

## Budget Monitor Report: March 2023

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	22 March 2023
Lead Member:	Mayor Nik Johnson
From:	Jon Alsop Chief Finance Officer
Key decision:	Yes
Forward Plan reference:	KD2023/005
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Note the financial position of the Combined Authority for the year to date.</li><li>b) Approve the draft slippage figures as set out in appendices 1&amp;2 and summarised in paragraphs 3.5 and 5.7</li><li>c) Approve to merge the three budget lines as set out below:<ul style="list-style-type: none"><li>1) AEB Innovation Fund – Revenue;</li><li>2) AEB Provider Capacity Building; and</li><li>3) AEB Strategic Partnership Development</li></ul></li><li>d) Note the correction to LAD 3 and HUG 1 capital and revenue budgets and the national extensions agreed to both programmes.</li></ul>
Voting arrangements:	<p>Recommendations a-c) A simple majority of all Members present and voting</p> <p>Recommendation d) No vote required</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

## 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 31<sup>st</sup> January 2023 and forecast outturn position as agreed by the end of February 2023.
- 1.2 The report also asks for approval of the draft slippage on certain programmes into 2023-24 to ensure the seamless continuation of delivery.
- 1.3 Finally, the report asks for approval of the recommendation from the Skills committee to combine 3 existing budget lines within the Adult Education Budget service.

## 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 was reported to the Board in January there was a substantial gap between actual expenditure to date and forecast spend by the end of the year. Significant work has been undertaken to reduce any optimism bias and deliver a materially more realistic forecast in this report. The effect of this can be seen in the £39m reduction in forecast spend in the current year.
- 2.3 While some slippage and delays to often complex capital programmes are unavoidable and unpredictable, as can be seen in the history of slipped and delayed capital programmes and projects in both local and national organisations, there have been key themes that have emerged during the drive to establish a more realistic set of forecasts for this report which we will work to address moving forward:
  - Delays caused by 3<sup>rd</sup> parties in finalising legal documentation and other processes required to commence projects, sometimes exacerbated by optimistic estimations of the time take between Combined Authority approval and physical initiation of the project (contract agreement and works starting).
  - The significant delay (often 3+ months) between delivery on the ground and actual spend through the Combined Authority's accounts
  - A disconnect between what is known by those in the organisation closest to the project and what is fed through into the financial reporting.
- 2.4 There are ongoing programmes, across both the Improvement Plan and the work to review the capital programme processes being supported by RSM following slippage seen in the 21-22 programme, to identify areas for improvement and these are due to report over the next 2-3 months. There are, however, several immediate actions which can be taken to improve what has been identified over the last month:
  - Formalisation of the monthly reporting processes to ensure that information known to project managers is captured in a consistent, regular manner.

- A discussion with constituent councils and other delivery partners to identify opportunities to either speed up the journey of costs through from delivery agent to the Combined Authority, or to capture reliable expenditure accruals so that spend can be reported when the work is done during the year, rather than when the claim is submitted and approved.
- Greater scrutiny of initial project spend profiles to ensure the time taken for project initiation is fully recognised.

2.5 Given the increased level of forecast slippage this work has identified, it is highly likely that the slipped budgets are the in-year reflection of a longer-term change to projects and the work that has started during this Board cycle will be continued to identify where there need to be changes to project spend profiles across the lifetime of the projects.

2.6 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**.

	Jan Budget £'000	Adjust' £'000	Revised Budget £'000	Actuals to 31 <sup>st</sup> Jan 23 £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	Slippage Requested £,000	App 4 ref:
<b>2022-23 Revenue</b>									
<b>Grant Income</b>	<b>-51,097</b>	<b>-169</b>	<b>-51,265</b>	<b>-38,723</b>	<b>-46,678</b>	<b>4,587</b>	<b>231</b>	<b>N/A</b>	<b>2&amp;3</b>
Mayor's Office	488	-	488	177	216	-272	-25	-	
CA Gross Staffing Costs	7,528	-	7,528	6,459	7,747	219	-	-	<b>1</b>
Other Employee Costs	330	-	330	147	395	65	95	-	
Externally Commissioned Support Services	581	-	581	370	496	-85	-108	-	
Corporate Overheads	830	-	830	650	780	-49	-48	-	
Governance Costs	144	-	144	24	60	-84	-	-	<b>2&amp;3</b>
Other Corporate Budgets	1,388	-	1,388	-2,586	-2,931	-4,318	-2,095	368	
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-2,490	-3,233	-	-	-	
<b>Corporate Services Expenditure</b>	<b>7,568</b>	<b>-</b>	<b>7,568</b>	<b>2,574</b>	<b>3,314</b>	<b>-4,252</b>	<b>-2,156</b>	<b>368</b>	
Business and Skills	51,470	-5,512	45,959	22,391	27,381	-18,580	-14,500	11,969	<b>4-12</b>
Delivery and Strategy	15,890	273	16,163	10,486	15,146	-1,017	150	388	
Housing	563	-	563	380	467	-96	-46	20	
<b>Workstream Expenditure</b>	<b>67,924</b>	<b>-5,239</b>	<b>62,685</b>	<b>33,257</b>	<b>42,994</b>	<b>-19,693</b>	<b>-14,396</b>	<b>12,377</b>	
<b>Total Expenditure</b>	<b>75,979</b>	<b>-5,239</b>	<b>70,741</b>	<b>36,008</b>	<b>46,524</b>	<b>-24,217</b>	<b>-16,577</b>	<b>12,745</b>	

- 3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £23.4m. The increase of £15.7m compared to the previous report is due to:
- £7.1m reduction in forecast spend this year across the Net Zero Hub budgets.
  - £3.5m reduction in forecast spend on the Growth Works programme due to delays in the European funded grant work as other, more time restricted, funding was prioritised.
  - £1.7m reduction in forecast wave 3 bootcamps expenditure, a significant proportion of which will be rolled forward into the next financial year, in total helping over 1,200 residents improve their skills.
  - £1.7m improvement in forecast income from treasury management
  - £1.5m reduction in forecast spend on the Heath and Care Sector Work Academy
  - £480k reduction in forecast spend across the AEB service
  - £143k increase in forecast spend on the change management reserve

A line by line breakdown of revenue budgets is included as **Appendix 1** and detail on the variances are provided in **Appendix 4**.

- 3.3 There has been one change to the approved revenue budget outside those approved at the January Board, and this is the correction of the budget allocations for the LAD3 and HUG1 budgets split across the revenue budget and capital programme. When the total budget was reduced in line with discussions with BEIS, the split between revenue and capital was not correctly updated. This has been corrected here showing a significant shift (£6.6m) from revenue to capital across the two projects.
- 3.4 Extensions to the LAD3 and HUG1 programmes have been agreed nationally by the Department for Energy Strategy and Net Zero (DESNZ, formally part of BEIS). As part of this £5m of HUG1 funding will be returned as it is not forecast to be delivered, there is no further return of LAD 3 funding. While any return of funds is unfortunate, the Net Zero Hub have dramatically increased their capacity to deliver on their capital retrofit programmes and are in a very strong position moving into the new year.
- 3.5 In total there is £12.6m of requested slippage across the revenue budget materially made up of:
- £3.3m of Growth Co service revenue discussed earlier.
  - £2.9m on the LAD3 and HUG 1 programmes to be delivered during the extensions of both programmes in 23-24
  - £3.2m in other Net Zero Hub related ringfenced grant funded activity.
  - £1m skills bootcamps wave 3, an extension to the programme has been agreed with the Department for Education and this will fund the extension in 2023-24.
  - £900k across the AEB programme. As this is a ringfenced fund, work will be done ahead of the outturn report to identify whether this is slippage required in 23-24, or underspend which should be transferred to the AEB reserve.
  - £368k improvement plan slippage – this is the balance of the £750k allocated by the CA Board for the improvement plan to be carried forward for further work completing

the workstreams, and in implementing and embedding the improvements identified.

