

## Budget Monitor Report: November 2022

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 November 2022

Lead Member: Deputy Mayor Anna Smith

From: Jon Alsop  
Chief Finance Officer

Key decision: No

Forward Plan reference:

Recommendations: a) Note the financial position of the Combined Authority for the year to date.  
b) Note the increase to the Local Transport Grant following extension by the Department for Transport.

Voting arrangements: For noting only. No vote required.

## 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 30<sup>th</sup> September 2022 and forecast outturn position as agreed by end of October 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**.

	Sept Budget £'000	Adjust' £'000	Revised Budget £'000	Actuals to 30 <sup>th</sup> Sep 22 £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
<b>2022-23 Revenue</b>								
<b>Grant Income</b>	<b>-49,804</b>	<b>-169</b>	<b>-49,973</b>	<b>-27,667</b>	<b>-49,973</b>	<b>-</b>	<b>-169</b>	
Mayor's Office	488	-	488	108	359	-128	-51	
CA Gross Staffing Costs	7,528	-	7,528	3,703	7,797	269	194	
Other Employee Costs	330	-	330	76	320	-10	-10	
Externally Commissioned Support Services	581	-	581	194	576	-5	-3	
Corporate Overheads	830	-	830	264	773	-56	-	
Governance Costs	144	-	144	16	144	-	-	
Other Corporate Budgets	1,388	-	1,388	-972	-835	-2,223	-1,291	1
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,492	-3,233	-	-	
<b>Corporate Services Expenditure</b>	<b>7,568</b>	<b>-</b>	<b>7,568</b>	<b>1,789</b>	<b>5,542</b>	<b>-2,025</b>	<b>-1,110</b>	
Business and Skills	51,185	225	51,410	11,177	44,952	-6,458	225	
Delivery and Strategy	15,552	169	15,721	6,075	15,006	-715	-542	2-4
Housing	513	50	563	200	513	-50	-	
<b>Workstream Expenditure</b>	<b>67,250</b>	<b>444</b>	<b>67,694</b>	<b>17,452</b>	<b>60,471</b>	<b>-7,223</b>	<b>-317</b>	
<b>Total Expenditure</b>	<b>75,306</b>	<b>444</b>	<b>75,749</b>	<b>19,349</b>	<b>66,373</b>	<b>-9,376</b>	<b>-1,478</b>	

- 3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £9.4m, £7m of this was previously reported due to the removal of the £500k budget for borrowing costs and the forecast underspends on the Net Zero Hub capital retrofit programmes.
- 3.3 The October budget update increased the forecast income from treasury management loans by over £400k, this has been further improved and the total forecast income for the year now stands at £1.7m. While there has been no change in the Authority's treasury management strategy, the increases in the bank of England base rate have flowed through into significantly higher returns on loans than was originally expected. A full list of all budgets is included in **Appendix 1** and detail on material changes to expenditure forecasts are covered in **Appendix 4**:
- 3.4 There has been one change to the approved revenue budget since the Board's previous report, and that is an update to reflect the third tranche of the Local Transport Grant provided by the Department for Transport (DfT). This can be seen as an increase in the grant income line, and matching expenditure on the Local Transport Grant expenditure budget, of £169k.
- 3.5 There are no changes to forecast grant income for the year.
- 3.6 The actuals reported here represent the position at the halfway point of the financial year. After omitting the Net Zero retrofit programmes (as they are so large, they mask other behaviours) as well as income streams from treasury management operations and staff recharges, total revenue spend is only 34% of forecast spend for the year. While many of our largest expenditure headings run a month behind (i.e. spend on services in September will be charged to the Combined Authority in October) this is still less than might be expected even after 5 months of the year. There are a significant number of projects where no spend is reported so far this year despite substantial forecast outturns – if these projects continue to show limited spend while not reducing their forecast closer scrutiny and challenge will be applied.
- 3.7 Outside the additions to the budget approved by the CA Board there are five material changes to the revenue outturn position since the report to the October Board:
- The forecast income from treasury management activities in the year has increased by - £1.3m.
  - The Bus Review Implementation budget is forecasting an underspend of £255k, this is needed to cover the April-November costs of the Ting contract and so will be requested as carry forward.
  - Spend on reimbursing bus service operators for Concessionary Fares is forecast to be £1.2m less than the annual budget due to changes in guidance from DfT allowing the CA to reduce payments, which were held at pre-COVID levels in the prior financial year despite reduced patronage.
  - Spend on supported bus services is expected to be £1.2m above the original budget, offset by £506k of grants received for the DfT leaves a net overspend on the budget of £700k. The increase in costs is due to the need to retender a suite of supported bus services in a short timeframe following notice from Stagecoach that they would cease to operate the routes.

