



Budget Monitor Report: January 2021

- To: Cambridgeshire and Peterborough Combined Authority Board
- Meeting Date: 27 January 2021
- Public Report: Yes
- Lead Member: Mayor James Palmer
- From: Jon Alsop, Chief Finance Officer
- Key decision: Yes
- Forward Plan reference: KD2020/093
- Recommendations: The Combined Authority Board is recommended to:
- a. Note the financial position of the Combined Authority for the year to date.
 - b. Approve the movement of £900k from Subject to Approval to Approved budget for the Digital Connectivity Infrastructure Programme
 - c. Note the Chief Finance Officer's acceptance of additional funding to support business through the EU exit grant and associated expenditure.
 - d. Approve the amendment to the limit on investment balances held with Money Market Funds in the current Treasury Management Strategy.
- Voting arrangements: A simple majority of all Members present and voting.

1. Purpose

- 1.1 This report provides an update of the 2020/21 budget position and capital programme as at 30th November 2020.

2. Background

- 2.1 At its June meeting the Combined Authority Board approved a revised 2020-21 budget. This report presents the actual expenditure position as at the 30th November 2020 and the current forecast outturn (year-end) position against that budget.
- 2.2 As adopted last year detailed explanations of variances above the materiality thresholds are included in Appendix 4.
- 2.3 The thresholds are: £100k in Mayoral and Corporate Services revenue budgets, £250k in 'Housing', 'Business and Skills', and 'Delivery and Strategy' revenue budgets, and £500k on all capital projects
- 2.4 The reporting format for the capital programme was updated for the November Combined Authority Board to more clearly show the multi-year nature of the capital programme. The new appendices setting out the programme are:

Appendix 2 - "Capital Expenditure" focuses on the current financial year showing in-year budget, actual, forecast outturn for the end of year and a breakdown of under/overspends between slippage and actual under/overspend.

Appendix 3 – "Capital Programme" shows the total budget for each project in the capital programme across the current and future three years, including both approved and subject to approval budgets.

Appendix 4 – "Proposed Capital Changes" highlights the changes to the capital programme since the previous Combined Authority Board meeting, and breaks them down between decisions being considered at the current Board meeting and any Officer and Mayoral decisions taken in the intervening period. Officer and Mayoral decisions reported here have already been made and are included as required by the Combined Authority's constitution.

3. Revenue Budget Position

- 3.1 A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the eight-month period to 30th November 2020, is set out in the table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

2020-21 Revenue	September Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	FO Variance £'000	App 5 ref:
Grant Income	-37,448	-136	-37,584	-32,324	-38,262	-678	
Mayor's Office	467	-	467	276	432	-35	
CA Gross Staffing Costs	5,202	-	5,202	3,638	5,581	-35	1
Other Employee Costs	418	-	418	54	242	-176	
Externally Commissioned Support Services	359	-	359	208	338	-21	
Corporate Overheads	628	-	628	380	549	-80	
Governance Costs	164	-	164	44	164	-	
Other Corporate Budgets	-686	-	-686	-364	-313	373	
Recharges to Ringfence Funded Projects	-1,940	-	-1,940	-1,091	-2,281	-340	2
Corporate Services Expenditure	4,146	-	4,146	2,869	4,281	135	
Business and Skills	22,975	187	23,162	11,012	20,051	-3,111	
Delivery and Strategy	25,580	-	25,580	14,727	23,983	-1,598	3
Housing	780	-	780	133	780	-	
Workstream Expenditure	49,335	187	49,522	25,872	44,813	-4,709	
Total Expenditure	53,948	187	54,135	29,018	49,526	-4,608	

- 3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against budget of £4.6m, this is predominantly due to a combination of the previously reported reduction in the forecast spend on the Health and Care Sector Work Academy (£2.2m) and Adult Education Budget (AEB) Devolution Programme (£0.9m) along with the updated forecast spend on the Bus Review Implementation which is now predicting a £1.2m underspend.
- 3.3 The Health and Care Sector Work Academy and the Bus Review Implementation projects are underspending in 2020-21 due to delivery being slipped into 2021-22 thus, should carry forwards be approved at the end of the year, there is no expected savings from these projects. The AEB underspend is due to reduced course provision as a result of COVID and does represent a cashable saving.
- 3.4 The current approved budget shows total revenue expenditure for the year of £54.1m against a grant income of £37.6m. The balance of £16.5m is made up of drawdowns from funds received in previous years including both our general funds and specific grants, which include the Rural Communities Energy Fund (£2.8m), the Health and Care Sector Work Academy grant (£3.2m), the Energy Hub grant (£0.8m), and LEP capacity funding (£0.2m).
- 3.5 The Chief Finance Officer accepted, on the Combined Authority's behalf, a £136k grant from the Ministry of Housing, Communities and Local Government to provide additional support for businesses through the EU exit transition, this must be spent by the 31st March 2021 and the income and expenditure have been reflected in the budget as reported here.
- 3.6 The reported outturn has been set on the understanding that responsibility as the Accountable Body for the Energy Hub, and associated funding, will be being transferred to

Peterborough City Council at the end of the year. As such the budget for the Energy Hub and Rural Communities Energy Fund are shown as predicting full expenditure despite the trajectory of spend to the end of November.

- 3.7 There are three material changes in the revenue forecast outturn position since it was last reported to Board as reported below, and in detail in **Appendix 5**.
- **£363.7k** increase in forecast staffing costs across Corporate Services and Housing, these reflect increased capacity requirements to meet the needs of the Combined Authority. These are predominantly related to work on subsidiary companies and, as such, is almost entirely offset by the increased forecast recharges to other budget lines as detailed below.
 - **-£326k** increase in Directly Grant Funded Staff– this reflects increased staff time being spent on specifically funded projects, in particular subsidiary companies where costs will be recovered via invoices to those companies. The budget line was named when the MTFP was approved in January 2020 at which point the majority of recharges were related to internal grant funded projects. This line has been split between internal project recharges and external charged to companies in the 2021-22 MTFP for greater clarity.
 - **-£1,244k** The Bus Review Implementation workstream is reporting a significant reduction in anticipated spend this year due to profile of expenditure slipping into 2021-22.