- 3.6 Excluding the £4m improvement on the revenue position from overachievement of investment income and non-utilisation of the allowance for borrowing costs, there is a net £6.6m forecast underspend which is not requesting carry forward. This is broken down below with an indication of what will happen with the un-spent funds:

*N.B. the breakdown below adds up to more than £6.6m as the net figure is offset by small overspends in other budgets.*

- £532k of devolved AEB grant will be transferred to the ringfenced AEB reserve for utilisation in future years.
- The skills bootcamps funding is claimed in arrears so the £3.9m across skills bootcamps waves 2 & 3 mean the funding will never have been claimed from the Department for Education.
- £767k on the HUG 1 programme will be returned to BEIS as part of the overall £5m being returned.
- £1.6m of Health and Care Sector Work Academy funds from the Department for Work and Pensions will be returned to Government.
- £625k net across the passenger transport services – as this was funded from the transport levy, this will be retained within the transport levy reserve and utilised on providing services in future years.

#### 4. Request to merge AEB budget lines from FY 23/24

- 4.1 As per the recommendation from the Skills Committee at their meeting on the 6th March 2023, the Board is asked to approve the merger of three budget lines within the AEB programme, with a total annual budget of £537k, from the 2023-24 financial year onwards:

- AEB Innovation Fund – Revenue
- AEB Provider Capacity Building
- AEB Strategic Partnership Development

- 4.2 Merging the budgets of these similar activities will allow for easier project management and reporting. This will help reduce the staffing time required to manage the budgets without reducing the quality. It will allow the team to concentrate on performing the tasks which has caused the slippage of the budget from the current financial year to the next.

#### 5. Capital Programme

- 5.1 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 31 <sup>st</sup> Jan 23	22-23 Forecast Outturn	Change in FO	Forecast Variance		Requested Slippage
	£'000	£'000	£'000	£'000	£'000	%	
Corporate Services	242	31	98	-144	-144	-60%	144
Business and Skills	84,304	34,324	55,194	-14,269	-29,107	-35%	24,074
Delivery and Strategy	62,959	34,072	48,631	-10,153	-14,327	-23%	14,329
Housing	28,389	5,367	11,166	-848	-17,224	-61%	17,224
<b>Totals</b>	<b>175,894</b>	<b>73,794</b>	<b>115,089</b>	<b>-25,414</b>	<b>-60,802</b>	<b>-35%</b>	<b>55,772</b>

Capital Funding Summary	Revised 22-23 Budget	Actuals to 31 <sup>st</sup> Jan 23	22-23 Forecast Outturn	Forecast Variance		% received to date
	£'000	£'000	£'000	£'000	%	
Capital Gainshare	-12,000	-12,000	-12,000	-	0.0%	100.0%
Local Transport Capital Grants	-16,326	-22,481	-23,080	-6,754	41.4%	97.4%
Transforming Cities Funding	-21,000	-	-21,000	-	0.0%	0.0%
DLUHC Housing Funding	-5,000	-1,128	-1,128	3,872	0.0%	100.0%
<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>

As mentioned earlier in the report, actual expenditure is significantly behind forecast spend for the year, with over £41m to be spent in February and March. This is indicative of the significant delay between delivery on the ground and costs being claimed from the CPCA. In some cases no payments had gone out for in-delivery projects for work done since October 2022 due to claims not having been received. There will be discussions with internal officers and delivery partners to identify how our financial reporting can more accurately reflect delivery on the ground in future.

## 5.2 There have been 3 material changes in forecast spend within Business and Skills since the previous report:

- The LAD 3 programme is forecasting £6.8m further underspend, coming to a total of £11.3m, however a 6-month extension has been granted nationally so this funding is expected to be utilised in 2023-24.
- The HUG 1 programme has reduced forecast spend by £4.2m to £7.1m total underspend. £5m of this is to be returned to Government and the balance spent in the short extension agreed for this programme in 23-24.
- The Growth Service Capital line, incorporating capital grants and equity investments, has reduced its forecast spend by £3.6m. This is in-line with the business plan presented to the CA Board in January

## 5.3 There has only been one material change in forecast expenditure within Delivery and Strategy: a reduction of £3.2m on the Zero Emission Bus scheme (ZEBRA). This does not impact the total budget for the project, nor represent a reduction in scope as the buses themselves are now in the UK, however the ancillary non-bus costs are now anticipated to be spent in 2023-24 rather than this financial year as originally planned.

- 5.4 While not individually material in value, the delivery and strategy capital programme has reduced its forecast outturn across all other budget lines by a combined £6.9m, as highlighted above work will be done to identify why this was not reported earlier and to identify the impact on the capital programme in the medium-term.
- 5.5 Detailed explanations provided by project leads for all material variances are included as **Appendix 4**.
- 5.6 There are 9 capital budget lines with STA funding for 2022-23 which now cannot be spent and so are requesting slippage into 2023-24. In the majority of cases these are projects which have taken longer to reach the initial funding gateway than was originally envisioned, but are still being progressed. None of the allocated funding is time-sensitive so there is no risk of funding clawback from these projects being delayed.
- 5.7 There is £55.8m of requested slippage on the approved capital budgets, the projects with slippage above the £1m materiality limit are listed below. As was provided last year, explanations of all projects with material differences between outturn spend and budget will be provided alongside the 2022-23 outturn finance report.
- £16m on the affordable housing grant programme
  - £14m across the LAD3 and HUG 1 to be delivered during the extensions of both programmes in 23-24.
  - £3.6m on the Growth Service capital grants and equity
  - £3.3m on ZEBRA capital funding
  - £3.2m on the A10 improvements
  - £1.4m on March Market Town
  - £1.2m on the A16 Norwood Dualling
  - £1.1m on St Neots Market Town
  - £1.1m on the housing investment fund portfolio

## 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.
- 7.2 This report monitors how the Combined Authority, and the Mayoral Fund are performing against the financial targets set in the relevant financial years through the Budget setting process in accordance with the CPCA Combined Authority Order 2017 and the Combined Authorities Financial Order 2017.



## 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
- 9.2 Appendix 2 – 22/23 Capital Position
- 9.3 Appendix 3 – Capital Programme
- 9.4 Appendix 4 – Detailed Explanations of Material Variances

## 10. Background Papers

- 10.1 [Skills Committee - 6 March 2-23 - Finance and Performance report](#)

## Appendix 1 - Detailed breakdown of the revenue position

	Jan Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 31 <sup>st</sup> Jan £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000	Requested Slippage £'000
<b>Grant Income</b>								
Adult Education Budget	-11,989		-11,989	-11,973	-11,989	-	-	
AEB Level 3 Courses	-955		-955	-802	-955	-	-	
Bus Service Operator Grant	-411		-411	-	-411	-	-	
Careers Enterprise Company Funding	-200		-200	-224	-224	-24	-24	
Community Renewal Fund Grants	-1,273		-1,273	-1,848	-1,273	-	-	
Local Transport Fund	-675	-169	-844	-	-675	168	-	
Digital Skills Bootcamp	-1,686		-1,686	-114	-330	1,356	-	
Enterprise Zone receipts	-972		-972	-851	-851	121	121	
ERDF - Growth Service Grant	-2,918		-2,918	-15	-2,918	-	-	
ESF Growth Service Grant	-920		-920	-823	-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	-1,209	-	-	
Revenue Gainshare	-8,000		-8,000	-8,000	-8,000	-	-	
Skills Advisory Panel Grant	-75		-75	-55	-75	-	-	
Skills Bootcamp Wave 3	-4,892		-4,892	-725	-1,926	2,966	134	
Transport Levy	-13,300		-13,300	-11,084	-13,300	-	-	
<b>Total Grant Income</b>	<b>-51,097</b>	<b>-169</b>	<b>-51,265</b>	<b>-38,723</b>	<b>-46,678</b>	<b>4,587</b>	<b>231</b>	<b>-</b>
<b>Mayor's Office</b>								
Mayor's Allowance	96		96	81	96	-	-	
Mayor's Conference Attendance	15		15	-	-	-15	-5	
Mayor's Office Expenses	40		40	4	5	-35	-5	
Mayor's Office Accommodation	77		77	35	35	-42	-15	
Mayor's Office Staff	260		260	57	80	-180	-	
<b>Total Mayor's Office</b>	<b>488</b>	<b>-</b>	<b>488</b>	<b>177</b>	<b>216</b>	<b>-272</b>	<b>-25</b>	<b>-</b>