## 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 <sup>th</sup> Sep 2022	22-23 Forecast Outturn	Forecast Variance		Change in FO
	£'000		£'000	£'000	%	£'000
Corporate Services	242	24	242	-	0.00%	-
Business and Skills	77,737	12,505	72,666	-5,071	-6.50%	-12,984
Delivery and Strategy	67,770	30,052	57,771	-9,998	-14.80%	1,946
Housing	28,389	4,541	16,239	-12,151	-42.80%	-12,151
<b>Totals</b>	<b>174,138</b>	<b>47,122</b>	<b>146,918</b>	<b>-27,220</b>	<b>-15.6%</b>	<b>-23,189</b>

Capital Funding Summary	Revised 22-23 Budget	Actuals to 30 <sup>th</sup> Sep 2022	22-23 Forecast Outturn	Forecast Variance		% received to date
	£'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%
<b>Totals</b>	<b>-54,326</b>	<b>-35,609</b>	<b>-57,208</b>	<b>-2,882</b>	<b>41.4%</b>	<b>62.2%</b>

- 4.2 While there is a significant forecast underspend on the capital programme c. 1/3 of this is expected to be addressed by the reprioritisation and rephasing of the Transforming Cities Funded transport projects which is coming to the Combined Authority Board at the same meeting as this report, of greater potential concern is the limited level of spend which is currently being seen across the capital programme.
- 4.3 As at the end of September, after allowing for the highway's maintenance grants and Net Zero retrofit programmes, the total capital spend is only 13.5% of the forecast spend for the year.
- While there are many potential reasons for this behaviour which would not result in slippage, from projects being planned for initiation in the second half of the year to delays in claims from delivery partners being received, if there is not a substantial acceleration in monthly spend moving forward there is risk of a very large degree of slippage on the programme.

- 4.4 The risk of project delay and slippage is one the Combined Authority is already taking steps to address with an ongoing review of the capital programme utilising external expertise and engagement with our internal auditors, RSM. The first phase of this work, to review existing projects and pipelines, is well underway and the next phase will be using this learning to develop new internal systems and methods in consultation with our constituent councils. The auditor's work has been delayed due to several members of their team moving on and is currently proposed for February 2023.
- 4.5 The forecast outturn position on the Net Zero Hub capital retrofit programme has reduced by £13.3m since the last report to the Combined Authority Board, however this is due to a reporting error in the last report where the total project spend (including both revenue and capital elements of the project) were put onto the capital budget line resulting in an overstated forecast in the previous report.
- 4.6 The only material change to the forecast spend for the year in Delivery and Strategy is a partial restoration of the A10 improvement position by £800k to forecast spend of £1.7m in the current financial year. More detail on this variance is included in **Appendix 4**.
- 4.7 The Housing programme forecasts have been updated following some key staff absences and there has been significant change to both the affordable housing grant payments and the contracted loan payments and receipts. These changes bring the forecasts up to date with the programme agreed with DLUHC, as amended by Housing Committee decisions and the agreed programme is reflected in the draft medium-term financial plan presented at this meeting. The effect is the reprofiling, of spend from 2022-23 into the two following years to accurately reflect the profile of payments on projects approved by the Housing Committee.

