delivery of the Business Park has been delayed while the planning process was resolved. As part of this the scope of the project has been increased which will result in a larger number of units being built at no additional cost to the Combined Authority.

The project's current end-date is August 2022, which it will not meet. However construction will have commenced by this date and the project is in the process of submitting a variation request, but is currently waiting on confirmation of the revised practical completion date.

32. Start Codon

2021-22 Budget	£2,226k	Variance	-£1,475k
Outturn Expenditure	£751k	Requested Slippage	£1,475k
		Saving/Overspend	0

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.

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.

The profile which was included for 2021-22 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.

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 is requested to be carried forward pending the updated profile.

Housing - Capital

33. Affordable Housing Grant Programme

2021-22 Budget	£25,119k	Variance	-£5,041k
Outturn Expenditure	£20,078k	Requested Slippage	£5,041k
		Saving/Overspend	-

There was the underspend due to 3 projects in the programme not progressing by end March 2022. Most of the issues were due to Covid delays, contractual issues, planning issues and construction cost inflation making schemes unviable at the last minute as tenders were received well above developers expectations.

The 3 major schemes were :

Rear of High Street, Stilton – grant was £1.57m – contractual, planning and construction cost issues.

Rear of High Street, Needingworth – grant was £1.775m – contractual issues.

Gloucester Centre, grant was £1.438m -found that they would require more grant due to the level of the final construction cost tender returns so project was put on hold whilst reviewing contractor procurement.

34. Housing Investment Fund			
2021-22 Budget	£11,841k	Variance	-£2,211k
Outturn Expenditure	£9,630k	Requested Slippage	£2,211k
		Saving/Overspend	-
<p>The forecast has reduced due to updated drawdown forecasts for the affordable housing loans, reflecting the impact of Covid related delays.</p> <p>On the MOD Ely scheme spend has reduced as some of the units are now being sold without refurbishment.</p> <p>Drawdowns on the loan scheme at Histon Road in Cambridge are slightly behind original projections, reflecting impact of the supply of skills and materials. The original practical completion date for October 2022 is now expected to be early 2023.</p> <p>All loans are being closely monitored and are anticipated to be repaid within terms of the current loan agreements.</p>			