



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
29 APRIL 2020	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an update of the 2019/20 financial position as at 29th February 2020 and keeps the Board informed of developments affecting the external audit of the 2019-20 accounts.
- 1.2 The report prepared for the March Cambridgeshire and Peterborough Combined Authority (CPCA) Board was not formally considered due to deferral in order to focus on the CPCA's urgent response to COVID-19. As such, this report has been written to highlight changes since the Board last received a budget update at its meeting on 29 January 2020.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Lead Member for Investment and Finance
Lead Officer:	Jon Alsop, Chief Finance Officer (Section 73 Officer)
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year.	Voting arrangements A simple majority of members

2.0 BACKGROUND

- 2.1. At its September 2019 meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2019/20. This report presents the progress made against these budgets along with any changes in line with subsequent Executive Committee and Board decisions.
- 2.2. Over the last quarter there has been substantial work undertaken to improve budget and expenditure monitoring within the Combined Authority. This has resulted in the formalisation of a monthly reporting cycle, improved internal financial reports, and regular meetings between project managers and Directors at which directorate finance leads provide support and challenge.
- 2.3. This process has resulted in more robust forecasting for the 2019-20 financial year, as well as enabling more effective contract and supplier management within the delivery Directorates.
- 2.4. Between March and June 2020 a detailed analysis of underspends will take place across the Combined Authority to establish where underspends represent an actual saving against expected costs, and therefore releases funding to be reallocated based on the Combined Authority's priorities, and where it represents slippage of project budgets, which do not change overall project budgets but instead represent a re-profiling of expenditure.
- 2.5. The Combined Authority Board reserves the power to authorise carry forward of budgets between financial years, therefore underspends will (where relevant) be presented to April Committees for comment on underspends which will then be recommended to the Combined Authority Board in June 2020. The Board will then decide on which budgets to allow carry forward into 2020-21 and which should be recovered corporately for reallocation.

3.0 CHANGES TO REPORTING ARRANGEMENTS

- 3.1. As the Executive Committees have embraced their role in monitoring projects and programmes at the operational level, the Combined Authority Board can place assurance on this and need only consider variances where they are material at a corporate level.
- 3.2. Excluding the Transport Levy expenditure, as the responsibility for delivering these services is currently passported to the Local Highways Authorities, the gross revenue budget for the Combined Authority for 2019-20 is £24.2m. A materiality limit of approximately 1% results in a threshold of £250k, thus variances below this level will not be reported in detail to the Combined Authority Board. As operational budgets are not reported to an Executive Committee a lower threshold of £100k is used to ensure a more operational level of oversight is maintained.
- 3.3. The capital programme for the 2019-20 financial year is £121.9m. Applying a similar materiality limit results in a threshold of £1.2m, however the vast majority of our capital projects have annual budgets significantly below this

level. As such an alternative level of £500K has been taken to ensure reporting to the Board is meaningful.

4.0 REVENUE BUDGET

4.1. A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the eleven-month period to 29th February 2020, is set out in the table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

2019/20 Revenue	19-20 Budget (Nov) £'000	Budget Adjustments £'000	19-20 Budget (Feb) £'000	Actuals to 29th February 2020 £000	Forecast Outturn (Nov) £'000	Forecast Outturn (Feb) £'000	Change in Forecast Outturn £'000	Appendix 3 ref.
Income								
Grant Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	-	
Total Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	-	
Expenditure								
Mayor's Office	379.9	0.0	379.9	336.6	368.0	364.4	(3.6)	
Operational Budget:								
Combined Authority Staffing	5,122.1	0.0	5,122.1	4,855.6	5,081.8	5,360.4	278.6	1
External Support Services	505.0	0.0	505.0	211.9	363.7	337.2	(26.5)	
Corporate Overheads	748.7	0.0	748.7	728.4	803.7	779.2	(24.5)	
Governance	205.0	0.0	205.0	98.0	143.3	143.3	-	
Election Provision	260.0	0.0	260.0	0.0	260.0	260.0	-	
Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	-	
Financing Costs/(Income)	(1,480.0)	0.0	(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	
Workstream/Programme Budget:								
Transport	16,252.7	250.0	16,502.7	13,228.7	15,853.0	15,020.4	(832.6)	2-4
Business and Skills	9,669.0	0.0	9,669.0	6,869.8	9,324.6	7,786.6	(1,538.0)	5-6
Economic Strategy	2,907.0	-80.0	2,827.0	461.5	2,319.1	1,623.2	(695.9)	7
Strategy and Performance	498.0	0.0	498.0	277.4	405.9	347.1	(58.8)	
Housing	957.5	0.0	957.5	150.5	457.5	261.3	(196.2)	
Total Expenditure	36,149.9	170.0	36,319.9	25,836.3	33,904.8	30,813.2	(3,091.6)	
Total (Income) less Total Expenditure	5,936.9	170.0	6,106.9	(2,225.2)	3,600.8	509.2		