4. Capital Programme

- 4.1 A summary of the in-year capital programme and capital grant income for the period to 30th November 2020 is shown below. Detail of the capital programme can be seen across **Appendices 2 to 4**. N.B. STA stands for Subject to Approval and YTD is year to date.

Capital Programme Summary	Revised 20-21 Budget	YTD actuals	20-21 Forecast Outturn	Forecast Variance		STA Budget	App 5 ref:
	£'000	£'000	£'000	£'000	%	£'000	
Corporate Services	-	-	-	-		150	
Business and Skills	80,569	11,199	69,579	-10,990	-13.6%	8,100	4,5
Delivery and Strategy	78,475	50,726	73,893	-4,582	-5.8%	13,064	6-11
Housing	49,115	9,529	38,833	-10,282	-20.9%	-	
Totals	208,158	71,454	182,305	-25,854	-12.4%	21,314	

Capital Funding Summary	Revised 20-21 Budget	YTD actuals	20-21 Forecast Outturn	Forecast Variance		% Received to date
	£'000	£'000	£'000	£'000	%	
£100m Housing Fund	-45,000	-	-45,000	-	0.0%	0.0%
£70m Cambridge City Housing Fund	-15,000	-	-15,000	-	0.0%	0.0%
Active Transport Grant	-2,942	-2,942	-2,942	-	0.0%	100.0%
Pothole and Challenge Funding	-12,554	-12,554	-12,554	-	0.0%	100.0%
Capital Gainshare	-12,000	-12,000	-12,000	-	0.0%	100.0%
Highways Maintenance Capital Grant	-22,554	-22,554	-22,554	-	0.0%	100.0%
Local Growth Funding	-35,738	-35,738	-35,738	-	0.0%	100.0%
Getting Building Fund	-7,300	-7,300	-7,300	-	0.0%	100.0%
Transforming Cities Funding	-22,000	-22,000	-22,000	-	0.0%	100.0%
Totals	-175,088	-115,088	-175,088	-	0.0%	

- 4.2 As reported to the November Board, but now reflected in the funding table above, the CPCA has now received the final third of the 2020-21 allocations of the Local Growth Fund. This shows central Government's faith in the delivery of the ongoing capital local growth programme led by the Business Board. This removes funding risk from projects approved by the Business and Combined Authority Boards but still in contract negotiation, ensuring this is no barrier to the delivery of the jobs and skills outcomes the projects will deliver.
- 4.3 There are two proposed changes being considered by the January Board, including one decision sought in this paper. These are summarised, along with the items discussed in paragraph 4.7 & 4.8 In **Appendix 4**:
- **£630k** approval of drawdown of subject to approval budgets for the A16 Norwood Dualling project in 2020-21 and 2021-22 and reprofiling of that budget to be entirely within 2021-22 (agenda item 4.1)
 - **£900k** for the Digital Connectivity Infrastructure project.
- 4.4 The Digital Connectivity Infrastructure requested the release of its 2020-21 Subject to Approval budget at the September Combined Authority Board via the budget monitoring report. Due to an error in the report the actual decision taken was to approve £1,040k when the figure should have been £1,940k. The Board are asked to approve the drawdown of the remaining £900k of subject to approval budget as was the original intention.
- 4.5 The forecast slippage stands at £10.7m (5.1%) across the capital programme in addition to a £15.2m reduction in spend (7.3%) against approved budgets. The majority of the forecast reduction in spend (£10.3m) is due to the Cambridge City Housing Programmes which, as previously reported, is due to the associated funding being paid directly to the City Council and so does not increase the Combined Authority's capital balances. Beyond those items in paragraphs **Error! Reference source not found.**, 4.7 and 4.8, projects with material changes since the report to Board in November are listed below, with additional detail in **Appendix 5**:
- **-£500k** (-100%) slippage on Market Town Masterplans as the projects emerging from the approved Masterplans will not be approved in time to start delivery in 2020-21.

- **-£7,300k** (-100%) slippage on University of Peterborough phase 2. This project is progressing; however, the Combined Authority's expenditure will not be shown until the shareholder's agreement is signed which is now expected early in 2021-22.
- **-£828k** (-85%) underspend forecast on the A141 capacity enhancements – this project is being delivered in-house to achieve time and financial savings. As such the project now falls within the revenue budget.
- **£0** (0%) Fengate Access Strategy – this project was previously reporting an underspend based on the current phase of the project. At the November CA Board the budget for the next stage of this project was approved and thus the in-year expenditure forecast has increased to reflect the initiation of work on the newly approved phase of the project.
- **£1,780k** (+12%) current year overspend on Kings Dyke, this reflects an acceleration of delivery in the current year, the project is on-budget as a whole.
- **-£1,537k** (-58%) March Junction Improvements had £900k of 2020-21 subject to approval budget released by the November Combined Authority Board for the next phase of this project; however, spend against this will mostly fall into the 2021-22 year.
- **-£778k** (-46%) Regeneration of Fenland Stations is forecasting an in-year underspend however, in line with the budget approved by the Combined Authority Board in November this will be slipped into 2021-22 and included in the budget for the next stage of the project.
- **-£1,695k** (-31%) Wisbech Access Strategy this reduction in spend is due to delays in the project progressing while a change in the scope of the project was agreed.