## 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 None

## Appendix 1 - Detailed breakdown of the revenue position with actual spend to 30<sup>th</sup> Sept 2022

	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<b>Grant Income</b>							
Adult Education Budget	-11,989		-11,989	-11,973	-11,989	-	-
Bus Service Operator Grant	-411		-411	-	-411	-	-
Careers Enterprise Company Funding	-200		-200	-44	-200	-	-
Community Renewal Fund Grants	-1,273		-1,273	-	-1,273	-	-
Local Transport Fund	-337	-169	-506	-	-506	-	-169
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	-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	-	-4,892	-	-
Transport Levy	-13,300		-13,300	-6,650	-13,300	-	-
<b>Total Grant Income</b>	<b>-49,804</b>	<b>-169</b>	<b>-49,973</b>	<b>-27,667</b>	<b>-49,973</b>	<b>-</b>	<b>-1,209</b>
<b>Mayor's Office</b>							
Mayor's Allowance	96		96	46	96	-	-
Mayor's Conference Attendance	15		15	-	15	-	-
Mayor's Office Expenses	40		40	3	23	-17	-7
Mayor's Office Accommodation	77		77	26	77	-	-
Mayor's Office Staff	260		260	33	149	-111	-44
<b>Total Mayor's Office</b>	<b>488</b>	<b>-</b>	<b>488</b>	<b>108</b>	<b>359</b>	<b>-128</b>	<b>-51</b>



	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<b>Corporate Services</b>							
<b>Combined Authority Gross Staffing Costs</b>							
Business and Skills	2,358		2,358	995	2,381	23	64
Chief Executive	331		331	293	324	-7	1
Corporate Services	2,418		2,418	1,344	2,862	444	25
Transport	1,012		1,012	412	1,152	140	6
Delivery and Strategy	908		908	480	759	-150	63
Housing	501		501	179	320	-181	35
<b>Total CA Gross Staffing Costs</b>	<b>7,528</b>	<b>-</b>	<b>7,528</b>	<b>3,703</b>	<b>7,797</b>	<b>269</b>	<b>194</b>
<b>Other Employee Costs</b>							
Travel	80		80	4	70	-10	-10
Training	88		88	28	88	-	-
Change Management Reserve	162		162	44	162	-	-
<b>Total Other Employee Costs</b>	<b>330</b>	<b>-</b>	<b>330</b>	<b>76</b>	<b>320</b>	<b>-10</b>	<b>-10</b>
<b>Externally Commissioned Support Services</b>							
External Legal Counsel	70		70	11	70	-	-
Finance Service	65		65	23	65	-	-
Democratic Services	95		95	48	95	-	-
Payroll	10		10	1	5	-5	-3
HR	12		12	6	12	-	-
Procurement	8		8	2	8	-	-
Finance System	100		100	-	100	-	-
ICT external support	221		221	103	221	-	-
<b>Total Externally Commissioned Support Services</b>	<b>581</b>	<b>-</b>	<b>581</b>	<b>194</b>	<b>576</b>	<b>-5</b>	<b>-3</b>

	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<b>Corporate Overheads</b>							
Accommodation Costs	300		300	21	250	-50	-
Software Licences, Mobile Phones cost	113		113	76	113	-	-
Communications	40		40	12	40	-	-
Website Development	10		10	6	10	-	-
Recruitment Costs	100		100	34	100	-	-
Insurance	39		39	39	39	-	-
Audit Costs	140		140	28	140	-	-
Office running costs	31		31	1	25	-6	-
Corporate Subscriptions	56		56	47	56	-	-
<b>Total Corporate Overheads</b>	<b>830</b>	<b>-</b>	<b>830</b>	<b>264</b>	<b>773</b>	<b>-56</b>	<b>-</b>
<b>Governance Costs</b>							
Committee/Business Board Allowances	144		144	16	144	-	-
<b>Total Governance Costs</b>	<b>114</b>	<b>-</b>	<b>114</b>	<b>16</b>	<b>114</b>	<b>-</b>	<b>-</b>
<b>Other Corporate Budgets</b>							
Improvement Plan	-	750	750	-	750	-	-
Corporate Response Fund	145		145	-	145	-	-
Contribution to the A14 Upgrade	61		61	-	61	-	-
Interest Receivable on Investments	-68		-68	-972	-1,791	-1,723	-1,291
Interest charges on borrowing	500		500	-	-	-500	-
<b>Total Other Corporate Budgets</b>	<b>638</b>	<b>750</b>	<b>1,388</b>	<b>-972</b>	<b>-835</b>	<b>-2,223</b>	<b>-1,291</b>
<b>Recharges to Ringfence Funded Projects</b>							
Internally Recharged Grant Funded Staff	-2,749		-2,749	-1,282	-2,749	-	-
Externally Recharged Staff	-484		-484	-210	-484	-	-
<b>Total Recharges to Ringfence Funded Projects</b>	<b>-3,233</b>	<b>-</b>	<b>-3,233</b>	<b>-1,492</b>	<b>-3,233</b>	<b>-</b>	<b>-</b>
<b>Total Corporate Services Expenditure</b>	<b>6,818</b>	<b>750</b>	<b>7,568</b>	<b>1,789</b>	<b>5,542</b>	<b>-2,025</b>	<b>-1,110</b>

