

## Budget Monitor Report: November 2021

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 24 November 2021

Lead Member: Mayor Nik Johnson

From: Jon Alsop  
Chief Finance Officer

Key decision: Yes

Forward Plan reference: KD2021/075 [General Exception]

Recommendations: a) Note the financial position of the Combined Authority for the year to date.  
b) Approve the reinstatement of the £750k budget for Cambridge South Station.

Voting arrangements: Item a) note only (no vote required)  
Item b) a simple majority of all Members present and voting.

A vote in favour must include the vote of the Mayor or statutory Deputy Mayor acting in the absence of the Mayor.

## 1. Purpose

- 1.1 This report provides an update of the 2021/22 budget position and capital programme as at 30<sup>th</sup> September 2021.

## 2. Background

- 2.1 This report presents the actual expenditure position as at the 30<sup>th</sup> September 2021, the current forecast outturn (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 financial position of the Authority, showing 'Revenue' income and expenditure for the six-month period to 30<sup>th</sup> September 2021, 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**.

	Sept Budget £'000	Adjustments £'000	Revised Budget £'000	Actual to 30 <sup>th</sup> Sept £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
<b>2021-22 Revenue</b>								
<b>Grant Income</b>	<b>-43,596</b>	<b>-2,764</b>	<b>-46,360</b>	<b>-31,725</b>	<b>-46,360</b>	-	<b>-694</b>	
Mayor's Office	488	-	488	177	454	-33	-33	
CA Gross Staffing Costs	5,872	770	6,642	2,679	6,783	141	911	<b>1</b>
Other Employee Costs	327	-	327	78	287	-40	10	
Externally Commissioned Support Services	312	-	312	214	392	80	-2	
Corporate Overheads	780	-	780	168	625	-155	-109	<b>2</b>
Governance Costs	1,184	-	1,184	540	1,184	-	-	
Other Corporate Budgets	10	-48	-38	-214	-133	-95	-143	<b>3</b>
Recharges to Ringfence Funded Projects	-2,508	-786	-3,294	-1,482	-2,928	366	-420	<b>1</b>
<b>Corporate Services Expenditure</b>	<b>5,978</b>	<b>-64</b>	<b>5,914</b>	<b>1,984</b>	<b>6,209</b>	<b>296</b>	<b>247</b>	
Business and Skills	28,084	422	28,506	6,863	23,463	-5,043	-1,956	<b>4-6</b>
Delivery and Strategy	17,781	308	18,090	4,956	17,432	-657	308	
Housing	214	-	214	48	86	-128	-128	
<b>Workstream Expenditure</b>	<b>46,080</b>	<b>730</b>	<b>46,810</b>	<b>11,867</b>	<b>40,981</b>	<b>-5,829</b>	<b>-1,777</b>	
<b>Total Expenditure</b>	<b>52,545</b>	<b>666</b>	<b>53,211</b>	<b>14,027</b>	<b>47,645</b>	<b>-5,566</b>	<b>-1,563</b>	

3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £5.6m, an increased variance of £1.6m compared to the previously reported position which is substantially due to a combination of underspends on three delivery programmes combined with two budgetary updates. A full list of all budgets is included in **Appendix 1** and detail on material changes to expenditure forecasts are covered in **Appendix 4**):

- The core AEB Devolution programme has increased its forecast underspend by £450k (total £1.1m forecast underspend).
- The AEB Level 3 Courses budget is now forecasting an underspend of £279k.
- The Energy Hub's Public Sector Decarbonisation programme is now forecasting an underspend of £1.4m and will be bringing a paper to the January CA Board to request a reprofiling of the programme.
- £259k of income from S106 agreements to fund passenger transport services was omitted from the previous report increasing the organisations 'underspend'.
- The Combined Authority has been awarded £558k of Local Authority Capacity Funding for active travel work, this is addressed in detail elsewhere in the agenda.

The final two bullet points are a new funding award, and an existing income stream so further detail will not be included in Appendix 4 as there are no mitigation actions to be identified or taken.

3.3 The increase of £2.8m in budgeted grant income is due to:

- £1.9m across the AEB, Energy Hub Core, and Growth Hub Grants as reported to Board in September.
- £558k of Local Authority capability fund which is the topic of another item on the Board's agenda at this meeting.
- £172k of 21-22 COVID-19 Bus Service Support Grant provided by DfT, this is the final funding being provided by DfT under this grant and is being replaced by a new grant effective from the 31<sup>st</sup> August.

3.4 The current Forecast Outturn shows an expected revenue expenditure for the year of £47.7m against a 'grant income' of £46.4m.

The difference of £1.3m is made up of the balance of contributions to, and drawdowns from, ringfenced reserves built up where grants are received in a different year to the expenditure. The major draw on ringfenced reserves for 2021-22 are for the Rural Communities Energy Fund, the Health and Care Sector Work Academy and LGF topslice reserve. There are forecast contributions to reserves for Enterprise Zone receipts and the Energy Hub.

3.5 There have been two updates to the staffing budgets since the report to the September Board.

First, the budget for the Energy Hub Staff for the year has been included within Business and Skills (£722k), this increased cost is met in full by the Energy Hub funding streams and so the internally recharged staff 'income' budget has been increased to match.

Second the Transport and Strategy teams are now shown separately – this is a presentational change only and has no impact on overall budget or spend.