4.6 In light of the significant remaining 'Subject to approval' balances for 2020-21, between now and the March Board, the Corporate Management Team (CMT) will be reviewing the forecast outturns, multi-year reporting and profiling of the capital programme to present a detailed draft outturn position to the Board at their March meeting along with proposed carry forwards from 2020-21.

4.7 As was reported to the T&I committee in November, the Department for Transport have announced funding for the next phase of the Ely Area Capacity Enhancements project and thus the £4.14m subject to approval budget in 2020-21 is no longer required and is released back into capital reserves. This has been included in **Appendix 4** as it was not reported in the previous budget monitoring report, but no decision is required.

4.8 The November Combined Authority Board released £270k to the Fengate Access Study Phase 2 subject to approval funding. As this was not based on a recommendation from the T&I Committee the change was not reflected in the figures reported in the budget report in November.

5. Update on the use of Money Market Funds

5.1 The Combined Authority's treasury advisors, Arlingclose have revised their investment advice for Money Markets Funds (MMFs), removing the upper limit on sums invested in MMFs in total.

The previously advised limit was in place because individual funds make similar underlying

investments which limits the diversification achievable across the ultimate entities invested in, even when money is invested with different funds.

- 5.2 Unlike fixed term deposits, MMFs allow for near immediate investment and withdrawal of funds and are therefore a key tool to manage credit and liquidity risks. Given the increased risk in other sectors, due to the current economic climate, the relative risk of MMFs is decreased and so the advice has changed to remove the upper limit on investments.
- 5.3 In line with previous Arlingclose advice the 2020/21 Treasury Management Strategy limits total investments in MMFs to £100m, with a £25m limit per individual fund. The Board is asked to approve that the £100m total investment limit be removed, whilst retaining the £25m limit per individual fund in line with the advice from our advisors. Holding increased balances with MMFs will allow the CPCA to maximise the security and liquidity of investments whilst protecting yield by reducing the exposure risk of the Combined Authority's investments to negative rates that may be offered by similarly liquid investments such as bank accounts and balances held with the UK Government.

Significant Implications

6. Financial Implications

- 6.1 There are no financial implications beyond those identified elsewhere in the paper.

7. Legal Implications

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

8. Other Significant Implications

- 8.1 There are no other significant implications

9. Appendices

- 9.1 Appendix 1 – Detailed breakdown of the revenue position for the year to 30th November 2020
- 9.2 Appendix 2 – Capital Expenditure to 30th November 2020
- 9.3 Appendix 3 – Capital Programme
- 9.4 Appendix 4 – Proposed Capital Changes
- 9.5 Appendix 5 – Detailed Explanations of Material Variances

9.6 An accessible version of this report and appendices are available on request from democratic.services@cambridgeshirepeterborough-ca.gov.uk

Appendix 1 - Detailed breakdown of the revenue position for the period to 30th November 2020

	Budget			YTD	Whole Year		
	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Grant Income							
Revenue Gainshare	-8,000.0		-8,000.0	-8,000.0	-8,000.0	-	-
Mayoral Capacity Fund	-1,000.0		-1,000.0	-1,000.0	-1,000.0	-	-
Skills Advisory Panel Grant	-75.0		-75.0	-75.0	-75.0	-	-
Enterprise Zone receipts	-605.3		-605.3	-	-605.3	-	-
Careers Enterprise Company Funding	-124.9		-124.9	-34.9	-124.9	-	-
Adult Education Budget	-12,084.1	-	-12,084.1	-12,762.2	-12,762.2	-	-678.2
Growth Hub Grants	-536.0	-136.1	-672.1	-280.8	-672.1	-136.1	-
LEP Core Funding	-500.0		-500.0	-500.0	-500.0	-	-
Transport Levy	-12,347.6		-12,347.6	-8,231.8	-12,347.6	-	-
COVID-19 bus services support grant	-439.5		-439.5	-	-439.5	-	-
Better Deal 4 Buses grant	-383.9		-383.9	-383.9	-383.9	-	-
Additional Home to School Transport Grants	-1,055.5		-1,055.5	-1,055.5	-1,055.5	-	-
Apprenticeship Levy Fund Pooling	-86.2		-86.2	-	-86.2	-	-
Peer to Peer Network Funding	-210.0		-210.0	-	-210.0	-	-
Total Grant Income	-37,447.9	-136.1	-37,583.9	-32,324.1	-38,262.1	-136.1	-678.2
Mayor's Office							
Mayor's Allowance	85.0		85.0	57.9	85.0	-	-
Mayor's Conference Attendance	10.0		10.0	-	-	-10	-10
Mayor's Office Expenses	40.0		40.0	11.5	15.0	-25	-25
Mayor's Office Accommodation	77.4		77.4	50.6	77.4	-	-
Mayor's Office Staff	254.4		254.4	155.9	254.4	-	-
Total Mayor's Office	466.8	-	466.8	276.0	431.8	-35	-35