	Jan Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 31 <sup>st</sup> Jan £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000	Requested Slippage £'000
<b>Corporate Services</b>								
<b>Combined Authority Gross Staffing Costs</b>								
Business and Skills	2,358		2,358	1,755	2,299	2,299	-59	
Chief Executive	331		331	510	325	325	-6	
Corporate Services	2,418		2,418	2,419	2,981	2,981	563	
Transport	1,012		1,012	735	1,135	1,135	123	
Delivery and Strategy	908		908	734	687	687	-221	
Housing	501		501	306	320	320	-181	
<b>Total CA Gross Staffing Costs</b>	<b>7,528</b>	<b>-</b>	<b>7,528</b>	<b>6,459</b>	<b>7,747</b>	<b>7,747</b>	<b>219</b>	<b>-</b>
<b>Other Employee Costs</b>								
Travel	80		80	12	50	30	-50	
Training	88		88	38	88	60	-28	
Change Management Reserve	162		162	97	162	305	143	
<b>Total Other Employee Costs</b>	<b>330</b>	<b>-</b>	<b>330</b>	<b>147</b>	<b>300</b>	<b>395</b>	<b>65</b>	<b>-</b>
<b>Externally Commissioned Support Services</b>								
External Legal Counsel	70		70	26	70	35	-35	
Finance Service	65		65	25	45	32	-34	
Democratic Services	95		95	98	98	99	4	
Payroll	10		10	2	3	3	-7	
HR	12		12	11	14	14	2	
Procurement	8		8	4	4	4	-4	
Finance System	100		100	-	50	20	-80	
ICT external support	221		221	204	320	290	69	
<b>Total Externally Commissioned Support Services</b>	<b>581</b>	<b>-</b>	<b>581</b>	<b>370</b>	<b>603</b>	<b>496</b>	<b>-85</b>	<b>-</b>

	Jan Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 31 <sup>st</sup> Jan £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000	Requested Slippage £'000
<b>Corporate Overheads</b>								
Accommodation Costs	300		300	164	185	-115	-65	
Software Licences, Mobile Phones cost	113		113	96	113	-	-	
Communications	40		40	31	40	-	-	
Website Development	10		10	9	10	-	-	
Recruitment Costs	100		100	111	120	20	-	
Insurance	39		39	39	39	-	-	
Audit Costs	140		140	136	200	60	20	
Office running costs	31		31	11	17	-14	-3	
Corporate Subscriptions	56		56	53	56	-	-	
<b>Total Corporate Overheads</b>	<b>830</b>	<b>-</b>	<b>830</b>	<b>650</b>	<b>780</b>	<b>-49</b>	<b>-48</b>	<b>-</b>
<b>Governance Costs</b>								
Committee/Business Board Allowances	144		144	24	60	-84	-	
<b>Total Governance Costs</b>	<b>144</b>	<b>-</b>	<b>144</b>	<b>24</b>	<b>60</b>	<b>-84</b>	<b>-</b>	<b>-</b>
<b>Other Corporate Budgets</b>								
Improvement Plan	750		750	53	382	-368	-368	368
Corporate Response Fund	145		145	4	130	-15	-15	
Contribution to the A14 Upgrade	61		61	-90	61	-	-	
Interest Receivable on Investments	-68		-68	-2,553	-3,503	-3,435	-1,712	
Interest charges on borrowing	500		500	-	-	-500	-	
<b>Total Other Corporate Budgets</b>	<b>1,388</b>	<b>-</b>	<b>1,388</b>	<b>-2,586</b>	<b>-2,931</b>	<b>-4,318</b>	<b>-2,095</b>	<b>368</b>
<b>Recharges to Ringfence Funded Projects</b>								
Internally Recharged Grant Funded Staff	-2,749		-2,749	-2,141	-2,749	-	-	
Externally Recharged Staff	-484		-484	-349	-484	-	-	
<b>Total Recharges to Ringfence Funded Projects</b>	<b>-3,233</b>	<b>-</b>	<b>-3,233</b>	<b>-2,490</b>	<b>-3,233</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Corporate Services Expenditure</b>	<b>7,568</b>	<b>-</b>	<b>7,568</b>	<b>2,574</b>	<b>3,314</b>	<b>-4,252</b>	<b>-2,156</b>	<b>368</b>

<b><u>Business and Skills</u></b>	<b>Jan Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to 31<sup>st</sup> Jan £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>	<b>Requested Slippage £'000</b>
AEB Devolution Programme	10,449		10,449	10,066	9,917	-532	-532	
AEB Free Courses for Jobs	-	955	955	271	507	-448	507	448
AEB Innovation Fund - Revenue	629		629	350	350	-279	-279	279
AEB Programme Costs	367		367	333	367	-	-	
AEB Provider Capacity Building	156		156	88	88	-68	-68	68
AEB Strategic Partnership Development	196		196	33	88	-108	-108	108
Careers and Enterprise Company (CEC)	75	149	224	137	224	-	141	87
Changing Futures	60		60	-	60	-	-	
CRF Start & Grow Project	930		930	930	930	-	-	
CRF Turning Point Project	307		307	307	307	-	-	
CRF Programme Management	53		53	11	53	-	-	
CRF Turning Point CPCA Programme management	28		28	-	28	-	-	
Digital Skills Bootcamp	1,785		1,785	297	297	-1,488	-33	
Economic Rapid Response Fund	41		41	44	41	-	-	
FE Cold Spots (rev)	225		225	-	225	-	-	225
Growth Co Services	5,073		5,073	1,450	1,600	-3,473	-3,473	3,347
Growth Works Equity Fund (rev)	61		61	-	61	-	-	
GSE Energy Hub	2,186		2,186	952	1,034	-1,153	-1,153	1,153
GSE COP 26	23		23	18	23	-	-	
GSE Green Homes Grant Sourcing Activity	699		699	684	699	-	-	
GSE Green Homes Grant Ph 3 (LAD 3)	10,601	-4,651	5,950	1,839	3,515	-2,435	-2,578	2,429
GSE Home Improvement Grant (HUG 1)	4,443	-2,019	2,424	477	1,211	-1,213	-1,282	446
GSE Net Zero Investment Design	1,500		1,500	873	873	-627	-627	627
GSE Public Sector Decarbonisation	1,150		1,150	108	200	-950	-950	950
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,241	1,421	-554	-554	554
Health and Care Sector Work Academy	2,467		2,467	479	904	-1,563	-1,563	
Insight and Evaluation Programme	75		75	78	75	-	-	
Local Growth Fund Costs	426		426	298	426	-	-	
Market Town and Cities Strategy	35		35	26	35	-	-29	
Marketing and Promotion of Services	90		90	-	90	-	-	