- 3.6 The Energy Hub staffing inclusion represents the majority of the change in FO in staffing costs but there is a net forecast overspend of £141k across the organisation. This is the net effect of a £48k budget virement from the Corporate Response Fund to fund a temporary transport resource and a variety of variances below the materiality threshold. Corporate Services is forecasting spend £121k above the original budget in order to strengthen Legal, Governance and Strategic HR support to ensure there is sufficient support for the expanding wider business including Energy Hub and Passenger Transport teams.
- 3.7 Actuals to-date on the workstream budgets are only 29%, while claims are submitted to the Combined Authority a month in arrears, we are still noticeably behind the forecasts set at the start of the year which predicted 39% spend by this point - a difference of £4m. The forecast outturn variance for workstream budgets is £5.8m which suggests that the majority of the delayed spend will not be caught up by end of the financial year with some further underspends expected to materialise in the second half of the year.

## 4. Capital Programme

- 4.1 A summary of the in-year capital programme and capital grant income for the period to 30<sup>th</sup> September 2021 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 21-22 Budget	Year To-Date Actuals	21-22 Forecast Outturn	Forecast Variance	
	£'000	£'000	£'000	£'000	%
Corporate Services	44	-	44	-	0.0%
Business and Skills	115,368	17,570	106,754	-8,615	-7.5%
Delivery and Strategy	63,415	35,293	62,070	-1,345	-2.1%
Housing	36,960	6,412	30,208	-6,752	-18.3%
<b>Totals</b>	<b>215,787</b>	<b>59,274</b>	<b>199,076</b>	<b>-16,712</b>	<b>-7.7%</b>

Capital Funding Summary	Revised 21-22 Budget	Year To-Date Actuals	21-22 Forecast Outturn	Forecast Variance		% received to date
	£'000	£'000	£'000	£'000	%	
Housing Capital Grants	-	-	-4,000	-	0.0%	0.0%
Active Transport Grant Capital	-	-	-	-	0.0%	0.0%
Capital Gainshare	-12,000	-12,000	-12,000	-	0.0%	100.0%
Local Transport Capital Grants	-23,080	-24,620	-24,620	-1,540	6.7%	100.0%
Getting Building Fund	-7,300	-7,300	-7,300	-	0.0%	100.0%
Transforming Cities Funding	-30,000	-30,000	-30,000	-	0.0%	100.0%
<b>Totals</b>	<b>-72,380</b>	<b>-73,920</b>	<b>-77,920</b>	<b>-1,540</b>	<b>2.1%</b>	<b>94.9%</b>

4.2 The Affordable Housing grant programme line reflects the position at the end of September 2021 as reported to the Housing Committee. The Minister for Regional Growth and Local Government has since written to the Mayor to confirm that he has approved £18.7m for 18 schemes to secure delivery of 1,188 affordable homes in Cambridgeshire and Peterborough. The grant will be paid before March 2023 and at least £4m is expected in the current financial year. These scheme approvals, and income expectation, have been reflected in the figures presented to Board here.

4.3 The Business and Skills directorate is forecasting a £8.6m underspend against budget, £7.9m of this is due to delays on a combination of two capital projects:

- The Green Home Grant Capital Programme is forecasting a £6.6m underspend and almost no spend to-date. This reflects delays in agreeing the delivery model with Managing Agents and a paper is on the forward plan for the January Board to update the Board on the position in detail and request a reprofile of the expenditure.
- The forecast of funds invested through Start Codon has reduced from £2.2m to £1m this year with a further £1m forecast in 2022-23.

4.4 There have been three material changes in the Delivery and Strategy portfolio since September:

- The A10 Dualling project is forecasting a further £560k underspend, bringing the total forecast underspend to £1.2m. The project is ongoing and any underspend in-year will be requested as carry forward.
- The Combined Authority Board agreed the cessation of work on the CAM programme, this released the vast majority (£3.25m of £3.5m) of the business case development budget back into corporate capital reserves.
- The last is the impact of the Board's decision to fund Wisbech Access Strategy to the completion of detailed design, replacing Local Growth Funding, at which point it will be a shovel ready pipeline scheme – this reduced the total budget for the project by £1.4m.

As the latter two items are the effect of prior Board decisions, requiring no mitigating actions, there are no entries for them in Appendix 4.

4.5 Reported capital spend is 29% of forecast spend for the year. Removing the highways capital maintenance grants, which are entirely paid out at the start of the year, and the Green Homes Capital programme, as it is so large it masks the behaviour of the rest of the capital programme, this moves to 31% - the 19% shortfall compared to where one might expect to be half way through the year represents £37.4m less spend to the end of September. There are two factors which explain some of this: some programmes have only been approved in-year and thus not having ramped up their delivery, for example the market towns programme, and the majority of the Authority's spend being against grant claims which are submitted a month in arrears and thus expenditure lagging behind delivery on projects. The Authority is looking at ways to make committed expenditure more up to date and accurate for future reports.

4.6 As with the revenue budget, the difference between in-year forecast expenditure and in-year income of £120m is mainly due to timing differences between receiving grant funding and the

associated expenditure along with £23m of forecast income from Housing Loans being repaid. The majority of the grant timing difference is the Greater South East Energy Hub's Green Home Grant capital programme where the funding of £79m was received in 20-21 and the spend against this grant is within 2021-22. The balance is made up of drawdowns from other capital funds either in reserves, or received in advance, including the Capital Single Pot, Local Transport Capital Grants and Recycled Growth Funds.

## 5. Cambridge South Station

- 5.1 Within the MTFP refresh approved by the Board in June 2020 was the removal of funding for the future stages of the Cambridge South Station project – this was in response to the Chancellor's announcement in the March Budget that the project would be funded by DfT moving forward.
- 5.2 It has subsequently come to light that £750k of the capital funding that was removed from the project was for the current, contractually committed, phase of the project and not for the subsequent DfT funded phase. Network Rail have continued their work in line with the contract held with the CPCA and have subsequently submitted invoices in line with the contract. In order to enable payment these legitimate invoices the Combined Authority Board are asked to approve the re-instatement of the £750k capital budget which was removed in error in June 2020.
- 5.3 As the works these invoices are related to was completed in the 20-21 financial year the costs were recognised in the Combined Authority's accounts last year thus will not create a pressure on the overall budget.