	Budget			YTD	Whole Year		
	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Corporate Services							
Combined Authority Gross Staffing Costs							
Business and Skills	1,749.8		1,749.8	1,157.2	1,791.3	41.5	41.5
Chief Executive	288.1		288.1	193.4	291.1	3.0	3.0
Corporate Services	1,517.7		1,517.7	1,133.5	1,777.8	260.1	260.1
Delivery and Strategy	1,240.7		1,240.7	814.9	1,212.0	-29	-29
Housing	405.6		405.6	339.3	509.2	103.6	103.6
Total CA Gross Staffing Costs	5,201.9		5,201.9	3,638.3	5,581.3	379.4	379.4
Other Employee Costs							
Travel	100.0		100.0	3.9	10.0	-15.0	-90.0
Apprenticeship Levy	19.9		19.9	4.3	8.0	-2.0	-11.9
Conferences, Seminars & Training	90.0		90.0	3.9	16.0	-14.0	-74.0
Change Management Reserve	208.3		208.3	42.3	208.3	-	-
Total Other Employee Costs	418.2	-	418.2	54.4	242.3	-31.0	-175.9
Externally Commissioned Support Services							
External Legal Counsel	100.0		100.0	32.3	60.0	-40.0	-40.0
Finance Service	61.4		61.4	34.7	61.4	-	-
Democratic Services	90.0		90.0	70.4	95.0	5.00	5.00
Payroll	8.0		8.0	1.4	3.0	-0.7	-5.0
HR	25.0		25.0	4.5	10.0	-2.5	-15.0
Procurement	25.0		25.0	4.2	25.0	-	-
ICT external support	50.0		50.0	60.8	84.0	34.00	34.00
Total Externally Commissioned Support Services	359.4	-	359.4	208.3	338.4	-4.2	-21.0

	Budget			YTD	Whole Year		
	Nov Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Corporate Overheads							
Accommodation Costs	340.0		340.0	244.6	254.0	-86.0	-86.0
Software Licences, Mobile Phones cost	20.0		20.0	11.6	21.0	1.0	1.0
Communications	40.0		40.0	26.7	40.0	-	-
Website Development	38.4		38.4	1.4	30.4	-8.0	-8.0
Recruitment Costs	40.0		40.0	13.6	40.0	-	-
Insurance	30.0		30.0	32.2	32.3	-	2.3
Audit Costs	85.0		85.0	7.6	85.0	-	-
Office running costs	25.0		25.0	10.9	15.0	-10.0	-10.0
Corporate Subscriptions	10.0		10.0	30.8	31.0	21.0	21.0
Total Corporate Overheads	628.4	-	628.4	379.5	548.7	-82.0	-79.8
Governance Costs							
Committee/Business Board Allowances	144.0		144.0	44.4	144.0	-	-
Miscellaneous	20.0		20.0	-	20.0	-	-
Total Governance Costs	164.0	-	164.0	44.4	164.0	-	-
Other Corporate Budgets							
COVID Pressures	120.0		120.0	171.8	205.0	-	85.0
Capacity Funding	125.0		125.0	-	125.0	-	-
Contribution to the A14 Upgrade	89.0		89.0	-	89.0	-	-
Interest Receivable on Investments	-1,020.0		-1,020.0	-536.3	-732.0	-6.0	288.0
Total Other Corporate Budgets	-686.0	-	-686.0	-364.5	-313.0	-6.0	373.0
Recharges to Ringfence Funded Projects							
Directly Grant Funded Staff	-1,691.2		-1,691.2	-965.3	-2,017.0	-325.8	-325.8
Directly Grant Funded Overheads	-248.9		-248.9	-125.7	-263.6	-14.7	-14.7
Total Recharges to Ringfence Funded Projects	-1,940.1	-	-1,940.1	-1,091.1	-2,280.6	-340.5	-340.5
Total Corporate Services Expenditure	4,145.7	-	4,145.7	2,869.4	4,281.1	-84.3	135.3

	Budget			YTD	Whole Year		
	Nov Budget	Adjustments	Revised Budget	Actuals	Forecast Outturn	Change in FO	FO Variance
Business and Skills							
AEB Devolution Programme	11,646.3	-	11,646.3	8,134.6	10,709.0	-65.6	-937.3
AEB Innovation Fund - Revenue	336.7	-	336.7	-	336.7	-	-
AEB Programme Costs	372.7	61.2	433.9	168.5	402.3	29.6	-31.6
Apprenticeship Levy Fund Pooling	76.2	-	76.2	33.8	40.4	-35.7	-35.7
National Retraining Scheme	65.1	-	65.1	-	65.1	-	-
Marketing and Promotion of Services	95.0	-	95.0	12.9	86.0	11.0	-9.0
Careers and Enterprise Company (CEC)	86.2	-	86.2	77.5	87.2	1.1	1.1
Energy Hub	822.6	-	822.6	251.9	822.6	-	-
EU Exit Funding	131.5	136.1	267.6	125.1	267.6	136.1	-
Growth Hub	517.0	-	517.0	228.4	462.3	-54.7	-54.7
HAT Work Readiness Programme	52.8	-	52.8	36.6	52.9	0.0	0.0
Health and Care Sector Work Academy	3,235.6	-	3,235.6	215.5	1,053.1	-	-2,182.5
High Value Courses	153.8	-5.2	148.5	-	120.0	-33.8	-28.5
Integrated Insight & Evaluation Programme	189.0	-	189.0	135.7	189.0	-	-
LEP Capacity Funding	188.0	-	188.0	113.0	180.7	-7.3	-7.3
LIS Implementation	176.3	-	176.3	70.8	176.0	-0.3	-0.3
Local Growth Fund Costs	400.0	-	400.0	481.0	652.0	86.3	252.0
Market Town Implementation of Strategies	222.9	-	222.9	123.3	222.9	-	-
Peer Networks Programme	210.0	-	210.0	-	210.0	-	-
Rural Community Energy Fund (RCEF)	2,765.7	-	2,765.7	224.6	2,765.7	-	-
Sector Based Work Academies	2,765.7	-	2,765.7	224.6	2,765.7	-	-
Skills Advisory Panel (SAP) (DfE)	152.0	-5.2	146.8	-	120.0	-	-26.8
Skills Brokerage	114.0	-	114.0	50.5	110.5	-3.5	-3.5
Skills Strategy Implementation	107.0	-	107.0	75.4	111.6	4.6	4.6
St Neots Masterplan	120.5	-	120.5	28.9	118.2	-2.4	-2.4
Trade and Investment Programme	-	-	-	-	-	-	-
EZ Funded Growth Company Contribution	254.1	-	254.1	83.8	205.2	-49.0	-49.0
University of Peterborough	4.2	-	4.2	143.4	4.2	-	-
University of Peterborough - Legal Costs	150.0	-	150.0	172.0	150.0	-	-
Total Business and Skills	22,975.2	186.9	23,162.1	11,012.1	20,051.0	61.4	-3,111.1