<b><u>Business and Skills</u></b>	<b>Jan Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to 31<sup>st</sup> Jan £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>	<b>Requested Slippage £'000</b>
Multiply	1,209		1,209	685	1,039	-170	-170	170
Peterborough University Quarter Masterplan	100		100	100	100	-	-	
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	11	77	-	-	
Skills Advisory Panel (SAP) (DfE)	40	55	95	37	40	-55	-	55
Skills Bootcamp Wave 3	3,640		3,640	166	176	-3,464	-1,749	1,023
Skills Bootcamp Wave 3 PM costs	274		274	2	274	-	-	
Skills Rapid Response Fund	27		27	-	27	-	-	
<b>Total Business and Skills</b>	<b>51,470</b>	<b>-5,512</b>	<b>45,959</b>	<b>22,391</b>	<b>27,381</b>	<b>-18,580</b>	<b>-14,500</b>	<b>11,969</b>

<b><u>Delivery and Strategy</u></b>	<b>Jan Budget £'000</b>	<b>Adjustments £'000</b>	<b>Revised Budget £'000</b>	<b>Actuals to 31<sup>st</sup> Jan £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn Variance £'000</b>	<b>Change in FO £'000</b>	<b>Requested Slippage £'000</b>
Bus Review Implementation	1,008		1,008	363	753	-255	-	255
Climate Change	100		100	104	100	-	50	
Doubling Nature Metrics	25		25	-	25	-	-	
Hunts Biodiversity for all - Revenue	50		50	-	50	-	50	
Lifebelt City Portrait	40		40	80	40	-	-	
Local Transport Fund	675		675	-	675	-	-	
Local Transport Plan	-	273	273	123	150	-123	50	123
Monitoring and Evaluation Framework	66		66	62	62	-4	-	
Natural Cambridgeshire	70		70		60	-10	-	10
P'boro Station Quarter SOBC	175		175	104	175	-	-	
Peterborough Electric Bus Depot business case	40		40	-	40	-	-	
Public Transport: Bus Service Operator Grant	411		411	-	411	-	-	
Public Transport: Concessionary fares	8,845		8,845	5,140	7,476	-1,369	-	
Public Transport: Contact Centre	286		286	209	286	-	-	
Public Transport: ENCTS rationalisation	-		-	-		-	-	
Public Transport: RTP1, Infrastructure & Information	221		221	228	221	-	-	
Public Transport: S106 supported bus costs	-		-	138	-	-	-	
Public Transport: Supported Bus Services	3,422		3,422	3,462	4,166	744	-	
Public Transport: Team and Overheads	456		456	473	456	-	-	
<b>Total Delivery and Strategy</b>	<b>15,890</b>	<b>273</b>	<b>16,163</b>	<b>10,486</b>	<b>15,146</b>	<b>-1,017</b>	<b>150</b>	<b>388</b>

	Jan Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals to 31 <sup>st</sup> Jan £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000	Requested Slippage £'000
<b>Housing</b>								
CLT	120		120	18	24	-96	-46	20
Affordable Housing Programme Revenue Costs	443		443	362	443	-	-	
<b>Total Housing</b>	<b>563</b>	<b>-</b>	<b>563</b>	<b>380</b>	<b>467</b>	<b>-96</b>	<b>-46</b>	<b>20</b>
<b>Total Workstream Expenditure</b>	<b>67,924</b>	<b>-5,239</b>	<b>62,685</b>	<b>33,257</b>	<b>42,994</b>	<b>-19,693</b>	<b>-14,396</b>	<b>12,377</b>
<b>Total Revenue Expenditure</b>	<b>75,979</b>	<b>-5,239</b>	<b>70,741</b>	<b>36,008</b>	<b>46,524</b>	<b>-24,217</b>	<b>-16,577</b>	<b>12,745</b>



## Appendix 2 – 22/23 Capital Position

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000	Requested Slippage £'000
<b>Business and Skills</b>							
Advanced Manufacturing	487	487	-	487	-	-	-
Barn4 specialist growing facilities	400	193	-207	400	-	-	-
Cambridge Biomedical MO Building	185	185	-	185	-	-	-
Cambridge City Centre	695	595	-100	695	-	695	-
College of West Anglia - Net Zero	274	-	-274	-	-274	-274	274
Expansion of Growth Co Inward Investment	400	400	-	400	-	-	-
Fenland Hi-tech Futures	400	98	-302	400	-	-	-
GSE Green Home Grant Capital Programme Ph 2	16,634	15,933	-701	15,933	-701	632	-
GSE Green Home Grant Capital - LAD 3	33,676	10,478	-23,198	22,395	-11,281	-6,852	11,281
GSE Green Home Grant Capital - HUG 1	13,721	2,017	-11,704	6,590	-7,131	-4,234	2,799
Illumina Accelerator	1,700	600	-1,100	900	-800	-	800
Market Towns: Chatteris	596	54	-542	458	-138	232	138
Market Towns: Ely	735	28	-707	452	-283	-288	283
Market Towns: Huntingdon	391	86	-305	391	-	-560	-
Market Towns: March	2,068	76	-1,992	617	-1,450	-283	1,450
Market Towns: Ramsey	1,000	190	-810	190	-810	-	810
Market Towns: Soham	894	256	-638	420	-474	-72	474
Market Towns: St Ives	433	86	-347	433	-	5	-
Market Towns: St Neots	1,141	-	-1,141	-	-1,141	-	1,141
Market Towns: Whittlesey	524	138	-386	462	-62	229	62
Market Towns: Wisbech	7	397	390	713	-34	54	34
IEG Student Space	302	-	-302	397	390	390	-390
Ramsey Food Hub	285	-	-285	-	-302	-302	302
St Neots Masterplan	7	397	390	500	-975	-	975
Start Codon (Equity)	302	-	-302	487	-	-	-
The Growth Service Company	5,135	1,394	-3,741	1,494	-3,641	-3,641	3,641
<b>Total Business and Skills</b>	<b>84,304</b>	<b>34,324</b>	<b>-49,980</b>	<b>55,194</b>	<b>-29,107</b>	<b>-14,269</b>	<b>24,075</b>

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000	Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000	Requested Slippage £'000
<b><u>Delivery and Strategy</u></b>							
A10 Dualling	3,993	128	-3,865	798	-3,196	-928	3,196
A1260 Nene Parkway Junction 15	7,111	3,329	-3,782	6,573	-538	-538	538
A1260 Nene Parkway Junction 32/3	711	122	-589	440	-271	-271	271
A141 & St Ives	1,737	140	-1,597	762	-975	-975	975
A16 Norwood Dualling	1,427	135	-1,292	227	-1,200	-	1,200
A505 Corridor	135	21	-114	21	-114	-114	114
CAM Delivery to OBC	150	109	-41	150	-	-	-
Care Homes Retrofit Programme	500	-	-500	-	-500	-500	500
Digital Connectivity Infrastructure Programme	2,118	358	-1,760	1,440	-678	-	678
Ely Area Capacity Enhancements	124	-	-124	-	-124	-124	124
Fengate Access Study - Eastern Industries Access - Ph1	155	93	-62	155	-	-	-
Fengate Access Study - Eastern Industries Access - Ph2	1,322	141	-1,181	1,086	-236	-236	236
Fletton Quays Footbridge	465	-	-465	-	-465	-465	465
Hunts Biodiversity for all - Capital	400	-	-400	75	-325	-375	325
Local Highways Maintenance & Pothole	27,695	27,695	-	27,695	-	-	-
Logan's Meadow Nature Reserve	250	-	-250	50	-200	-200	200
King's Dyke	1,700	-	-1,700	1,700	-	-	-
March Junction Improvements	2,114	1,427	-687	2,114	-	-	-
Net Zero Villages Fund	750	-	-750	-	-750	-750	750
Peterborough Green Wheel	250	15	-235	170	-80	-80	80
School Streets	10	-	-10	-	-10	-10	10
Snailwell Loop	150	-	-150	-	-150	-150	150
Soham Station	175	22	-153	22	-153	-153	153
Thorpe Wood Cycle Way	625	-	-625	-	-625	-625	625
Transport Modelling	740	-	-740	575	-165	-165	165
Wisbech Access Strategy	1,573	326	-1,247	1,573	-	-	-
Wisbech Rail	321	11	-310	11	-310	-230	310
ZEBRA capital funding	6,258	-	-6,258	2,994	-3,264	-3,264	3,264
<b>Total Delivery and Strategy</b>	<b>62,959</b>	<b>34,072</b>	<b>-28,887</b>	<b>48,631</b>	<b>-14,327</b>	<b>-10,153</b>	<b>14,329</b>