## Significant Implications

### 6. Financial Implications

- 6.1 There are no direct financial implications beyond those in the body of the report.

### 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 30<sup>th</sup> Sept 2021

9.2 Appendix 2 – Capital Position to 30<sup>th</sup> Sept 2021

9.3 Appendix 3 – Capital Programme

9.4 Appendix 4 – Detailed Explanations of Material Variances



## Appendix 1 - Detailed breakdown of the revenue position for the period to 30<sup>th</sup> September 2021

<b>Grant Income</b>	<b>Sept Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to- date £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>
Additional Home to School Transport Grants	-	-	-	-219.7	-	-	-
Adult Education Budget	-12,097.6	-1,076.4	-13,174.0	-13,174.0	-13,174.0	-0.1	-
Bus Service Operator Grant	-409.0		-409.0		-409.0	-	-409.0
Careers Enterprise Company Funding	-125.0	-86.0	-211.0	-32.3	-211.0	-	-111.0
COVID-19 bus services support grant	-	-172.3	-172.3	-128.5	-172.3	-	-172.3
Digital Skills Bootcamp	-1,826.3		-1,826.3	-	-1,826.3	-	-
Enterprise Zone receipts	-1,208.8		-1,208.8	-	-1,208.8	-	-
ERDF - Growth Service Grant	-1,500.0		-1,500.0	-	-1,500.0	-	-
ESF Growth Service Grant	-600.0		-600.0	-	-600.0	-	-
Growth Hub Grants	-246.0	-290.5	-536.5	-128.0	-536.5	-	-
GSE Energy Hub - Core Funding	-1,025.0	-580.5	-1,605.5	-1,605.5	-1,605.5	-	-
GSE Energy Hub - Decarbonisation	-1,372.3		-1,372.3	-1,372.3	-1,372.3	-	-
LA Capability Fund	-	-558.3	-558.3	-	-558.3	-	-
LEP Core Funding	-500.0		-500.0	-250.0	-500.0	-	-
Mayoral Capacity Fund	-1,000.0		-1,000.0	-1,000.0	-1,000.0	-	-
Mid-Life MOT	-40.0		-40.0	-	-40.0	-	-
Revenue Gainshare	-8,000.0		-8,000.0	-8,000.0	-8,000.0	-	-
Skills Advisory Panel Grant	-75.0		-75.0	-75.0	-75.0	-	-
Transport Capacity Funding	-524.1		-524.1	-524.1	-524.1	-	-
Transport Levy	-13,039.7		-13,039.7	-5,215.9	-13,039.7	-	-
Visitor Economy and R&R Grant income	-7.6		-7.6	-	-7.3	0.3	0.3
<b>Total Grant Income</b>	<b>-43,596.2</b>	<b>-2,764.0</b>	<b>-46,360.2</b>	<b>-31,725.2</b>	<b>-46,360.0</b>	<b>0.3</b>	<b>-693.6</b>
<b>Mayor's Office</b>							
Mayor's Allowance	95.6		95.60	37.1	92.4	-3.2	-3.2
Mayor's Conference Attendance	15.0		15.00	6.8	15.0	-	-
Mayor's Office Expenses	40.0		40.00	6.8	40.0	-	-
Mayor's Office Accommodation	77.4		77.40	28.3	77.4	-	-
Mayor's Office Staff	259.5		259.50	97.6	229.3	-30.2	-30.2

<b>Total Mayor's Office</b>	<b>487.5</b>	<b>-</b>	<b>487.5</b>	<b>176.5</b>	<b>454.1</b>	<b>-33.4</b>	<b>-33.4</b>
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	Sept Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to- date £'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	1,323.3	722.1	2,045.4	827.2	2,109.0	63.6	785.7
Chief Executive	309.3		309.3	110.3	281.4	-27.9	-27.9
Corporate Services	2,031.2		2,031.2	887.0	2,152.0	120.8	120.8
Transport	1,639.1	-703.8	935.3	358.1	978.3	43.0	-660.8
Strategy and Planning	-	751.8	751.8	295.6	741.5	-10.3	741.5
Housing	569.2		569.2	200.8	520.9	-48.3	-48.3
<b>Total CA Gross Staffing Costs</b>	<b>5,872.1</b>	<b>770.1</b>	<b>6,642.3</b>	<b>2,678.9</b>	<b>6,783.2</b>	<b>140.9</b>	<b>911.1</b>
<b>Other Employee Costs</b>							
Travel	80.0		80.0	10.5	40.0	-40.0	-
Training	90.0		90.0	67.2	90.0	-	10.0
Change Management Reserve	157.0		157.0	-	157.0	-	-
<b>Total Other Employee Costs</b>	<b>327.0</b>	<b>-</b>	<b>327.0</b>	<b>77.7</b>	<b>287.0</b>	<b>-40.0</b>	<b>10.0</b>
<b>Externally Commissioned Support Services</b>							
External Legal Counsel	65.0		65.0	39.3	65.0	-	-
Finance Service	74.0		74.0	27.5	74.0	-	-
Democratic Services	95.0		95.0	47.7	95.0	-	-
Payroll	4.0		4.0	0.7	4.0	-	-
HR	18.0		18.0	9.5	17.0	-1.0	-
Procurement	8.0		8.0	0.9	6.0	-2.0	-2.0
ICT external support	48.0		48.0	88.1	130.5	82.5	-
<b>Total Externally Commissioned Support Services</b>	<b>312.0</b>	<b>-</b>	<b>312.0</b>	<b>213.6</b>	<b>391.5</b>	<b>79.5</b>	<b>-2.0</b>