4.2. The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against budget of £5.5m (£36.3m-£30.8m).

4.3. There have been three changes to the budget since the position reported to the January Board: A decrease of £80k within Economic Strategy, and movement of £100k from the Cambridgeshire Autonomous Metro Outline Business Case (CAM OBC) to fund the Strategic Outline Business Case (SOBC) of the CAM arms, both reflecting the decisions of the Combined Authority Board on 29 January 2020. The updated budget also reflects a £250k virement from the capital programme to the revenue Transport budget reflecting the A10 feasibility study being brought in house and thus not being eligible for capitalisation.

4.4. 'Actual' figures for the period to 29 February 2020 are based on payments made and accrued expenditure where known. Actual expenditure has accelerated as the year has progressed, having increased by £7.793m from November 2019 to February 2020 – this behaviour is expected to continue, which is reflected in the £5.0m of expenditure forecast in March (£30.8m-£25.8m).

4.5. The current approved budget shows total revenue expenditure for the year of £36.3m against grant income receivable in year of £30.2m. The difference of £6.1m was to be funded from revenue reserves. The favourable £5m forecast outturn variance means that the draw on reserves will be reduced this year; however, any of these underspends which reflect a re-phasing of expenditure

could result in a correspondingly higher than anticipated draw on reserves in 2020-21.

- 4.6. The majority of revenue grant income has been received 'in advance'. These funds have been apportioned to show the amount relevant to the eleven-month period to 29th February 2020. Funding for the devolved Adult Education Budget (AEB) has been received but it is only applied to the academic year from September 2019 to March 2020 as this was the first year this funding was devolved.
- 4.7. The forecast underspend for the year has increased by £3.1m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below, full details of these variances, including relevant mitigations and responses, are included in Appendix 3.
- Combined Authority staffing: As a result of the recent staff restructuring exercise, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund to cover potential future pension liabilities has been provided for. (+£184k),
 - CAM Core OBC and Arms SOBC: there has been a delay in some additional work being undertaken by the consultants which will not be completed by the end of March. (-£377k)
 - A revised profile of expenditure on the Bus Review Implementation (-£650k),
 - The A10 SOBC project being brought in house (+£250k),
 - Provision of Adult Education courses by procured providers lagging behind the expected profile (-£550k)
 - Reprofiling of the Health and Care Sector Work Academy (-£1,000k)
 - The Rural Communities Energy Hub Fund has awarded its first funding agreement to a project, however this award was made months later than planned due to delays with the governance structure being signed off by the Energy Hub Board. (-£400k)

5.0 CAPITAL BUDGET

- 5.1. The year to date 'Capital' position of the Combined Authority (as at 29th February) is shown at **Appendix 2**.
- 5.2. As with revenue budgets, reflecting the role of the Executive Committees, a corporate materiality limit has been established and only variances of £500k or more will be detailed in these reports going forward.
- 5.3. The forecast underspend for the year to March 2020 has increased by £12.7m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below. Full details of these variances, including relevant mitigations and responses, are included in **Appendix 3**.

- University of Peterborough Business Case is forecasting an underspend due to delays at the beginning of the financial year pushing costs back to 2020-21. (-£1,220k)
- The Wisbech Garden Town business case development has been put on hold pending further work on the A47 dualling. (-£1,700k)
- Digital Connectivity Infrastructure is forecasting a reduction in spend across the remaining project lifetime due to changes in funding from Central Government and advances in technology changing the scope of the project (-£500k)
- Market Town Pump Priming expenditure is not forecast this year as the majority of the masterplans were only completed in the current quarter. (-£500k)
- Cambridge City Housing Programme is running behind profile however the delivery partner is confident that this will not result in an underspend across the total programme lifetime. (-£1,710k)
- The Affordable Housing Programme has revised back its expenditure profile due to a number of drawdowns scheduled for Q4 2019-20 being delayed into 2020-21. Whilst the total value of approved schemes within the £40m revolving fund is over £40m, the peak drawdown according to cashflows provided by borrowers was forecast as £35m. However, this is likely to be affected by COVID's impact on the construction industry and the effects of this will be reported to Housing Committee and Combined Authority Board once they are understood (-£2,780k).
- A47 Junction 18 Improvements is back on track to spend to profile after anticipated delays have been avoided. (£850k)
- A605 Stanground East was forecasting a saving due to an alternative delivery option, unfortunately this option has proved too complex and thus the project has reverted to its original plan. (£550k)
- The Agri-Tech Programme has revised down its forecast spend in line with the January Combined Authority Board decision to reduce its total funding. (-£1,300k)
- Project Living Cell's initial loan drawdown is now anticipated in Q1 2020-21 due to a delay in contract award.