<b><u>Business and Skills</u></b>	<b>Sep Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals YTD £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>
AEB Devolution Programme	10,449		10,449	6,489	10,449	-	-
AEB Innovation Fund - Revenue	629		629	178	629	-	-
AEB Programme Costs	367		367	208	367	-	-
AEB Provider Capacity Building	156		156	68	156	-	-
AEB Strategic Partnership Development	196		196	33	196	-	-
Careers and Enterprise Company (CEC)	75		75	73	75	-	-
Changing Futures	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	282	1,785	-	-
Economic Rapid Response Fund	41		41	26	41	-	-
FE Cold Spots (rev)	-	225	225	-	225	-	225
Growth Co Services	5,073		5,073	315	5,073	-	-
GSE Energy Hub	2,186		2,186	420	2,186	-	-
GSE COP 26	23		23	2	23	-	-
GSE Green Homes Grant Sourcing Activity	699		699	296	699	-	-
GSE Green Homes Grant Ph 3 (LAD 3)	10,601		10,601	374	6,094	-4,508	
GSE Home Improvement Grant	4,443		4,443	37	2,493	-1,950	
GSE Net Zero Investment Design	1,500		1,500	600	1,500	-	-
GSE Public Sector Decarbonisation	1,150		1,150	6	1,150	-	-
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,250	1,974	-	-
Health and Care Sector Work Academy	2,467		2,467	218	2,467	-	-
Insight and Evaluation Programme	75		75	12	75	-	-
Local Growth Fund Costs	426		426	183	426	-	-
Market Town and Cities Strategy	35		35	7	35	-	-
Marketing and Promotion of Services	90		90	-	90	-	-
Multiply Programme	1,209		1,209	-	1,209	-	

<b><u>Business and Skills</u></b>	<b>Sep Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals YTD £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>
Peterborough University Quarter Masterplan	100		100	100	100	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	-	77	-	-
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	-	-
<b>Total Business and Skills</b>	<b>51,185</b>	<b>225</b>	<b>51,410</b>	<b>11,177</b>	<b>44,952</b>	<b>-6,458</b>	<b>225</b>

<b><u>Delivery and Strategy</u></b>	<b>Sep Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals YTD £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>
Bus Review Implementation	1,008		1,008	209	753	-255	-255
Climate Change	100		100	-	50	-50	-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	169	506	-	506	-	169
Local Transport Plan	-		-	106	100	100	100
Monitoring and Evaluation Framework	66		66	10	62	-4	-
P'boro Station Quarter SOBC	70		70		70	-	-
Peterborough Electric Bus Depot business case	175		175	104	175	-	-
Public Transport: Bus Service Operator Grant	40		40	-	40	-	-
Public Transport: Concessionary fares	411		411	-	411	-	-
Public Transport: Contact Centre	8,845		8,845	3,301	7,645	-1,200	-1,200
Public Transport: ENCTS rationalisation	286		286	163	286	-	-
Public Transport: RTPI, Infrastructure & Information						-	-
Public Transport: S106 supported bus costs	221		221	106	221	-	-
Public Transport: Supported Bus Services	-		-	-	-	-	-
Public Transport: Team and Overheads	3,422		3,422	1,857	4,166	744	744
Natural Cambridgeshire	456		456	219	456	-	-