	Sept Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to- date £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
<b>Corporate Overheads</b>							
Accommodation Costs	300.0		300.0	23.2	100.0	-200.0	-100.0
Software Licences, Mobile Phones cost	101.6		101.6	9.1	95.0	-6.6	-6.6
Communications	42.1		42.1	19.1	42.1	-	-
Website Development	15.0		15.0	2.2	15.0	-	-
Recruitment Costs	88.0		88.0	55.4	128.0	40.00	-
Insurance	35.0		35.0	4.0	35.0	-	-
Audit Costs	132.0		132.0	0.4	132.0	-	-
Office running costs	31.2		31.2	7.4	28.0	-3.2	-2.0
Corporate Subscriptions	35.5		35.5	47.7	50.0	14.5	-
<b>Total Corporate Overheads</b>	<b>780.4</b>	<b>-</b>	<b>780.4</b>	<b>168.4</b>	<b>625.1</b>	<b>-155.3</b>	<b>-108.6</b>
<b>Governance Costs</b>							
Committee/Business Board Allowances	144.0		144.0	11.7	144.0	-	-
Election Costs	1,040.0		1,040.0	528.5	1,040.0	-	-
<b>Total Governance Costs</b>	<b>1,184.0</b>	<b>-</b>	<b>1,184.0</b>	<b>540.1</b>	<b>1,184.0</b>	<b>-</b>	<b>-</b>
<b>Other Corporate Budgets</b>							
Corporate Response Fund	145.0		145.0	4.5	145.0	-	-
Contribution to the A14 Upgrade	96.0		96.0	-	96.0	-	-
Interest Receivable on Investments	-231.0		-231.0	-218.0	-374.0	-143.0	-143.0
<b>Total Other Corporate Budgets</b>	<b>10.0</b>	<b>-</b>	<b>10.0</b>	<b>-213.5</b>	<b>-133.0</b>	<b>-143.0</b>	<b>-143.0</b>
<b>Recharges to Ringfence Funded Projects</b>							
Internally Recharged Grant Funded Staff	-1,799.0	-722.1	-2,521.1	-1,170.8	-2,427.2	93.9	-628.2
Externally Recharged Staff	-709.0	-64.0	-773.0	-310.8	-501.1	271.9	207.9
<b>Total Recharges to Ringfence Funded Projects</b>	<b>-2,508.0</b>	<b>-786.1</b>	<b>-3,294.1</b>	<b>-1,481.7</b>	<b>-2,928.3</b>	<b>365.8</b>	<b>-420.3</b>
<b>Total Corporate Services Expenditure</b>	<b>5,977.5</b>	<b>-64</b>	<b>5,913.5</b>	<b>1,983.7</b>	<b>6,209.5</b>	<b>295.9</b>	<b>247.1</b>

<b><u>Business and Skills</u></b>	<b>Sep Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual To-Date</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Change in FO</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Outturn</b>	<b>Outturn</b>	<b>£'000</b>
					<b>£'000</b>	<b>Variance</b>	<b>£'000</b>
AEB Devolution Programme	11,367.6		11,367.6	5,157.3	10,250.3	-1,117.4	-450.3
AEB High Value Courses	236.6		236.6	38.2	208.2	-28.4	-28.4
AEB Innovation Fund - Revenue	500.0		500.0	203.9	294.2	-205.8	15.1
AEB Level 3 Courses	808.8		808.8	80.0	530.0	-278.8	-278.8
AEB National Retraining Scheme	39.5		39.5	-	39.5	-	-
AEB Programme Costs	442.1		442.1	147.0	466.2	24.0	-9.4
AEB Sector Based Work Academies	233.2		233.2	135.2	210.0	-23.2	-23.2
AEB Provider Capacity Building	-	250.0	250.0	-	250.0	-	250.0
AEB Strategic Partnership Development	-	250.0	250.0	-	250.0	-	250.0
Business Board Annual Report	15.0		15.0	4.3	9.3	-5.7	-5.7
Business Board Effectiveness Review	35.0		35.0	-	50.0	15.0	15.0
Careers and Enterprise Company (CEC)	222.1		222.1	-	211.1	-11.0	-11.0
Digital Skills Bootcamp	1,826.3		1,826.3	0.4	1,826.3	-	-
Economic Rapid Response Fund	150.0		150.0	23.5	117.2	-32.8	-32.8
Enterprise Zone Investment	50.0		50.0	-	50.0	-	-
Growth Co Services	3,331.7	-108.2	3,223.5	46.0	3,131.7	-91.8	-200.0
GSE Energy Hub	890.0		890.0	279.3	849.8	-40.2	28.0
GSE COP 26	195.0		195.0	32.8	195.0	-	-
GSE Green Homes Grant Sourcing Activity	894.9		894.9	62.1	896.0	1.1	1.1
GSE Green Homes Grant Sourcing Strategy	69.3		69.3	37.0	69.3	0.0	0.0
GSE Public Sector Decarbonisation	1,372.3		1,372.3	-	0.6	-1,371.7	-1,371.7
GSE Rural Community Energy Fund (RCEF)	735.0		735.0	132.4	936.9	201.9	-40.8
Health and Care Sector Work Academy	3,031.0		3,031.0	188.8	1,088.8	-1,942.2	-5.7
HPC study and roadmap	46.0		46.0	-	46.0	-	-
Insight and Evaluation Programme	82.5		82.5	-	82.5	-	-
Local Growth Fund Costs	560.2		560.2	157.6	518.2	-42.0	-1.8
Market Town and Cities Strategy	120.9		120.9	21.4	97.4	-23.5	-23.5
Marketing and Promotion of Services	97.8	30.0	127.8	56.2	108.2	-19.6	6.3
Mid-Life MOT	40.0		40.0	20.6	20.8	-19.2	-19.2
Peterborough University Quarter Masterplan	100.0		100.0	-	100.0	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100.0		100.0	-	100.0	-	-