	Budget			YTD	Whole Year		
	Nov Budget	Adjustments	Revised Budget	Actuals	Forecast Outturn	Change in FO	FO Variance
<u>Delivery and Strategy</u>							
A10 Dualling SOBC	297.1	-	297.1	180.5	185.1	-	-112.0
A141 Huntingdon SOBC	350.0	-	350.0	26.0	146.0	-104.0	-204.0
Additional Home to School Transport Grants	1,055.5	-	1,055.5	-	1,055.5	-	-
Bus Review Implementation	1,844.0	-	1,844.0	274.1	600.0	-1,244.0	-1,244.0
Bus Service Subsidisation	245.0	-	245.0	-	245.0	-	-
CAM Metro OBC	1,356.4	-	1,356.4	1,425.1	1,425.1	68.7	68.7
CAM Metro SPV	-	-	-	-	-	-	-
CAM Innovation Company	6,915.2	-	6,915.2	3,935.1	6,846.5	-68.7	-68.7
Climate Change	125.0	-	125.0	14.5	125.0	-	-
COVID Bus Service Support Grant	439.5	-	439.5	374.0	439.5	-	-
Land Commission	40.0	-	40.0	-	40.0	-	-
Monitoring and Evaluation Framework	168.7	-	168.7	112.5	168.7	-	-
Non-Statutory Spatial Framework (Phase 2)	71.4	-	71.4	27.5	71.4	-	-
Public Service Reform	75.0	-	75.0	37.3	37.3	-0.9	-37.7
Schemes and Studies	100.0	-	100.0	27.5	100.0	-	-
Sustainable Travel	150.0	-	150.0	60.9	150.0	-	-
Transport Levy	12,347.6	-	12,347.6	8,232.0	12,347.6	-	-
Total Delivery and Strategy	25,580.4	-	25,580.4	14,726.8	23,982.7	-1,348.9	-1,597.7
<u>Housing</u>							
CLT and £100k Homes	83.4	-	83.4	73.4	83.4	-	-
Garden Villages	696.2	-	696.2	60.0	696.2	-	-
Total Housing	779.6	-	779.6	133.4	779.6	-	-
Total Workstream Expenditure	49,335.2	186.9	49,522.1	25,872.3	44,813.4	-1,287.5	-4,708.7
Total Revenue Expenditure	53,947.8	186.9	54,134.6	29,017.7	49,526.3	-1,406.7	-4,608.4

Appendix 2 –Capital Expenditure to 30th November 2020

Business and Skills	20-21 approved budget £'000	20-21 actuals £'000	20-21 variance to budget £'000	20-21 Forecast Spend £'000	Forecast Slippage £'000	Forecast Over-spend £'000	Change to Forecast Variance £'000
AEB Innovation Fund	324	-	324	324	-	-	-
Aerotron Relocation	847	847	-	847	-	-	-
Ascendal New Technology Accelerator (Equity)	965	-	965	965	-	-	-
Cambridge Biomedical MO Building	3,000	-	3,000	3,000	-	-	-
Cambridge City Centre	710	-	710	710	-	-	-
CRC Construction and Digital Refurbishment	2,500	-	2,500	2,500	-	-	-
COVID and Capital Growth Grant Scheme	5,994	3,605	2,389	5,994	-	-	-
COVID micro-grants scheme	500	461	39	496	-	-4	-4
Eastern Agritech Initiative	1,696	189	1,507	1,596	-100	-	-
Endurance Estates	2,400	-	2,400	-	-	-2,400	-
Hauxton House Redevelopment	216	216	-	216	-	-	-
Haverhill Epicentre	1,163	1,163	-	1,163	-	-	-
Illumina Accelerator	1,000	200	800	700	-	-300	-300
March Adult Education	400	-	400	400	-	-	-
Market Town Master Plan Implementation	500	-	500	-	-500	-	-500
Metalcraft (Advanced Manufacturing)	3,160	-	3,160	3,160	-	-	-
NIAB - Agri-Tech Start Up Incubator	2,442	1,392	1,050	2,442	-	-	-
NIAB - Hasse Fen	600	336	263	600	-	-	-
Peterborough City Centre	800	-	800	800	-	-	-
Photocentric	1,875	-	1,875	1,875	-	-	-
Small Grants Programme	-	-6	6	-	-	-	-
Smart Manufacturing Association	715	-	715	715	-	-	-
South Fen Business Park	997	-	997	997	-	-	-
St Neots Masterplan Capital (B&S)	386	-	386	-	-	-386	-386
Start Codon (Equity)	3,342	640	2,702	3,342	-	-	-
The Growth Service Company	5,407	-	5,407	5,407	-	-	-
TTP Incubator	2,300	1,332	968	2,300	-	-	-
TWI - Innovation Ecosystem	1,230	24	1,206	1,230	-	-	-
University of Peterborough - Business Case/Phase 1	12,300	748	11,552	12,300	-	-	-
University of Peterborough - LGF investment	12,500	-	12,500	12,500	-	-	-
University of Peterborough Phase 2	7,300	-	7,300	-	-7,300	-	-7,300
West Cambs Innovation Park	3,000	-	3,000	3,000	-	-	-
Total Business and Skills	80,569	11,199	69,370	69,579	-7,900	-3,090	-8,490