--	--	--	--

--	--	--	--

	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
<b><u>Housing</u></b>			
Affordable Housing Grant Programme	21,934	828	-21,106
Housing Investment Fund - contracted payments	6,456	4,539	-1,917
<b>Total Housing</b>	<b>28,389</b>	<b>5,367</b>	<b>-23,023</b>
	Approved Budget £'000	22-23 Actuals £'000	Balance to Spend £'000
<b><u>Corporate Services</u></b>			
ICT Capital Costs	42	-	-42
Office Fit-out costs	200	31	-169
<b>Total Corporate Services</b>	<b>242</b>	<b>31</b>	<b>-211</b>
<b>Total Capital Programme</b>	<b>175,894</b>	<b>73,794</b>	<b>-102,101</b>

Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000	Requested Slippage £'000
5,805	-16,129	-358	16,129
5,361	-1,095	-490	1,095
<b>11,166</b>	<b>-17,224</b>	<b>-848</b>	<b>17,224</b>
Forecast Spend £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000	Requested Slippage £'000
42	-	-	-
56	-144	-144	144
<b>98</b>	<b>-144</b>	<b>-144</b>	<b>144</b>
<b>115,089</b>	<b>-60,802</b>	<b>-25,414</b>	<b>55,772</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	487	-	-	-	487	-	-	-	-	487
Barn4 specialist growing facilities	400	-	-	-	400	-	-	-	-	400
Cambridge Biomedical MO Building	185	-	-	-	185	-	-	-	-	185
Cambridge City Centre	481	-	-	-	481	-	-	-	-	481
College of West Anglia - Net Zero	274	850	876	-	2,000	-	-	-	-	2,000
Expansion of Growth Co Inward Investment	400	-	-	-	400	-	-	-	-	400
FE Cold Spots (capital)	-	-	-	-	-	-	2,400	2,175	-	4,575
Fenland Hi-tech Futures	400	-	-	-	400	-	-	-	-	400
Growth Works Additional Equity Fund	-	2,850	3,325	3,325	9,500	-	-	-	-	9,500
GSE Green Home Grant Capital Programme Ph 2	16,634	-	-	-	16,634	-	-	-	-	16,634
GSE Green Home Grant Capital - LAD 3	29,842	-	-	-	29,842	-	-	-	-	29,842
GSE Green Home Grant Capital - HUG 1	10,824	-	-	-	10,824	-	-	-	-	10,824
IEG Student Space	7	30	260	99	397	-	-	-	-	397
Illumina Accelerator	1,700	-	-	-	1,700	-	-	-	-	1,700
Market Towns: Chatteris	596	-	-	-	596	-	-	-	-	596
Market Towns: Ely	735	-	-	-	735	-	-	-	-	735
Market Towns: Huntingdon	391	-	-	-	391	422	-	-	-	813
Market Towns: Littleport	-	-	-	-	-	1,000	-	-	-	1,000
Market Towns: March	2,068	-	-	-	2,068	-	-	-	-	2,068
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	894	-	-	-	894	-	-	-	-	894
Market Towns: St Ives	433	-	-	-	433	380	-	-	-	813
Market Towns: St Neots	1,141	1,959	-	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	719	-	-	-	719	-	195	-	-	914
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
Ramsey Food Hub	302	709	147	-	1,159	-	-	-	-	1,159
St Neots Masterplan	215	-	-	-	215	-	-	-	-	215
Start Codon (Equity)	1,475	-	-	-	1,475	-	-	-	-	1,475
The Growth Service Company	5,135	3,000	-	-	8,135	-	-	-	-	8,135
<b>Total Business and Skills</b>	<b>77,483</b>	<b>9,399</b>	<b>4,608</b>	<b>3,424</b>	<b>94,914</b>	<b>3,052</b>	<b>3,845</b>	<b>2,175</b>	<b>-</b>	<b>103,986</b>

	Approved to Spend Budgets				Total approved spend	Subject to Approval budget				Total project budgets
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2022-23 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2023-24 £'000
<b><u>Delivery and Strategy</u></b>										
A10 Dualling	3,993	-	-	-	3,993	-	-	-	-	3,993
A1260 Nene Parkway Junction 15	7,111	900	-	-	8,011	-	-	-	-	8,011
A1260 Nene Parkway Junction 32/3	711	-	-	-	711	-	5,850	-	-	6,561
A141 & St Ives	1,737	5,715	-	-	7,452	-	-	-	-	7,452
A16 Norwood Dualling	1,427	-	-	-	1,427	-	-	-	-	1,427
A505 Corridor	135	-	-	-	135	-	-	-	-	135
A603 Barton Road	-	-	-	-	-	-	400	-	-	400
Active Travel Funding (Cap)	-	-	-	-	-	830	1,500	1,779	850	4,959
Addenbrookes Roundabout	-	-	-	-	-	-	200	-	-	200
Brook Crossing - Sutton	-	-	-	-	-	-	225	-	-	225
CAM Delivery to OBC	150	-	-	-	150	-	-	-	-	150
Care Homes Reterofit Programme	500	1,500	-	-	2,000	-	-	-	-	2,000
Carlyle Road Crossing	-	-	-	-	-	-	225	-	-	225
Centre for Green Technology	-	-	-	-	-	-	2,500	-	-	2,500
City of Cambridge Culture - Capital	-	-	-	-	-	183	153	30	-	366
County-wide Speed Reduction	-	-	-	-	-	-	800	-	-	800
Digital Connectivity Infrastructure Programme	2,118	1,500	1,500	-	5,118	-	-	-	-	5,118
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Ely Area Capacity Enhancements	124	-	-	-	124	-	-	-	-	124
Fengate Study - Eastern Industries Access - Ph 1	155	819	-	-	974	-	10,817	-	-	11,791
Fengate Study - Eastern Industries Access - Ph 2	1,322	448	20	-	1,790	-	-	230	-	2,020
Fletton Quays Footbridge	465	942	2,021	-	3,428	-	-	-	-	3,428
Greater Cambridge Chalk Stream - Capital	-	-	-	-	-	100	100	100	-	300
Hunts Biodiversity for all - Capital	400	400	400	-	1,200	-	-	-	-	1,200
King's Dyke	1,700	-	-	-	1,700	-	-	-	-	1,700
Local Highways Maintenance & Pothole Fund	27,695	27,695	27,695	27,695	110,780	-	-	-	-	110,780
Logan's Meadow Nature Reserve	250	30	-	-	280	-	-	-	-	280
March Junction Improvements	2,114	1,604	-	-	3,718	-	3,969	-	-	7,687
Meanwhile, North East Cambridge - Capital	-	-	-	-	-	-	1,000	-	-	1,000
Nature and Environment Investment Fund	-	250	750	-	1,000	-	-	-	-	1,000