<b><u>Business and Skills</u></b>	<b>Sep Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual To-Date</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Change in FO</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Outturn</b>	<b>Outturn</b>	<b>£'000</b>
					<b>£'000</b>	<b>Variance</b>	<b>£'000</b>
						<b>£'000</b>	<b>£'000</b>
Skills Advisory Panel (SAP) (DfE)	112.3		112.3	10.0	94.1	-18.2	-18.2
Skills Rapid Response Fund	115.2		115.2	8.2	106.1	-9.1	-9.1
St Neots Masterplan	224.0		224.0	7.7	219.4	-4.6	7.9
Trade and Investment Programme	32.5		32.5	6.2	32.5	-	-
Visitor Economy and R&R Grants	7.6		7.6	7.3	7.3	-0.3	-
<b>Total Business and Skills</b>	<b>28,084.3</b>	<b>421.8</b>	<b>28,506.1</b>	<b>6,863.3</b>	<b>23,462.9</b>	<b>-5,043.2</b>	<b>-1,955.9</b>

<b><u>Delivery and Strategy</u></b>	<b>Sep Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual To-Date</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Change in FO</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Outturn</b>	<b>Outturn</b>	<b>£'000</b>
					<b>£'000</b>	<b>Variance</b>	<b>£'000</b>
						<b>£'000</b>	<b>£'000</b>
A141 Huntingdon SOBC	114.0		114.0	34.0	114.0	-	-
Additional Home to School Transport Grants	-		-	-	-	-	-
Bus Review Implementation	1,842.4		1,842.4	103.4	1,842.4	-	-
Bus Service Subsidisation	187.0		187.0	187.0	187.0	-	-
CAM Innovation Company	656.5		656.5	-	-	-656.5	-
CAM Metro OBC	-		-	1.5	-	-	-
Climate Change	109.7	50.0	159.7	-	156.0	-3.7	46.3
COVID Bus Service Support Grant	189.0		189.0	120.3	189.0	-	-
LA Capability Fund	-	558.3	558.3	-	558.3	-	558.3
Land Commission	40.0		40.0	-	40.0	-	-
Local Transport Plan	200.0		200.0	7.7	200.0	-	-
Monitoring and Evaluation Framework	150.0		150.0	17.9	156.0	6.0	6.0
Non-Statutory Spatial Framework (Phase 2)	56.7		56.7	8.4	56.7	-	-
P'boro Station Quarter SOBC	350.0		350.0	-	350.0	-	-
Public Transport: Bus Service Operator Grant	409.0		409.0	-	409.0	-	-
Public Transport: Concessionary fares	9,129.0		9,129.0	2,822.7	9,129.0	-	-
Public Transport: Contact Centre	234.0		234.0	138.5	234.0	-	-
Public Transport: Quality Partnership	41.0	-41.0	-	-	-	-	-41.0
Public Transport: RTP1, Infrastructure & Information	209.0		209.0	-	209.0	-	-

<b>Delivery and Strategy</b>	<b>Sep Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actual To-Date £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>
Public Transport: S106 supported bus costs	259.0	-259.0	-	154.7*	-	-	-259.0
Public Transport: Supported Bus Services	3,003.0		3,003.0	1,156.3	3,003.0	-	-
Public Transport: Team and Overheads	465.0		465.0	107.6	465.0	-	-
St Ives (SOBC)	137.0		137.0	95.7	134.0	-3.0	-3.0
<b>Total Delivery and Strategy</b>	<b>17,781.3</b>	<b>308.3</b>	<b>18,089.6</b>	<b>4,955.8</b>	<b>17,432.4</b>	<b>-657.2</b>	<b>307.6</b>

*\* S106 supported bus costs is a net nil budget as all costs incurred are recharged to the County Council*

<b>Housing</b>							
CLT and £100k Homes	100.0		100.0	2.1	40.0	-60.0	-60.0
Garden Villages	114.0		114.0	45.8	45.8	-68.2	-68.2
<b>Total Housing</b>	<b>214.0</b>	<b>-</b>	<b>214.0</b>	<b>47.9</b>	<b>85.8</b>	<b>-128.2</b>	<b>-128.2</b>

<b>Total Workstream Expenditure</b>	<b>46,079.7</b>	<b>730.1</b>	<b>46,809.7</b>	<b>11,867.0</b>	<b>40,981.1</b>	<b>-5,828.6</b>	<b>-1,776.6</b>
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<b>Total Revenue Expenditure</b>	<b>52,544.7</b>	<b>666.1</b>	<b>53,210.8</b>	<b>14,027.2</b>	<b>47,644.7</b>	<b>-5,566.1</b>	<b>-1,562.8</b>
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## Appendix 2 –Capital Position to 30<sup>th</sup> September 2021