	20-21 approved budget £'000	20-21 actuals £'000	20-21 variance to budget £'000	20-21 Forecast Spend £'000	Forecast Slippage £'000	Forecast Over- spend £'000	Change to Forecast Variance £'000
Delivery and Strategy							
A10 Dualling	500	-	500	500	-	-	-
A1260 Nene Parkway Junction 15	654	35	618	446	-208	-	-208
A1260 Nene Parkway Junction 32/3	517	65	452	412	-105	-	-105
A141 capacity enhancements	978	133	845	150	-	-828	-828
A16 Norwood Dualling	61	59	2	61	-	-	-
A47 Dualling	40	53	-13	53	-	13	-
A505 Corridor	422	229	193	250	-	-172	-22
A605 Oundle Rd Widening - Alwalton-Lynch Wood	793	781	12	781	-	-12	-12
A605 Stanground - Whittlesea	1,110	113	997	1,110	-	-	-
Active Travel Grant payments to Highways Authorities	2,942	2,942	-	2,942	-	-	-
CAM Delivery to OBC	-	-	-	-	-	-	-
CAM FBC Preperation	-	-	-	-	-	-	-
CAM Innovation Company Set up	1,995	-	1,995	1,995	-	-	-
Cambridge South Station	385	-	385	385	-	-	-
Coldhams Lane roundabout improvements	409	120	289	150	-259	-	-259
Digital Connectivity Infrastructure Programme	1,940	384	1,556	1,295	-	-645	-
Ely Area Capacity Enhancements	2,163	555	1,609	2,163	-	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	614	53	561	614	-	-	540
Fengate Access Study - Eastern Industries Access - Phase 2	147	144	3	147	-	-	-
Highways Maintenance (with PCC and CCC)	23,080	23,080	0	23,080	-	-	-
King's Dyke	8,620	5,226	3,394	10,399	1,780	-	1,039
Lancaster Way	2,633	633	2,000	2,633	-	-	-
M11 Junction 8	-	-	-	-	-	-	-
March Junction Improvements	2,637	202	2,435	1,100	-1,537	-	-637
Pothole and Challenge Funds	12,554	12,554	-	12,554	-	-	-
Regeneration of Fenland Railway Stations	1,708	415	1,292	930	-778	-0	-778
Soham Station	5,737	2,046	3,691	5,600	-	-137	-20
St Neots Masterplan Capital (D&S)	-	-	-	-	-	-	-
Wisbech Access Strategy	5,494	583	4,912	3,800	-1,694	-	-1,694
Wisbech Rail	341	319	22	341	-	-	-
Total Delivery and Strategy	78,475	50,726	27,749	73,893	-2,801	-1,781	-2,984

	20-21 approved budget £'000	20-21 actuals £'000	20-21 variance to budget £'000	20-21 Forecast Spend £'000	Forecast Slippage £'000	Forecast Over- spend £'000	Change to Forecast Variance £'000
Housing							
Cambridge City Housing Programme	20,564	2,390	18,173	10,282	-	-10,282	-
Affordable Housing Grant Programme	23,346	3,656	19,690	23,346	-	-	-
Housing Investment Fund - contracted	5,205	3,483	1,722	5,205	-	-	-
Total Housing	49,115	9,529	39,586	38,833	-	-10,282	-
	20-21 approved budget £'000	20-21 actuals £'000	20-21 variance to budget £'000	20-21 Forecast Spend £'000	Forecast Slippage £'000	Forecast Over- spend £'000	Change to Forecast Variance £'000
Corporate Services							
Investment in Finance System	-	-	-	-	-	-	-
Total Corporate Services	-	-	-	-	-	-	-
Total Capital Programme	208,158	71,454	136,705	182,305	-10,701	-15,152	-11,473

Appendix 3: Capital Programme

Business and Skills	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2020-21	2021-22	2022-23	2023-24		2020-21	2021-22	2022-23	2023-24	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
AEB Innovation Fund	324	-	-	-	324	-	-	-	-	324
Aerotron Relocation	847	-	-	-	847	-	-	-	-	847
Ascendal New Technology Accelerator (Equity)	965	-	-	-	965	-	-	-	-	965
Cambridge Biomedical MO Building	3,000	-	-	-	3,000	-	-	-	-	3,000
Cambridge City Centre	710	-	-	-	710	-	-	-	-	710
CRC Construction and Digital Refurbishment	2,500	-	-	-	2,500	-	-	-	-	2,500
COVID and Capital Growth Grant Scheme	5,994	-	-	-	5,994	-	-	-	-	5,994
COVID micro-grants scheme	500	-	-	-	500	-	-	-	-	500
Eastern Agritech Initiative	1,696	-	-	-	1,696	-	-	-	-	1,696
Endurance Estates	2,400	-	-	-	2,400	-	-	-	-	2,400
Hauxton House Redevelopment	216	-	-	-	216	-	-	-	-	216
Haverhill Epicentre	1,163	-	-	-	1,163	-	-	-	-	1,163
Illumina Accelerator	1,000	-	-	-	1,000	-	-	-	-	1,000
March Adult Education	400	-	-	-	400	-	-	-	-	400
Market Town Master Plan Implementation	500	-	-	-	500	5,000	2,500	2,000	-	10,000
Metalcraft (Advanced Manufacturing)	3,160	-	-	-	3,160	-	-	-	-	3,160
NIAB - Agri-Tech Start Up Incubator	2,442	-	-	-	2,442	-	-	-	-	2,442
NIAB - Hasse Fen	600	-	-	-	600	-	-	-	-	600
Peterborough City Centre	800	-	-	-	800	-	-	-	-	800
Photocentric	1,875	-	-	-	1,875	-	-	-	-	1,875
Smart Manufacturing Association	715	-	-	-	715	-	-	-	-	715
South Fen Business Park	997	-	-	-	997	-	-	-	-	997
St Neots Masterplan Capital (B&S)	386	-	-	-	386	3,100	-	-	-	3,486
Start Codon (Equity)	3,342	-	-	-	3,342	-	-	-	-	3,342
The Growth Service Company	5,407	2,043	-	-	7,450	-	-	-	-	7,450
TTP Incubator	2,300	-	-	-	2,300	-	-	-	-	2,300
TWI - Innovation Ecosystem	1,230	-	-	-	1,230	-	-	-	-	1,230
University of Peterborough - Business Case/Phase 1	12,300	-	-	-	12,300	-	-	-	-	12,300
University of Peterborough - LGF investment	12,500	-	-	-	12,500	-	-	-	-	12,500
University of Peterborough Phase 2	7,300	6,996	-	-	14,296	-	-	-	-	14,296
West Cambs Innovation Park	3,000	-	-	-	3,000	-	-	-	-	3,000
Total Business and Skills	80,569	9,039	-	-	89,608	8,100	2,500	2,000	-	102,208