6.0 2019-20 EXTERNAL AUDIT

- 6.1. In response to the pressures on Local Authorities due to the COVID-19 crisis, the Chartered Institute of Public Finance and Accountancy, the Ministry for Homes, Communities and Local Government and HM Treasury considered changes to the timing, and content of the statutory accounts, and their audit, for Local Government bodies.
- 6.2. The conclusion of this review was that there will be no change to the content of the accounts Local Authorities have to publish for the 2019-20 financial year; however, the deadlines for the publication of draft, and audited accounts have been extended to 31st August and 30th November respectively to allow authorities who need it time to focus on COVID crisis response and complete

their accounts when the worst of the crisis response has been managed.

- 6.3. These dates are the latest possible point by which the draft and final accounts should be published, however our external auditor's (EY) have indicated that they have the ability to continue to deliver to the timetable which was originally proposed, and was due to be presented to the Audit and Governance Committee in March. The proposed audit timetable is as follows

18th May – External audit fieldwork commences.

26th May – CPCA Audit and Governance Committee – review of accounts

31st May – Draft Accounts published on the Combined Authority's website.

12th June – External audit fieldwork completes

Late September/October – Audit opinion provided

- 6.4. Given the Combined Authority's role is of a strategic nature, and will be called upon to lead the local economic recovery once the immediate crisis has passed, our intention is to keep as close as possible to this original timeframe so that the Authority can maximise it's focus on the recovery effort once lockdown procedures begin to relax and the economy re-ignites.
- 6.5. EY have established a phased approach to the Local Authority audits in the Cambridgeshire and Peterborough area which will result in all authorities' fieldwork being completed between 12th June and the 16th October 2020.
- 6.6. While the Combined Authority has been put into the earliest possible audit phase (18th May to the 12th June), and thus will have its audit fieldwork completed early in the summer, EY have indicated that they will not be providing any audit opinions until late September or October 2020 in order to be fair to authorities in later phases.

7.0 FINANCIAL IMPLICATIONS

- 7.1. There are no other financial implications other than those included in the main body of the report.

8.0 LEGAL IMPLICATIONS

- 8.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
- 8.2. The Audit and Accounts Regulations 2015 require the Combined Authority to publish its statement of accounts for 2019/20 by 31 July 2020. As set out above in section 6 of this report, the current situation in the external audit sector and with the Combined Authority's external auditors means that this deadline will not be met. In these circumstances the Combined Authority will be required publish as soon as reasonably practicable on or after 31 July 2020 a notice stating that it has not been able to publish the statement of accounts and its reasons for this.

9.0 Significant Implications

9.1. There are no other significant implications.

- **APPENDICES**

Appendix 1 - Detailed breakdown of the revenue position for the period to 29th February 2020

Appendix 2 – Capital position for the period to 29th February 2020

Appendix 3 – Detailed explanations of material variances

<u>Source Documents</u>	<u>Location</u>
Combined Authority Board reports 27 November 2019	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/849/Committee/63/Default.aspx
Combined Authority Board report 29 January 2020	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/851/Committee/63/Default.aspx