<b>Business and Skills</b>	<b>Approved Budget</b> £'000	<b>21-22 Actuals</b> £'000	<b>Balance to Spend</b> £'000	<b>Forecast Spend</b> £'000	<b>Forecast Over (Under) spend</b> £'000	<b>Change to Forecast Over (Under) spend</b> £'000
AEB Innovation Fund	324	241	-83	319	-5	-
Cambridge Biomedical MO Building	1,702	22	-1,681	1,702	-	-
Cambridge City Centre	691	87	-604	691	-	-
CRC Construction and Digital Refurbishment	911	904	-7	911	-	-
COVID and Capital Growth Grant Scheme	7	-	-7	7	-	-
Eastern Agritech Initiative	100	50	-50	196	96	-4
Green Home Grant Capital Programme	78,340	426	-77,914	71,699	-6,641	-6,641
Illumina Accelerator	1,000	-	-1,000	1,000	-	-
March Adult Education	314	314	-	314	-	-
Market Towns: Chatteris	1,000	5	-995	548	-452	-452
Market Towns: Ely	656	117	-539	656	-	-
Market Towns: Huntingdon	578	-	-578	578	-	-
Market Towns: Littleport	-	-	-	-	-	-
Market Towns: March	1,000	-	-1,000	920	-80	-80
Market Towns: Ramsey	1,000	-	-1,000	1,000	-	-
Market Towns: Soham	200	18	-182	200	-	-400
Market Towns: St Ives	620	-	-620	620	-	-
Market Towns: St Neots	220	-	-220	220	-	-
Market Towns: Whittlesey	1,000	-	-1,000	920	-80	-80
Market Towns: Wisbech	1,000	-	-1,000	773	-228	-228
Metalcraft (Advanced Manufacturing)	2,979	912	-2,067	2,979	-	-
Peterborough City Centre	681	581	-100	681	-	-
South Fen Business Park	997	4	-993	997	-	-
St Neots Masterplan	190	-	-190	190	-	-17
Start Codon (Equity)	2,226	456	-1,770	1,000	-1,226	-1,226
The Growth Service Company	3,000	-	-3,000	3,000	-	-
TTP Incubator	33	33	-	33	-	-
University of Peterborough Phase 2	14,600	13,400	-1,200	14,600	-	-
<b>Total Business and Skills</b>	<b>115,369</b>	<b>17,570</b>	<b>-97,799</b>	<b>106,754</b>	<b>-8,615</b>	<b>-9,127</b>

	Approved Budget £'000	21-22 Actuals £'000	Balance to Spend £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b>Delivery and Strategy</b>						
A10 Dualling	2,000	-	-2,000	840	-1,160	-560
A1260 Nene Parkway Junction 15	208	7	-201	457	249	249
A1260 Nene Parkway Junction 32/3	239	7	-232	239	-	-
A16 Norwood Dualling	626	22	-604	616	-10	62
A505 Corridor	143	6	-137	143	-	-
A605 Stanground - Whittlesea	217	-	-217	217	-	-
CAM Innovation Company Set up	2,000	-	-2,000	2,000	-	-
CAM Delivery to OBC	250	-	-250	250	-	250
Coldhams Lane roundabout improvements	234	-	-234	-	-234	-234
Digital Connectivity Infrastructure Programme	3,139	469	-2,669	3,139	-	-
Ely Area Capacity Enhancements	326	202	-124	202	-124	-124
Fengate Access Study - Eastern Industries Access - Phase 1	327	98	-229	317	-10	-10
Fengate Access Study - Eastern Industries Access - Phase 2	161	35	-127	161	-	-
Local Highways Maintenance & Pothole (with PCC and CCC)	27,695	27,695	-	27,695	-	-
King's Dyke	7,589	850	-6,738	7,589	-	-
Lancaster Way	500	-	-500	385	-115	-15
March Junction Improvements	2,114	513	-1,601	2,083	-31	-31
Regeneration of Fenland Railway Stations	2,610	-	-2,610	2,657	47	47
Soham Station	9,244	5,389	-3,855	9,482	238	-
Transport Modelling	750	-	-750	554	-196	-
Wisbech Access Strategy	2,739	-	-2,739	2,739	-	-1,393
Wisbech Rail	306	-	-306	306	-	-
<b>Total Delivery and Strategy</b>	<b>63,415</b>	<b>35,293</b>	<b>-28,122</b>	<b>62,070</b>	<b>-1,345</b>	<b>-1,758</b>



	Approved Budget £'000	21-22 Actuals £'000	Variance to Budget £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b>Housing</b>						
Affordable Housing Grant Programme	25,119	893	-24,226	19,039	-6,081	11,058
Housing Investment Fund - contracted payments	11,841	5,519	-6,322	11,170	-671	5,442
<b>Total Housing</b>	<b>36,960</b>	<b>6,412</b>	<b>-30,549</b>	<b>30,208</b>	<b>-6,752</b>	<b>16,500</b>
	Approved Budget £'000	21-22 Actuals £'000	Variance to Budget £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<b>Corporate Services</b>						
ICT Capital Costs	44	-	-44	44	-	-
Investment in Finance System	-	-	-	-	-	-
<b>Total Corporate Services</b>	<b>44</b>	<b>-</b>	<b>-44</b>	<b>44</b>	<b>-</b>	<b>-</b>
<b>Total Capital Programme</b>	<b>215,787</b>	<b>59,274</b>	<b>-156,513</b>	<b>199,076</b>	<b>-16,712</b>	<b>5,615</b>