<u>Delivery and Strategy</u>	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<b>Total Delivery and Strategy</b>	<b>15,552</b>	<b>140</b>	<b>15,721</b>	<b>6,075</b>	<b>15,006</b>	<b>-715</b>	<b>-542</b>
<b><u>Housing</u></b>							
CLT	70	50	120	20	70	-50	-
Affordable Housing Programme Revenue Costs	443		443	180	443	-	-
<b>Total Housing</b>	<b>513</b>	<b>50</b>	<b>563</b>	<b>200</b>	<b>513</b>	<b>-50</b>	<b>-</b>
<b>Total Workstream Expenditure</b>	<b>67,250</b>	<b>444</b>	<b>67,694</b>	<b>17,452</b>	<b>60,471</b>	<b>-7,223</b>	<b>-317</b>
<b>Total Revenue Expenditure</b>	<b>75,306</b>	<b>444</b>	<b>75,749</b>	<b>19,349</b>	<b>66,373</b>	<b>-9,376</b>	<b>-1,478</b>

## Appendix 2 – 22/23 Capital Position, actuals to 30<sup>th</sup> September 2022

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b><u>Business and Skills</u></b>						
Advanced Manufacturing	347	-	347	347	-	347
Barn4 specialist growing facilities	400	-	400	400	-	-
Cambridge Biomedical MO Building	185	185	185	-0	-	-
Cambridge City Centre	481	-	481	481	-	-
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	10,683	15,301	4,618	-1,333	-4,699
GSE Green Home Grant Capital - LAD 3	29,842	61	29,247	29,186	-595	-5,283
GSE Green Home Grant Capital - HUG 1	10,824	16	10,824	10,808	-	-3,304
Illumina Accelerator	1,700	200	1,700	1,500	-	-
Market Towns: Chatteris	596	127	374	247	-222	-
Market Towns: Ely	735	12	718	706	-16	-
Market Towns: Huntingdon	391	86	326	240	-65	-
Market Towns: Littleport	-	-	-	-	-	-
Market Towns: March	2,068	-	2,068	2,068	-	-
Market Towns: Ramsey	1,000	190	210	20	-790	-
Market Towns: Soham	894	80	283	203	-611	-
Market Towns: St Ives	433	86	326	240	-107	-
Market Towns: St Neots	1,141	-	930	930	-211	-
Market Towns: Whittlesey	914	-	218	218	-696	-
Market Towns: Wisbech	746	325	321	-4	-425	-
Ramsey Food Hub	302	-	302	302	-	302
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	454	5,135	4,681	-	-
<b>Total Business and Skills</b>	<b>77,456</b>	<b>12,505</b>	<b>73,132</b>	<b>59,880</b>	<b>-5,071</b>	<b>-12,637</b>

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b><u>Delivery and Strategy</u></b>						
A10 Improvements	3,993	14	1,726	1,712	-2,267	800
A1260 Nene Parkway Junction 15	8,011	1,292	7,143	5,851	-868	-
A1260 Nene Parkway Junction 32/3	711	3	27	24	-684	-
A141 & St Ives	1,900	-	1,737	1,737	-163	-163
A16 Norwood Dualling	227	89	227	138	-	-
A505 Corridor	134	21	134	113	-	-
Care Homes Retrofit Programme	150	-	500	500	-	-
Coldhams Lane roundabout improvements	500	-	-	-	-234	-
Digital Connectivity Infrastructure Programme	234	-	1,262	1,007	-856	-178
Ely Area Capacity Enhancements	2,118	255	124	124	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	124	-	109	16	-865	-
Fengate Access Study - Eastern Industries Access - Phase 2	974	93	1,336	1,195	-6	-
Fletton Quays Footbridge	1,342	141	465	465	-	-
Hunts Biodiversity for all - Capital	465	-	450	450	50	-
Local Highways Maintenance & Pothole (with PCC and CCC)	400	-	27,695	-	-	-
King's Dyke	250	-	1,700	1,700	-409	591
March Junction Improvements			2,114	1,902	-1,603	31
Net Zero Villages Fund			750	750	-	-
Peterborough Green Wheel	2,109	-	250	250	-	-
Soham Station	750	-	175	153	-2,093	-
Thorpe Wood Cycle Way	250	-	625	625	-	625
Transport Modelling	10	-	740	740	-	-
Wisbech Access Strategy	2,268	22	1,573	1,369	-	-
Wisbech Rail	625	-	241	230	-	230
ZEBRA capital funding	740	-	6,258	6,258	-	-
<b>Total Delivery and Strategy</b>	<b>67,770</b>	<b>30,052</b>	<b>57,771</b>	<b>27,719</b>	<b>-9,998</b>	<b>1,946</b>