Appendix 1: CPCA Revenue 2019/20

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Feb)	Actuals to 29th February 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Gain Share Revenue	(8,000.0)		(8,000.0)	(7,333.3)	(8,000.0)	(8,000.0)	-	-
Mayoral Capacity Building Fund	(1,000.0)		(1,000.0)	(916.7)	(1,000.0)	(1,000.0)	-	-
Transport Levy (Passported to PCC and CCC)	(12,369.0)		(12,369.0)	(11,338.3)	(12,369.0)	(12,369.0)	-	-
Enterprise Zone Receipts	(138.0)		(138.0)	(126.5)	(138.0)	(138.0)	-	-
Growth Hub - BEIS	(246.0)		(246.0)	-	(246.0)	(246.0)	-	-
LEP Core Funding from BEIS	(500.0)		(500.0)	(458.3)	(500.0)	(500.0)	-	-
EZ contribution to LEP activity	(250.0)		(250.0)	(229.2)	(250.0)	(250.0)	-	-
CPCA LIS Implementation (LEP Capacity Funding)	(200.0)		(200.0)	(183.3)	(200.0)	(200.0)	-	-
AEB implementation Grant	(40.6)		(40.6)	(40.6)	(40.6)	(40.6)	-	-
AEB Devolved Funding	(7,253.5)		(7,253.5)	(7,253.5)	(7,253.5)	(7,253.5)	-	-
EU Exit Funding	(90.9)		(90.9)	(181.8)	(181.8)	(181.8)	-	(90.9)
Careers and Enterprise Company (CEC) Funding	(125.0)		(125.0)	-	(125.0)	(125.0)	-	-
Total Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	0.0	(90.9)
Expenditure								
Mayor's Office								
Mayor's Allowance	85.0		85.0	80.5	85.0	85.0	-	-
Mayor's Office Expenses	25.0		25.0	33.9	25.0	25.0	-	-
Mayor's Office Accommodation	52.4		52.4	37.0	52.4	52.4	-	-
Mayor's Office Staff	217.5		217.5	185.2	205.6	202.0	(3.6)	(15.5)
Total Mayoral Costs	379.9	0.0	379.9	336.6	368.0	364.4	(3.6)	(15.5)
Combined Authority Staffing Costs								
Salaries								
Chief Executive	269.0		269.0	273.1	272.1	272.1	-	3.1
Business and Skills	1,655.2		1,655.2	1,478.6	1,615.2	1,617.9	2.7	(37.3)
Delivery and Strategy	1,217.6		1,217.6	1,071.7	1,153.0	1,178.6	25.6	(39.0)
Housing	362.0		362.0	358.9	315.9	392.2	76.3	30.2
Corporate Services	1,408.3		1,408.3	1,548.3	1,515.6	1,515.6	-	107.3
Travel	100.0		100.0	72.3	100.0	100.0	-	-
Restructure Costs	-		-	-	-	184.0	184.0	184.0
Apprenticeship Levy	10.0		10.0	-	10.0	-	(10.0)	(10.0)
Training, Conferences & Seminars	100.0		100.0	52.8	100.0	100.0	-	-
Total Combined Authority Staffing Costs	5,122.1	0.0	5,122.1	4,855.6	5,081.8	5,360.4	278.6	238.3

	<u>19-20 Budget</u> <u>(Nov)</u>	<u>Budget</u> <u>Adjustments</u>	<u>19-20 Budget</u> <u>(Feb)</u>	<u>Actuals to 29th</u> <u>February 2020</u>	<u>Forecast</u> <u>Outturn (Nov)</u>	<u>Forecast</u> <u>Outturn (Feb)</u>	<u>Change in</u> <u>Forecast</u> <u>Outturn</u>	<u>Forecast</u> <u>Outturn</u> <u>Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Externally Commissioned Support Services</u>								
External Legal Counsel	200.0		200.0	45.7	60.0	60.0	-	(140.0)
Finance Service	90.0		90.0	68.6	90.0	90.0	-	-
Democratic Services	90.0		90.0	93.1	90.0	91.5	1.5	1.5
Payroll	10.0		10.0	2.6	8.0	3.0	(5.0)	(7.0)
HR	25.0		25.0	1.2	25.0	2.0	(23.0)	(23.0)
Procurement	25.0		25.0	(46.4)	25.0	25.0	-	-
Finance System	15.0		15.0	15.7	15.7	15.7	-	0.7
ICT external support	50.0		50.0	31.5	50.0	50.0	-	-
Total Externally Commissioned Support Services	505.0	0.0	505.0	211.9	363.7	337.2	(26.5)	(167.8)
<u>Corporate Overheads</u>								
Accommodation Costs	339.2		339.2	368.9	339.2	339.2	-	-
Software Licences, Mobile Phones cost etc.	20.0		20.0	19.1	20.0	20.0	-	-
Communications	50.0		50.0	45.0	50.0	50.0	-	-
Website Development	29.5		29.5	-	29.5	-	(29.5)	(29.5)
Recruitment Costs	160.0		160.0	164.0	185.0	185.0	-	25.0
Insurance	30.0		30.0	29.5	30.0	30.0	-	-
Audit Costs	85.0		85.0	36.5	85.0	85.0	-	-
Office running costs	25.0		25.0	27.2	25.0	30.0	5.0	5.0
Corporate Subscriptions	10.0		10.0	38.1	40.0	40.0	-	30.0
Total Corporate Overheads	748.7	0.0	748.7	728.4	803.7	779.2	-24.5	30.5
<u>Governance Costs</u>								
Committee/Business Board Allowances	185.0		185.0	98.0	123.3	123.3	-	(61.7)
Meeting Costs	-		-	-	-	-	-	-
Governance Projects	20.0		20.0	-	20.0	20.0	-	-
Total Governance Costs	205.0	0.0	205.0	98.0	143.3	143.3	0.0	(61.7)
<u>Election Costs</u>								
Election costs	260.0		260.0	-	260.0	260.0	-	-
Total Election Costs	260.0	0.0	260.0	0.0	260.0	260.0	0.0	0.0
<u>Capacity Funding</u>								
Capacity Funding	125.0		125.0	101.6	125.0	125.0	-	-
Total Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	0.0	0.0
<u>Financing Costs</u>								
Interest Receivable on Investments	(1,480.0)		(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	(115.1)
Total Financing Costs	(1,480.0)	0.0	(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	(115.1)
Total Operational Expenditure	5,485.8	-	5,485.8	4,511.8	5,176.6	5,410.1	233.4	(75.7)