Net Zero Villages Fund	750	250	-	-	1,000	-	-	-	-	1,000
East Park Street Crossings	-	-	-	-	-	-	260	-	-	260
Northstowe P&R Link	-	-	-	-	-	-	500	-	-	500
Peterborough Green Wheel	250	500	-	-	750	-	-	-	-	750
Regeneration of Fenland Railway Stations	-	-	-	-	-	-	267	-	-	267
School Streets	10	-	-	-	10	-	-	-	-	10
Smaller Road Safety Measures	-	-	-	-	-	-	100	-	-	100
Snailwell Loop	150	-	-	-	150	-	350	-	-	500
Soham Station	175	-	-	-	175	-	-	-	-	175
Thorpe Wood Cycle Way	625	-	-	-	625	-	-	-	-	625
Transport Modelling	740	-	-	-	740	1,136	585	215	215	2,891
Waterbeach solar PV vehicles - capital	-	-	-	-	-	2,000	700	-	-	2,700
Wisbech Access Strategy	1,573	-	-	-	1,573	-	-	-	-	1,573
Wisbech Rail	321	-	-	-	321	-	5,000	-	-	5,321
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
<b>Total Delivery and Strategy</b>	<b>62,959</b>	<b>42,553</b>	<b>32,386</b>	<b>27,695</b>	<b>165,593</b>	<b>4,249</b>	<b>35,761</b>	<b>2,354</b>	<b>1,065</b>	<b>209,022</b>

	Approved to Spend Budgets				Total approved to spend	Subject to Approval budget				Total project budgets
	2022-23	2023-24	2024-25	2025-26		2022-23	2023-24	2024-25	2025-26	
<u>Housing</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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	Subject to Approval budget				Total project budgets
	2022-23	2023-24	2024-25	2025-26		2022-23	2023-24	2024-25	2025-26	
<u>Corporate Services</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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>169,074</b>	<b>51,993</b>	<b>37,036</b>	<b>31,161</b>	<b>289,263</b>	<b>7,301</b>	<b>39,606</b>	<b>4,529</b>	<b>1,065</b>	<b>341,765</b>
--------------------------------	----------------	---------------	---------------	---------------	----------------	--------------	---------------	--------------	--------------	----------------

## Appendix 4: Detailed Explanations of Material Variances

### Operational Revenue Variances >£100k

<b>1. Change Management Reserve</b>		Change in forecast expenditure	<b>£143k</b>
2022-23 Budget	<b>£162k</b>	Forecast expenditure	<b>£305k</b>
<p>The Overspend within the Change Management Reserve account is due to increased legal &amp; audit costs around the investigation and some unexpected redundancy/PILON payments within 22/23.</p> <p>Additionally, due to structure changes there is some unbudgeted senior recruitment costs which have been included within the forecast outturn position.</p>			

<b>2. Improvement Plan</b>		Change in forecast expenditure	<b>-£368k</b>
2022-23 Budget	<b>£750k</b>	Forecast expenditure	<b>£382k</b>
<p>The underspend within the improvement plan programme is due to extension of the programme allowing workstreams to gain a greater understanding of the issues that need resolving prior to procuring a solution. The programme is due to extend beyond March and the proportion of expenses forecast reflects this slippage.</p> <p>Greater scrutiny of the use of the budget has also identified expenditure that was allocated as potential business as usual or corporate use, rather than improvement plan specific and these have been removed from the forecast outturn at this time until further clarity is sought.</p> <p>The programme is due to conclude in June 2023.</p>			

<b>3. Interest Receivable on Investments</b>		Change in forecast expenditure	<b>-£1,712k</b>
2022-23 Budget	<b>-£68k</b>	Forecast expenditure	<b>-£3,503k</b>
<p>Due to the combination of continued high interest rates nationally, and the higher than forecast cash reserves from expenditure on programmes being delayed, the expected income from Treasury Management loans is substantially higher than was previously anticipated.</p> <p>The forecasts for 23-24 are also being revised, and so we will start the year with a significantly higher forecast income than was included in the MTFP in January.</p>			

## Workstream Revenue Variances >£250k

<b>4. Adult Education Programme</b>		Change in forecast expenditure and associated income	<b>-£480k</b>																												
2022-23 Budget	<b>£12,752k</b>	Forecast expenditure	<b>£11,317k</b>																												
<p>The table below show the underspend on the various budget lines of the AEB programme.</p> <p>All the variances will be carried forward to next financial year, but AEB Devolution Programme budget that will be put into the reserve.</p> <table border="1"> <thead> <tr> <th>Budget line</th><th>Budget</th><th>FO Spend</th><th>Variance</th></tr> </thead> <tbody> <tr> <td>AEB Devolution Programme</td><td>£10,449k</td><td>£9,917k</td><td>-£532k</td></tr> <tr> <td>AEB Free Courses for Jobs</td><td>£955k</td><td>£507k</td><td>-£448k</td></tr> <tr> <td>AEB Innovation Funds – Revenue</td><td>£629k</td><td>£350k</td><td>-£279k</td></tr> <tr> <td>AEB Programme costs</td><td>£367k</td><td>£367k</td><td>-</td></tr> <tr> <td>AEB Provider Capacity Building</td><td>£156k</td><td>£88k</td><td>-£68k</td></tr> <tr> <td>AEB Strategic Partnership Development</td><td>£196k</td><td>£88k</td><td>-£108k</td></tr> </tbody> </table> <ul style="list-style-type: none"> <li>- <u>AEB devolution programme</u> - the variance accounts for the reimbursement of unused funds from the providers during the academic year 21/22.</li> <li>- <u>Free courses for job</u> - the variance is due to the delay in the commencement of the programme, originally planned for August, then postponed to October.</li> <li>- <u>AEB Innovation Fund – Revenue</u>, <u>AEB Provider Capacity Building</u> and <u>AEB Strategic Partnership Development</u> are subject to delays due to limited staffing resources to fulfil the legal requirements.</li> </ul>				Budget line	Budget	FO Spend	Variance	AEB Devolution Programme	£10,449k	£9,917k	-£532k	AEB Free Courses for Jobs	£955k	£507k	-£448k	AEB Innovation Funds – Revenue	£629k	£350k	-£279k	AEB Programme costs	£367k	£367k	-	AEB Provider Capacity Building	£156k	£88k	-£68k	AEB Strategic Partnership Development	£196k	£88k	-£108k
Budget line	Budget	FO Spend	Variance																												
AEB Devolution Programme	£10,449k	£9,917k	-£532k																												
AEB Free Courses for Jobs	£955k	£507k	-£448k																												
AEB Innovation Funds – Revenue	£629k	£350k	-£279k																												
AEB Programme costs	£367k	£367k	-																												
AEB Provider Capacity Building	£156k	£88k	-£68k																												
AEB Strategic Partnership Development	£196k	£88k	-£108k																												

<b>5. Growth Co Services</b>		Change in forecast expenditure and associated income	<b>-£3,347k</b>
2022-23 Budget	<b>£5,073k</b>	Forecast expenditure	<b>£1,600k</b>
<p>The variance to budget on the Growth Co Service Revenue programme is due to the lack of spend performance in 2022/23 across the two European funded elements plus a £1m matched revenue grants budget of the Growth Works programme – these being £2m ERDF and £1m recycled LGF revenue grants for the Growth Coaching service line and the ESF funded Growth Works with Skills’ dedicated services provided by the Growth Works contractor and its sub-contracted partners.</p> <p>The ERDF grants component successfully secured a Project Change Request in January 23 to change the criteria and scope of the grants for business beneficiaries – this meaning larger grant amounts and more</p>			



activities in scope for the revenue grants and a portion of the funds allowed to be used for small capital items which still fit ERDF definition under revenue.