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000		2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	
<u>Delivery and Strategy</u>										
A10 Dualling	500	1,500	-	-	2,000	-	-	-	-	2,000
A1260 Nene Parkway Junction 15	654	-	-	-	654	-	7,755	-	-	8,408
A1260 Nene Parkway Junction 32/3	517	-	-	-	517	4,030	3,500	-	-	8,047
A141 capacity enhancements	978	-	-	-	978	-	650	5,000	3,000	9,628
A16 Norwood Dualling	61	630	-	-	691	-	420	12,000	-	13,111
A47 Dualling	40	-	-	-	40	-	-	-	-	40
A505 Corridor	422	-	-	-	422	-	-	-	-	422
A605 Oundle Rd Widening - Alwalton-Lynch Wood	793	-	-	-	793	-	-	-	-	793
A605 Stanground - Whittlesea	1,110	-	-	-	1,110	-	-	-	-	1,110
Active Travel Grant payments to Highways Authorities	2,942	-	-	-	2,942	-	-	-	-	2,942
CAM Delivery to OBC	-	-	-	-	-	-	5,000	5,000	5,000	15,000
CAM FBC Preperation	-	-	-	-	-	-	-	1,500	1,500	3,000
CAM Innovation Company Set up	1,995	-	-	-	1,995	-	1,000	-	-	2,995
Cambridge South Station	385	-	-	-	385	-	-	-	-	385
Coldhams Lane roundabout improvements	409	-	-	-	409	700	1,500	-	-	2,609
Digital Connectivity Infrastructure Programme	1,940	-	-	-	1,940	-	1,868	-	-	3,808
Ely Area Capacity Enhancements	2,163	-	-	-	2,163	-	-	-	-	2,163
Fengate Access Study- Eastern Industries Access- Ph 1	614	-	-	-	614	730	4,890	-	-	6,234
Fengate Access Study- Eastern Industries Access- Ph 2	147	-	-	-	147	120	700	1,280	-	2,247
Highways Maintenance (with PCC and CCC)	23,080	23,080	23,080	23,080	69,240	-	-	-	-	92,320
King's Dyke	8,620	9,087	-	-	17,707	2,100	-	-	-	19,807
Lancaster Way	2,633	-	-	-	2,633	1,168	-	-	-	3,802
M11 Junction 8	-	-	-	-	-	-	-	-	-	-
March Junction Improvements	2,637	-	-	-	2,637	2,298	1,550	-	-	6,485
Pothole and Challenge Funds	12,554	-	-	-	12,554	-	-	-	-	12,554
Regeneration of Fenland Railway Stations	1,708	-	-	-	1,708	-	733	-	-	2,440
Soham Station	5,737	13,104	897	-	19,737	-	-	-	-	19,737
St Neots Masterplan Capital (D&S)	-	-	-	-	-	-	-	-	-	-
Wisbech Access Strategy	5,494	-	-	-	5,494	930	3,000	-	-	9,424
Wisbech Rail	341	-	-	-	341	988	2,000	3,000	5,000	11,329
Total Delivery and Strategy	78,475	47,400	23,977	23,080	172,932	13,064	34,565	27,780	14,500	262,841

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000		2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	
<u>Housing</u>										
Cambridge City Housing Programme	20,564	-	-	-	20,564	-	-	-	-	20,564
Affordable Housing Grant Programme	23,346	-	-	-	23,346	-	-	-	-	23,346
Housing Investment Fund - contracted	5,205	-	-	-	5,205	-	-	-	-	5,205
Total Housing	49,115	-	-	-	49,115	-	-	-	-	49,115
	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000		2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	
<u>Corporate Services</u>										
Investment in Finance System	-	-	-	-	-	150	-	-	-	150
Total Corporate Services	-	-	-	-	-	150	-	-	-	150
Total Capital Programme	209,328	56,439	23,977	23,080	312,825	21,314	37,065	29,780	14,500	415,484

Appendix 4: Proposed Capital Changes

	Approved to Spend Budgets				Total project approved spend £'000	Subject to Approval budget				Total project budgets £'000
	20-21	21-22	22-23	23-24		20-21	21-22	22-23	23-24	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
Capital Programme per Nov Board	206,988	55,809	23,977	23,080	222,774	23,575	37,375	29,780	14,500	328,005

Decision Notices

<u>Directorate</u>	<u>ODN/MDN reference</u>	<u>Scheme Name</u>				
None					-	-

January Board Decisions

<u>Directorate</u>	<u>Agenda item</u>	<u>Scheme Name</u>										
D&S	4.1	A16 Norwood Dualling (OBC)	630	630	-320	-310	-					
D&S	2.1	Digital Connectivity Infrastructure	900	900	-900		-					
D&S	N/A*	Ely Area Capacity Enhancements		-	-4,141		-4,141					
D&S	N/A*	Fengate Access Study Phase 1	270	270	-270		-					
Revised Capital Programme			208,158	56,539	23,977	23,080	224,574	17,944	37,065	29,780	14,500	323,863