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b>Housing</b>						
Affordable Housing Grant Programme	21,934	841	8,719	7,878	-13,215	-13,215
Housing Investment Fund - contracted payments	6,456	3,700	7,520	3,820	1,064	1,064
<b>Total Housing</b>	<b>28,389</b>	<b>4,541</b>	<b>16,239</b>	<b>11,698</b>	<b>-12,151</b>	<b>-12,151</b>
	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b>Corporate Services</b>						
ICT Capital Costs	42	-	42	42	-	-
Office Fit-out costs	200	24	200	176	-	-
<b>Total Corporate Services</b>	<b>242</b>	<b>24</b>	<b>242</b>	<b>218</b>	<b>-</b>	<b>-</b>
<b>Total Capital Programme</b>	<b>173,857</b>	<b>47,122</b>	<b>147,384</b>	<b>99,515</b>	<b>-27,220</b>	<b>-22,842</b>



## 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	
<b><u>Business and Skills</u></b>										
Advanced Manufacturing	347	-	-	-	347	-	-	-	-	347
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	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	914	-	-	-	914	-	-	-	-	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
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
<b>Total Business and Skills</b>	<b>78,484</b>	<b>6,549</b>	<b>1,283</b>	<b>99</b>	<b>86,415</b>	<b>4,002</b>	<b>6,500</b>	<b>5,025</b>	<b>2,850</b>	<b>104,792</b>

<b>Delivery and Strategy</b>	<b>Approved to Spend Budgets</b>				<b>Total approved spend</b>	<b>Subject to Approval budget</b>				<b>Total project budgets</b>
	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 Improvements	3,993	-	-	-	3,993	-	-	-	-	3,993
A1260 Nene Parkway Junction 15	8,011	-	-	-	8,011	-	-	-	-	8,011
A1260 Nene Parkway Junction 32/3	711	-	-	-	711	-	5,846	-	-	6,557
A141 & St Ives	1,900	5,552	848	-	8,300	-	-	-	-	8,300
A16 Norwood Dualling	227	-	-	-	227	12,420	-	-	-	12,647
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 Retrofit 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 Study - Eastern Industries Access - Phase 1	974	-	-	-	974	4,515	-	-	-	5,489
Fengate Access Study - Eastern Industries Access - Phase 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	2,109	-	-	-	2,109	1,100	-	-	-	3,209
Local Highways Maintenance & Pothole (with 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	3,718	-	-	-	3,718	3	-	-	-	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
School Streets	10	-	-	-	10	-	-	-	-	10
Snailwell Loop	-	-	-	-	-	500	-	-	-	500
Soham Station	2,268	-	-	-	2,268	-	-	-	-	2,268
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	241	-	-	-	241	5,688	5,000	-	-	10,928
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
<b>Total Delivery and Strategy</b>	<b>67,770</b>	<b>39,067</b>	<b>33,214</b>	<b>27,695</b>	<b>167,746</b>	<b>31,348</b>	<b>14,884</b>	<b>2,124</b>	<b>1,065</b>	<b>217,168</b>

	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	
<b><u>Housing</u></b>										
Affordable Housing Grant Programme	21,934	-	-	-	21,934	-	-	-	-	21,934
Housing Investment Fund - contracted payments	6,456	-	-	-	6,456	-	-	-	-	6,456
<b>Total Housing</b>	<b>28,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,389</b>

	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	
<b><u>Corporate Services</u></b>										
ICT Capital costs	42	42	42	42	167	-	-	-	-	167
Office Fit-Out costs	200	-	-	-	200	-	-	-	-	200
<b>Total Corporate Services</b>	<b>242</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>367</b>

<b>Total Capital Programme</b>	<b>174,885</b>	<b>45,657</b>	<b>34,539</b>	<b>27,836</b>	<b>282,917</b>	<b>35,351</b>	<b>21,384</b>	<b>7,149</b>	<b>3,915</b>	<b>350,716</b>
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## Appendix 4: Detailed Explanations of Material Variances

### Operational Revenue Variances >£100k

<b>1. Interest Receivable on Investments</b>		Change in forecast income	<b>-£1,291k</b>
2022-23 Budget	<b>-£68k</b>	Forecast income	<b>-£1,723k</b>
<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 have risen further since the previous report.</p> <p>Following the national trend interest available on deals to the Combined Authority have increased, as the Combined Authority holds most of it's 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 crystalises.</p>			