The £1m recycled LGF grants was planned to be utilised and defrayed at same time as the ERDF grants for providing grants for same purpose as ERDF but for businesses that didn't qualify for ERDF element – these grants to contribute towards support coaches for business growth plans. It has been decided during the 2022/23 year to hold delivery of this component of funding until all ERDF defrayed first by 30 June, then utilise this remaining £1m between 1 July and 31 December 2023 to ensure grants available right to end of the programme period.

The £280k ESF underspend is mainly down to the Starhub online portal not being charged within the programme costs to date and a Contract change Notice is being signed to ensure that the costs associated with the portal are charged back through the programme.

The Growth Works programme is ending in December 2023 but the ERDF defrayal as grants must be by end of 30 June 2023 and the ESF is until December 2023. The recycled LGF revenue grants planned to be defrayed between July and December. All European funding is claimed back from DLUHC and DWP in arrears by CPCA once all defrayal evidence approved. The underspend will be available in next financial year to award or provide support to the beneficiary companies and to fulfil the programme's remaining service target on jobs and apprenticeships.

The ERDF and ESF funded parts of the Growth Works programme will have Summative Assessments completed as those funded streams close to show the impact the funding has made in our area through the delivery of these programmes.

A review of the programme from an independent advisor will be completed by the end of June and it will be informing decision on what next iteration of business support might look like and the learning to take into any delivery process going forward.

<b>6. GSE Energy Hub</b>		Change in forecast expenditure	<b>-£1,153k</b>
2022-23 Budget	<b>£2,186k</b>	Forecast expenditure	<b>£1,034k</b>
<p>The core Energy Hub programme is currently forecasting an underspend of £1,153K which will now be reprofiled into future years to reflect the funding period to the 30th of September 2023.</p> <p>Project funding was received late, and work/activities will not be completed by 31st March 2023, so work is underway to do prepare a detailed reprofiling of the core budget into 2023/24 and 2024/25 financial year in line with the new MOU profile. £1,015K is committed, £843K relates to ringfenced</p>			

strategic projects, 172K approved technical consultancy support funds. The forecast outturn total does not currently include defrayal of funding for Net Zero Go development, agreement on Intelligent Property Rights is awaiting a decision from ESNZ, this cost may be incurred in this financial year.

There is underspend in the profiled staff salaries as positions were not filled in the last recruitment campaign. A new recruitment process is due to launch in April.

<b>7. GSE LAD3 and HUG 1 revenue</b>		Change in forecast expenditure	<b>-£3,860k</b>
2022-23 Budget	<b>£8,374k</b>	Forecast expenditure	<b>£4,726k</b>
See explanation items 16 & 17 in capital variances.			

<b>8. GSE Net Zero Investment design</b>		Change in forecast expenditure	<b>-£627k</b>
2022-23 Budget	<b>£1,500k</b>	Forecast expenditure	<b>£873k</b>
<p>The Net Zero Investment Design programme has a budget of £1,500K with £873k spend to date which is spent on third party grant claims.</p> <p>The programme is forecasting an underspend of £627k as work will not be completed this year, but it will reprofiled into next financial year.</p> <p>The underspend is due to project delivery delays and a requested extension to the funding period. This has been issued as a deed of variation to the grant funding agreement. The project delays include postponed investor events in Glasgow &amp; Birmingham (during national period of mourning). The Glasgow event was rescheduled but it was not possible to reschedule Birmingham.</p> <p>The project is expected to complete all deliverables by the end of March 2023, however the defrayal of funds to parties is anticipated in April/May 2023.</p>			

<b>9. GSE Public Sector Decarbonisation</b>		Change in forecast expenditure	<b>-£950k</b>
2022-23 Budget	<b>£1,150k</b>	Forecast expenditure	<b>£200k</b>
<p>Public Sector Decarbonisation programme has a budget of £1,150K with £200k spend to date on Licencing fees and 3rd party contract payment. The Public Sector Decarbonisation programme is forecasting an underspend of £950k due to the issues recruiting and appointing suitable candidates for the technical support roles. Spend will be reprofiled into the new financial year.</p>			

The Net Zero Hub team have been providing the support to public sector organisations and consultants have been procured to provide interim resource until positions are filled.

<b>10. GSE Rural Communities Energy Fund (RCEF)</b>		Change in forecast expenditure	<b>-£554k</b>
2022-23 Budget	<b>£1,974k</b>	Forecast expenditure	<b>£1,421k</b>
<p>The RCEF programme grants is budgeted at £1,974K and £1,241K has been spent to date on staffing recharges and consultancy fees, and third part grant claims.</p> <p>The RCEF programme budget is ring-fenced and its forecasted spend this financial year is £1,421K with the balance of £554k as the forecasted underspend to be transferred to the new financial year.</p> <p>Funded feasibility and development projects are pending completion, projects may be extended on a case-by-case basis, the project closure is 30th September 2023.</p>			

<b>11. Health and Care Sector Work Academy</b>		Change in forecast expenditure and associated income	<b>-£1,563k</b>
2022-23 Budget	<b>£2,467k</b>	Forecast expenditure	<b>£904k</b>
<p>The Health and Care Sector Work Academy programme is expected to end the year £1,563k below budget. Following an extension approved by DWP, the remaining forecast expenditure to the end of project is £577k for delivery of courses in April and May and the post programme evaluation.</p> <p>The underspend can, in part, be attributed to the slow start of the programme by sub-contractors that in earnest only started in Autumn 2022.</p> <p>To mitigate further under performance of the programme, the following initiatives have been undertaken during the year:</p> <ul style="list-style-type: none"> <li>a) reduced subcontractor contracts to a more realistic delivery number.</li> <li>b) identified four further potential subcontractors who we are currently in negotiation with the Combined Authority.</li> <li>c) planned a provider workshop to assist in removing barriers to recruitment and to support their delivery.</li> <li>d) developed further marketing to ensure greater accessibility.</li> <li>e) at least weekly subcontractor meetings to maximise performance.</li> </ul>			

f) providing subcontractors with referrals received through the Academy's social media account.

Job Centre Plus were to be one of the primary referrers into the programme however over the past year referrals from this source have reduced to single figures every month. This issue has been escalated to DWP.

The forecast also included the assumption that learners would take up the offer of bursary (Travel and Childcare) and Maths/English wrap-around-support based on the monetary value in the original business case however there has been minimal demand for these and therefore contributes a large value of the underspend.

<b>12. Skill Bootcamp Wave 3</b>		Change in forecast expenditure	<b>-£1,749k</b>
2022-23 Budget	<b>£3,914k</b>	Forecast expenditure	<b>£176k</b>
<p>The underspend on the Skills Bootcamp Wave 3 programme is due to slower than anticipated uptake from Training providers, employers, and learner recruitment in The Combined Authority area. Additionally, some Skills Bootcamp courses have experienced a high learner drop-off rate, resulting in providers not being able to claim passed the milestone 1 payment. Milestone 1 is 45% of the total cost per learner.</p> <p>The Combined Authority contracted with 11 Training Providers to deliver under the Wave 3 Skills Bootcamp funding. There has been an increased effort in raising the awareness of the funding opportunities to individuals and businesses, for example, The Combined Authority has attended events organised by JCP such as jobs fairs, and Apprenticeship fairs organised through Growth Works with Skills. Additionally, our marketing and comms team has coordinated B2B campaigns, and Training Providers have increased marketing efforts to include local radio campaigns, postal maildrops to postcodes in The Combined Authority area and social media campaigns. However, the number of learners now expected for this financial year is 520, compared with the original learner target of 1,780, with final course start dates taking place across the month of March 2023.</p> <p>It is important to note, Training Providers are able to claim Wave 3 milestone 2 and 3 payments during the 2023-24 Financial Year as learners can now complete courses up until 31<sup>st</sup> July 2023 following an update to the Skills Bootcamp funding rules whereby originally learners must complete course provision by the 31<sup>st</sup> March 2023. Milestone 2 and 3 accounts for 55% of the total cost per learner. Milestone 2 and 3 payments are linked to evidence of learner course completions, offers of interviews and positive job outcomes.</p>			