* These are not decisions being sought from the January Combined Authority Board, as set out in paragraphs 0 & 4.8 of the report

Appendix 5: Detailed Explanations of Material Variances

Operational Revenue Variances >£100k

1. Total CA Gross Staffing Costs		Change in forecast expenditure	£379k
2020-21 Budget	£5,202k	Forecast expenditure	£5,581k
<p>Due to the increasing volume of work within the Combined Authority, particularly with respect to the formation and operation of subsidiary companies, additional staff have been appointed to enable delivery of these ambitious projects.</p> <p>There is minimal impact on the net position of the Combined Authority as, where work is undertaken on behalf of subsidiary companies the cost to the Combined Authority is recovered via charging to the subsidiaries – this can be seen by the increase in recharged staffing costs in item 2 of this appendix.</p>			

2. Directly Grant Funded Staff		Change in forecast expenditure	-£326k
2020-21 Budget	-£1,691k	Forecast expenditure	-£2,017k
<p>As set out above, additional capacity has been employed to meet the needs of the subsidiary companies which will not be met by employees within the companies themselves – where this is the case the costs of these employees are recharged to the subsidiary companies as required by the Combined Authority's duty as a 'Best Value' Authority.</p> <p>The budget line was named when the MTFP was approved in January 2020 at which point the majority of recharged were related to internal grant funded projects. This line has been split between internal project recharges and external charged to companies in the 2021-22 MTFP for greater clarity.</p>			

Workstream Revenue Variances >£250k

3. Bus Review Implementation		Change in forecast expenditure	-£1,244k
2020-21 Budget	£1,844k	Forecast expenditure	£600k
<p>The bus reform project is identifying ways to deliver improved bus services within the Authority's area. It has launched two new bus services, will shortly launch two more and is commissioning a new Demand Responsive Transport (DRT) scheme covering 360 sq km of West Huntingdonshire.</p>			

As these services are commencing late in the financial year, inevitably a lot of the budget money is rolling forwards into 2021-22. The Covid-19 crisis has had a very significant impact on the bus market and on 9 September 2020 the Transport and Infrastructure Committee approved proposals to amend the Bus Reform Task Force programme milestones to reflect the pace of recovery of the bus market whilst commencing ongoing dialogue with DfT concerning the possibility of fast tracking a partnership or franchising scheme.

Capital Variances >£500k

4. Market Towns Masterplan		Change in forecast expenditure	-£500k
2020-21 Approved Budget	£500k	Forecast expenditure	£0k
<p>Some Market Town Masterplans have been approved at recent CA Boards with some more being presented in January. Whilst these plans are currently active, it is unlikely that the capital projects will begin in earnest until the new financial year.</p>			

5. University of Peterborough Phase 2		Change in forecast expenditure	-£7,300k
2020-21 Approved Budget	£7,300	Forecast expenditure	£0k
<p>Underlying work on the delivery of the Phase 2 project is continuing on behalf of the Joint Venture company. As the Combined Authority will be investing in shares in the company the expenditure will be reported when the shareholder agreement is signed, which is now not expected to happen until early in the first quarter of 2021-22.</p>			

6. A141 Capacity Enhancements		Change in forecast expenditure	-£828k
2020-21 Approved Budget	£978k	Forecast expenditure	£150k
<p>This project is being delivered in-house to achieve time and financial savings. As such the project now falls within the revenue budget, the expenditure incurred in developing the project to-date is reflected in the £150k forecast.</p>			

7. Fengate Access Study Ph 1		Change in forecast expenditure	£540k
2020-21 Approved Budget	£614k	Forecast expenditure	£614k
<p>The strategic outline business case stage has now completed and independently reviewed. This phase of the project resulted in a saving of £270,000.</p> <p>The increase in forecast spend reflects the additional funding approved by the Combined Authority Board in November to pursue the next stage of the project.</p>			

8. Kings Dyke		Change in forecast expenditure	£1,039k
2020-21 Approved Budget	£8,620k	Forecast expenditure	£10,399k
<p>As reported previously, the delivery of this project is running ahead of schedule resulting in an in-year overspend. The overall project budget has not increased, so future year's expenditure will be lower to offset this.</p>			

9. March Junction Improvements		Change in forecast expenditure	-£637k
2020-21 Approved Budget	£2,637k	Forecast expenditure	£1,100k
<p>The Combined Authority Board approved the drawdown of £900k of 2020-21 subject to approval budget for this project in November for the next phase of the project.</p> <p>The majority of this work will fall outside of the current financial year so is reflected in the increased forecast underspend.</p>			

10. Regeneration of Fenland Stations		Change in forecast expenditure	-£778k
2020-21 Approved Budget	£1,708k	Forecast expenditure	£930k
<p>Regeneration of Fenland Stations is forecasting an in-year underspend however, in line with the budget approved by the Combined Authority Board in November this will be slipped into 2021-22 and (subject to Board approval) included in the budget for the next stage of the project.</p>			

11. Wisbech Access Strategy		Change in forecast expenditure	-£1,695k
2020-21 Approved Budget	£5,495k	Forecast expenditure	£3,800k
<p>A revised forecast has been received from the delivery partner for 2020-21 in line with the approved change request removing Cromwell Road and Southern Access Road schemes from the original delivery package. This is an effect of a revised design programme which has pushed the start of construction dates back from Q4 2020-21, as originally forecast.</p>			