### Workstream Revenue Variances >£250k

<b>2. Bus Review Implementation</b>		Change in forecast expenditure	<b>-£255k</b>
2022-23 Budget	<b>£1,008k</b>	Forecast expenditure	<b>£753k</b>
<p>Following the retender of Ting and contract award for the initial 12 months to November 2023, this budget has been reviewed and provision made within it to cover the costs of the 8 months of the contract which fall into the 2023-24 financial year.</p> <p>The forecast underspend will therefore be requested as carry forward to meet the contractual costs of the service.</p>			

<b>3. Public Transport: Concessionary Fares</b>		Change in forecast expenditure	<b>-£1,200k</b>
2022-23 Budget	<b>£8,845k</b>	Forecast expenditure	<b>£7,645k</b>
<p>During COVID the Department for Transport implemented a policy which instructed Local Transport Authorities (LTAs) to continue to make</p>			

concessionary fare payments to bus operators at the pre-pandemic level regardless of actual ridership.

From the start of the 2022-23 financial year this policy has changed, and LTAs are able to gradually reduce payments until actual payments meet the amount which would be paid based on actual ridership.

As ridership among concessionary fare holders is still substantially below the pre-pandemic level there is a significant underspend forecast on this budget.

<b>4. Public Transport: Supported Bus Services</b>		Change in forecast expenditure	<b>£700k</b>
2022-23 Budget	<b>£3,422k</b>	Forecast expenditure	<b>£4,166k</b>
<p>Following the withdrawal of supported bus services by Stagecoach the Combined Authority agreed to undertake a rapid tender to cover the gaps this would have left in the network.</p> <p>The increased costs of these services are estimated to be £1.2m above the original budget of £3.4m, however the DfT have provided £506k of Local Transport Fund grants which reduce the net pressure on this budget to £700k</p>			

#### Capital Variances >£500k

<b>5. Retrofit grants (LAD 2 &amp; 3, home improvement grant)</b>		Change in forecast expenditure	<b>-£13,286k</b>
2022-23 Budget	<b>£57,300k</b>	Forecast expenditure	<b>£55,372k</b>
<p>The reason for the near £100m change in forecast were reported to the previous Board meeting, this change is actually a correction as the forecast spend on these budgets reported in October reflected the total project spend, rather than only including the capital spend, as the revenue is reported separately.</p> <p>The updated forecasts therefore don't represent an underlying change in forecast spend, rather a correction to strip out the revenue spend which was previously being double counted in both revenue and capital forecasts.</p>			

<b>6. A10 Improvements</b>		Change in forecast expenditure	<b>£800k</b>
2022-23 Approved Budget	<b>£3,993k</b>	Forecast expenditure	<b>£1,726k</b>
<p>The forecast spend on the A10 project has been updated to include the first year's project programme costs, the current stage is anticipated to be</p>			

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.

<b>7. Affordable Housing Grant Programme</b>		Change in forecast expenditure	<b>-£13,215k</b>
2022-23 Approved Budget	<b>£21,934k</b>	Forecast expenditure	<b>£8,719k</b>
<b>8. Affordable Housing Grant Programme</b>		Change in forecast income	<b>£3,872k</b>
2022-23 Approved Budget	<b>-£5,000k</b>	Forecast income	<b>-£1,128k</b>

The change in forecast income and expenditure reflects the updated profile of commitments following the finalisation of the programme with DLUHC and subsequent minor changes agreed by Housing and Communities Committee.

The profile of expenditure to complete the programme is now:

22/23    £8,719k  
23/24    £11,359k  
24/25    £3,130k

No further grant will be received after this date, the rest of the programme will be funded by future housing loan repayments.

<b>9. Housing Investment Fund – contracted payments</b>		Change in forecast expenditure	<b>£1,064k</b>
2022-23 Approved Budget	<b>£6,456k</b>	Forecast expenditure	<b>£7,520k</b>
<p>The change in forecast reflects the updated profile spend incorporating slippage from the previous financial year.</p> <p>All loans are being closely monitored, and reported to Housing Committee, and are anticipated to be repaid within terms of the current loan agreements.</p>			