## Appendix 3: Capital Programme

Business and Skills	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2021-22	2022-23	2023-24	2024-25		2021-22	2022-23	2023-24	2024-25	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
AEB Innovation Fund	324	-	-	-	324	-	-	-	-	324
Cambridge Biomedical MO Building	1,702	-	-	-	1,702	-	-	-	-	1,702
Cambridge City Centre	691	-	-	-	691	-	-	-	-	691
CRC Construction and Digital Refurbishment	911	-	-	-	911	-	-	-	-	911
COVID and Capital Growth Grant Scheme	7	-	-	-	7	-	-	-	-	7
Eastern Agritech Initiative	100	-	-	-	100	-	-	-	-	100
Green Home Grant Capital Programme	78,340	-	-	-	78,340	-	-	-	-	78,340
Illumina Accelerator	1,000	1,000	-	-	2,000	-	-	-	-	2,000
March Adult Education	314	-	-	-	314	-	-	-	-	314
Market Towns: Chatteris	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Ely	656	-	-	-	656	-	344	-	-	1,000
Market Towns: Huntingdon	578	-	-	-	578	-	422	-	-	1,000
Market Towns: Littleport	-	-	-	-	-	-	1,000	-	-	1,000
Market Towns: March	1,000	1,100	-	-	2,100	-	-	-	-	2,100
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	200	-	-	-	200	-	800	-	-	1,000
Market Towns: St Ives	620	-	-	-	620	-	380	-	-	1,000
Market Towns: St Neots	220	921	1,959	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Wisbech	1,000	-	-	-	1,000	-	-	-	-	1,000
Metalcraft (Advanced Manufacturing)	2,979	-	-	-	2,979	-	-	-	-	2,979
Peterborough City Centre	681	-	-	-	681	-	-	-	-	681
South Fen Business Park	997	-	-	-	997	-	-	-	-	997
St Neots Masterplan	190	95	-	-	285	-	-	-	-	285
Start Codon (Equity)	2,226	-	-	-	2,226	-	-	-	-	2,226
The Growth Service Company	3,000	3,000	3,000	-	9,000	-	-	-	-	9,000
TTP Incubator	33	-	-	-	33	-	-	-	-	33
University of Peterborough Phase 2	14,600	-	-	-	14,600	-	-	-	-	14,600
<b>Total Business and Skills</b>	<b>115,368</b>	<b>6,116</b>	<b>4,959</b>	<b>-</b>	<b>126,444</b>	<b>-</b>	<b>2,946</b>	<b>-</b>	<b>-</b>	<b>129,390</b>

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000		2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	
<b>Delivery and Strategy</b>										
A10 Dualling	2,000	-	-	-	2,000	-	-	-	-	2,000
A1260 Nene Parkway Junction 15	208	-	-	-	208	5,000	-	-	-	5,208
A1260 Nene Parkway Junction 32/3	239	-	-	-	239	5,030	1,500	-	-	6,769
A141 capacity enhancements	-	-	-	-	-	-	650	1,300	2,300	4,250
A16 Norwood Dualling	626	-	-	-	626	420	12,000	-	-	13,046
A505 Corridor	143	-	-	-	143	-	-	-	-	143
A605 Stanground - Whittlesea	217	-	-	-	217	-	-	-	-	217
CAM Delivery to OBC	250	-	-	-	250	-	-	-	-	250
CAM Innovation Company Set up	2,000	-	-	-	2,000	-	-	-	-	2,000
Coldhams Lane roundabout improvements	234	-	-	-	234	2,200	-	-	-	2,434
Digital Connectivity Infrastructure Programme	3,139	-	-	-	3,139	-	1,500	1,500	1,500	7,639
Ely Area Capacity Enhancements	326	-	-	-	326	-	-	-	-	326
Fengate Access Study - Eastern Industries Access: Ph 1	327	-	-	-	327	1,330	4,200	-	-	5,857
Fengate Access Study - Eastern Industries Access: Ph 2	161	-	-	-	161	660	1,280	-	-	2,101
Local Highways Maintenance & Pothole Funds	27,695	23,080	23,080	23,080	96,935	-	-	-	-	96,935
King's Dyke	7,589	-	-	-	7,589	2,100	-	-	-	9,689
Lancaster Way	500	-	-	-	500	-	-	-	-	500
March Junction Improvements	2,114	-	-	-	2,114	2,738	-	-	-	4,852
Regeneration of Fenland Railway Stations	2,610	-	-	-	2,610	674	-	-	-	3,284
Soham Station	9,244	4,000	-	-	13,244	-	-	-	-	13,244
Snailwell Loop	-	-	-	-	-	500	-	-	-	500
St Ives (SOBC, OBC & FBC)	-	-	-	-	-	500	1,000	1,400	1,500	4,400
Transport Modelling	750	-	-	-	750	-	-	-	-	750
Wisbech Access Strategy	2,739	-	-	-	2,739	-	-	-	-	2,739
Wisbech Rail	306	-	-	-	306	2,688	3,000	5,000	-	10,993
<b>Total Delivery and Strategy</b>	<b>63,415</b>	<b>27,080</b>	<b>23,080</b>	<b>23,080</b>	<b>136,655</b>	<b>23,840</b>	<b>25,130</b>	<b>9,200</b>	<b>5,300</b>	<b>194,824</b>

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000		2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	
<b>Housing</b>										
Affordable Housing Grant Programme	25,119	-	-	-	25,119	-	-	-	-	25,119
Housing Investment Fund - contracted payments	11,841	593	-	-	12,434	-	-	-	-	12,434
<b>Total Housing</b>	<b>36,960</b>	<b>593</b>	<b>-</b>	<b>-</b>	<b>37,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,553</b>

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000		2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	
<b>Corporate Services</b>										
Investment in Finance System	-	-	-	-	-	150	-	-	-	150
ICT Capital costs	44	38	38	38	158	-	-	-	-	158
<b>Total Corporate Services</b>	<b>44</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>158</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308</b>

<b>Total Capital Programme</b>	<b>215,787</b>	<b>33,827</b>	<b>28,077</b>	<b>23,118</b>	<b>300,810</b>	<b>23,990</b>	<b>28,076</b>	<b>9,200</b>	<b>5,300</b>	<b>367,375</b>
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## Appendix 4: Detailed Explanations of Material Variances