## Capital Variances >£500k

<b>13. Cambridge City Centre</b>		Change in forecast expenditure	<b>£695k</b>
2022-23 Budget	<b>£695k</b>	Forecast Expenditure	<b>£695k</b>
<p>The change in forecast is due to an error in the previous period's reporting in which the outturn was incorrectly reduced to zero – the project is due to spend to budget this year and this re-instates that forecast.</p>			

<b>14. Market towns - Huntingdon</b>		Change in forecast expenditure	<b>-£560k</b>
2022-23 Budget	<b>£391k</b>	Forecast expenditure	<b>£391k</b>
<p>The Market Town – Huntingdon programme is now expected to meet the budget for this financial year, following a temporary increase due to the reallocation of funds from other projects now successfully completed under budget.</p>			

<b>15. Net Zero Hub LAD 2 capital</b>		Change in forecast expenditure	<b>£632k</b>
2022-23 Budget	<b>£16,634k</b>	Forecast expenditure	<b>£15,933k</b>
<p>The spend was increased due to match the final figures when compiling the project spend.</p> <p>The extension to the closedown period allowed for extra cost to be captured and included in the total spend of the project. Also, queries that was been disputed by managing agent and was initially thought will not be included in the spend is now evidenced and permitted to be paid for. Also, any miscoding's to other cost centres were reviewed and correct to be included in the total spend figure.</p> <p>The project has now closed, with final accounts submitted to the funding Department so no further spend anticipated.</p>			

<b>16. Net Zero Hub LAD 3 capital</b>		Change in forecast expenditure	<b>-£6,852k</b>
2022-23 Budget	<b>£33,676k</b>	Forecast expenditure	<b>£22,935k</b>
<p>The LAD 3 programme has been extended nationally till end of Sept 2023, with this extension agreed it is expected that the entirety of the £33.7m budget can be delivered. However, £6.9m has been reprofiled into next financial year in-line with the revised delivery plan agreed with BEIS.</p>			

<b>17. Net Zero Hub HUG 1 capital</b>		Change in forecast expenditure	<b>-£4,234k</b>
2022-23 Budget	<b>£13,721k</b>	Forecast expenditure	<b>£6,590k</b>
<p>A national extension to the HUG 1 scheme has been agreed by BEIS, following this a revised project profile has been established. There is a remaining forecast underspend of c. £5m on the programme which will be returned to BEIS and the balance will be slipped into 23-24 to deliver during the programme extension.</p>			

<b>18. The Growth Service Company</b>		Change in forecast expenditure	<b>-£3,641k</b>
2022-23 Approved Budget	<b>£5,135k</b>	Forecast expenditure	<b>£1,494k</b>
<p>The variance to budget on the Growth Service Capital programme is largely due to the delay in the Equity Investment programme which was paused for considerable time due to sub-contractor reassignment for contractual delivery and has been restarted this year following a false start in 2021 and that, to date has invested only £0.5m of the £5m dedicated to this service. This workstream is now in full delivery mode and has strong pipeline of investment opportunities with company beneficiaries which should see the remaining balance of funds deployed by end of Growth Works contract on 31 December 2023.</p> <p>The Capital Grant Funds workstream programme also had a slow start during 2021/22 and whilst rate of defrayal of awarded grants during 2022/23 has increased there is still a forecast underspend, but thanks to the criteria changes of the typology of the grants and amount available for individual grant, this has now found its momentum and it is expected to build on the end of this year increase in the following one.</p> <p>The Growth Works programme is a 3 year contract ending 31 December 2023 and the underspend will be available in next financial year on strong pipeline of business applicants to fulfil the programme's final target. The funding should still be made available to those growth businesses and beneficiaries qualifying in the programme for support to deliver the Jobs and Apprenticeships outcomes for the programme.</p> <p>A review of the programme from an independent advisor will be completed by the end of June 2023 and this review report will be informing the next iteration of any future business support programme and associated learning from the processes going forward.</p>			

<b>19. A10 Dualling/Improvements</b>		Change in forecast expenditure	<b>-£928k</b>
2022-23 Budget	<b>£3,993k</b>	Forecast expenditure	<b>£798k</b>

There have been delays setting up delivery partner arrangements and the grant funding agreement (GFA) with CCC

The GFA has now been signed, but the delay has resulted in the need to slip the funding into future years.

<b>20. A1260 Nene Parkway Junction 15</b>		Change in forecast expenditure	<b>-£538k</b>
2022-23 Budget	<b>£7,111k</b>	Forecast expenditure	<b>£6,573k</b>
<p>Works on the A47 have delayed the construction phase of this project. Initially construction was due to be completed in February 2023 but has now been pushed back into 2023/24.</p>			

<b>21. A141 and St Ives</b>		Change in forecast expenditure	<b>-£975k</b>
2022-23 Budget	<b>£1,737k</b>	Forecast expenditure	<b>£762k</b>
<p>The time required to initiate the project following Board approval was underestimated, particularly getting the grant funding agreement in place.</p> <p>This delay pushed back the start of the project; however, the project has now commenced and the current phase will be completed in 23-24.</p>			

<b>22. Care Homes Retrofit Programme</b>		Change in forecast expenditure	<b>-£500k</b>
2022-23 Budget	<b>£500k</b>	Forecast expenditure	<b>£0k</b>
<p>Significant additional consultation has been undertaken with the sector to ensure the programme will be fit for purpose and the time take for this, along with difficulties in the recruitment to the Project Manager post delayed the start of this project.</p> <p>Currently care homes are responding via an Expression of Interest phase and, subject to due process on grant applications, the capital spend will commence in 2023/24. Capital spend profile will be dependent on the timescale for care homes contracting of works / any necessary permissions. As grant applications are received a revised spend profile and risk assessment will be developed.</p>			

<b>23. Net Zero Villages Fund</b>		Change in forecast expenditure	<b>-£750k</b>
2022-23 Budget	<b>£750k</b>	Forecast expenditure	<b>£0k</b>
<p>The Net Zero villages programme is a capital grant programme. The business case did not include revenue support. It is therefore to be administered within existing staffing. Due to vacancies in the Delivery and Strategy Directorate to late autumn 2022 there was insufficient capacity available to launch and administer the scheme. That capacity gap has now been addressed by the recruitment to the Climate Change Projects Officer post in November. Having successfully initiated the Care Homes retrofit programme the Projects Officer is tasked with launching the Net Zero programme for delivery in FY 23/24 (after the pre-election period).</p>			

<b>24. Thorpe Wood Cycle Way</b>		Change in forecast expenditure	<b>-£625k</b>
2022-23 Budget	<b>£625k</b>	Forecast expenditure	<b>£0k</b>
<p>Active Travel England required a design review which led to delays- now the review is complete, detailed design will commence from April 2023.</p>			

<b>25. ZEBRA capital</b>		Change in forecast expenditure	<b>-£3,624k</b>
2022-23 Budget	<b>£6,258k</b>	Forecast expenditure	<b>£2,994k</b>
<p>The delivery of the Zero Emission Busses was delayed by 5 months after the manufacturer discovered a serious safety fault. The fault has now been rectified and the busses are on their way to Ely. Once received driver training will commence and they will be ready for launch in early May.</p>			