### Operational Revenue Variances >£100k

<b>1. CA Gross Staffing Costs</b>		Change in forecast expenditure	<b>£911k</b>
2021-22 Budget	<b>£6,642k</b>	Forecast expenditure	<b>£6,783k</b>
<p>The majority of the change in forecast is due to the inclusion of £722k of Energy Hub staffing costs, these are met from the Energy hub grants and thus the internally recharged grant funded staff budget has been adjusted to show an additional £722ck 'income'.</p> <p>The balance, of £141k is mainly caused by an increase in spend across Legal, Governance and HR teams reflecting the need to support the expanding organisation including the Energy Hub and Passenger Transport teams.</p>			

<b>2. Accommodation Costs</b>		Change in forecast expenditure	<b>-£100k</b>
2021-22 Budget	<b>£300k</b>	Forecast expenditure	<b>£100k</b>
<p>Reviewing the ongoing accommodation costs for the Combined Authority and the likelihood of new accommodation being found within this financial year, the forecast spend has been reduced to show the net impact of the saving from having no main office space, a contribution to the Mayor's office accommodation budget to reflect it's use by Combined Authority staff, and the costs of hiring venues for public meetings.</p> <p>Work to find a new home for the Combined Authority is ongoing with consideration currently being given to the opportunities across the public sector estate in the area.</p>			

<b>3. Interest Receivable on Investments</b>		Change in forecast income	<b>-£143k</b>
2021-22 Budget	<b>-£231k</b>	Forecast income	<b>-£374k</b>
<p>This budget shows interest received on the cash balances the Combined Authority holds due to timing differences between receiving grant funds and spending them.</p> <p>While interest rates have been at an historic low in the past 12 months, the budget was set when forecasts included the possibility of the Bank of England base rate becoming negative. As the global, and UK, economic position has improved this possibility has reduced and interest rates have</p>			

increased marginally. As such we have achieved more lucrative deals than was originally anticipated when the budget was set.

#### Workstream Revenue Variances >£250k

<b>4. AEB Devolution Programme</b>		Change in forecast expenditure	<b>-£450k</b>
2021-22 Budget	<b>£11,368k</b>	Forecast expenditure	<b>£10,250k</b>
<p>The underspend on the AEB programme is due to a number of factors including underperformance of providers due to the pandemic which resulted in a national drop in AEB enrolments, improved performance management leading to reduction of some provider's funding allocation.</p> <p>To mitigate this forecast the service will be providing additional funding for over-achieving providers, commissioning additional work in-year to address any gaps and flexing funding rules to open up more opportunities for more residents to participate.</p> <p>Longer term the service will over-provision services, anticipating under-delivery based on historic performance and they have set up a capacity building fund to support providers to deliver more training in future.</p> <p>The result of the short-term actions should be seen when the first set of 2021-22 enrolment data is received in December.</p>			

<b>5. AEB Level 3 Courses</b>		Change in forecast expenditure	<b>-£279k</b>
2021-22 Budget	<b>£809k</b>	Forecast expenditure	<b>£530k</b>
<p>The Level 3 campaign has not taken off at the rate that was anticipated. In response to this we have contracted new suppliers and are confident that the forecast outturn will increase. A revised forecast will be submitted after the next data return is received in December.</p>			

<b>6. GSE Public Sector Decarbonisation</b>		Change in forecast expenditure	<b>-£1,372k</b>
2021-22 Budget	<b>£1,372k</b>	Forecast expenditure	<b>£1k</b>
<p>This funding is for the recruitment of specialised staff to support public sector organisations with decarbonisation. In recognition of the pressures within the sector the funding can be spent across the current and next financial years, so the delayed spend does not represent a funding risk.</p>			

Recruitment is beginning in earnest in January and the programme will ramp up once staff are in post.

## Capital Variances >£500k

<b>7. Green Homes Grant Capital Programme</b>		Change in forecast expenditure	<b>-£6,641k</b>
2021-22 Approved Budget	<b>£78,340k</b>	Forecast expenditure	<b>£71,699k</b>
<p>Extensions to earlier phases of the Green Homes Grant (not managed by the Combined Authority and GSE Energy Hub) have caused a bottleneck with the supply chain therefore delaying the start of the current phase.</p> <p>Whilst the majority of the funding is currently time constrained by BEIS to be spent within the current financial year, it has been agreed that the portion of the funds which are ringfenced for contracted to staff and support teams can be spread across a 12-month period from date of contract, thereby extending some expenditure into the next financial year.</p> <p>This is a problem that is being encountered by all Energy Hubs across the country and dialogue with BEIS is ongoing to agree an extension to the funding period. A decision from BEIS is expected in January 2022 and a paper has been added to the Combined Authority forward plan to present a re-profiled programme timeline in anticipation of this.</p>			

<b>8. Start Codon Equity</b>		Change in forecast expenditure	<b>-£1,226k</b>
2021-22 Approved Budget	<b>£2,226k</b>	Forecast expenditure	<b>£1,000k</b>
<p>The investment plan from Start Codon for their Recycled Growth Funds has investments being made, and drawdowns from the Combined Authority to pay for these, across the current and subsequent financial year.</p> <p>The current run rate is approximately £250k invested per quarter and thus the outturn for the year is £1m.</p> <p>Of the underspend against the original profile £1m will be sought to carry forward into 2022-23 in-line with the investment agreement and the balance of £226k will be a capital 'saving'.</p>			

<b>9. A10 Dualling</b>		Change in forecast expenditure	<b>-£560k</b>
2021-22 Approved Budget	<b>£2,000k</b>	Forecast expenditure	<b>£840k</b>
<p>As reported last month, the Department for Transport awarded £2m for the development of the next phase of the A10 dualling.</p> <p>Progress on contracting for the delivery of the business case has not progressed as anticipated resulting in a delay to the initiation of the works and a corresponding delay in spend. The funding that will no longer be spent in</p>			



2021-22 being spent in the following year.