	<u>19-20 Budget</u> <u>(Nov)</u>	<u>Budget</u> <u>Adjustments</u>	<u>19-20 Budget</u> <u>(Feb)</u>	<u>Actuals to 29th</u> <u>February 2020</u>	<u>Forecast</u> <u>Outturn (Nov)</u>	<u>Forecast</u> <u>Outturn (Feb)</u>	<u>Change in</u> <u>Forecast</u> <u>Outturn</u>	<u>Forecast</u> <u>Outturn</u> <u>Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Workstream Revenue Budgets</u>								
<u>Transport</u>								
CAM OBC	1,907.0	(100.0)	1,807.0	1,109.1	1,907.0	1,530.0	(377.0)	(277.0)
CAM arms SOBC	-	100.0	100.0	-	-	-	-	(100.0)
A10 SOBC	-	250.0	250.0	115.7	-	250.0	250.0	-
A14 Revenue Feasibility	150.0		150.0	-	-	-	-	(150.0)
Huntingdon 3rd River Crossing	300.0		300.0	19.4	50.0	19.4	(30.6)	(280.6)
Bus Review Implementation	800.0		800.0	27.5	800.0	150.0	(650.0)	(650.0)
Cambridge South - Interim Concept	100.0		100.0	96.5	100.0	97.0	(3.0)	(3.0)
Transport Levy PCC	3,631.0		3,631.0	3,328.4	3,631.0	3,631.0	-	-
Transport Levy CCC	8,738.0		8,738.0	8,009.8	8,738.0	8,738.0	-	-
Local Transport Plan	376.7		376.7	353.2	377.0	355.0	(22.0)	(21.7)
Sustainable Travel	150.0		150.0	110.6	150.0	150.0	-	-
Schemes, Studies and Monitoring	100.0		100.0	58.5	100.0	100.0	-	-
Total Transport	16,253	250	16,503	13,229	15,853	15,020	(832.6)	(1,482.3)
<u>Business and Skills</u>								
Work Readiness Programme (Hamptons)	110.0		110.0	109.7	83.2	109.6	26.4	(0.4)
Skills Brokerage	344.2		344.2	166.1	344.2	306.0	(38.2)	(38.2)
University of Peterborough Taught Degree Awarding Powers	201.9		201.9	182.9	190.0	190.8	0.8	(11.1)
University of Peterborough	235.0		235.0	290.1	235.0	265.0	30.0	30.0
Skills Strategy Programme Delivery	150.0		150.0	148.0	150.0	148.0	(2.0)	(2.0)
AEB Devolution programme - Grant	5,576.3		5,576.3	5,118.9	5,576.3	5,576.3	-	-
AEB Devolution programme - ITP	1,282.3		1,282.3	379.6	1,000.0	450.0	(550.0)	(832.3)
AEB Programme Costs	115.4		115.4	111.0	100.0	87.0	(13.0)	(28.4)
Health and Care Sector Work Academy	1,500.0		1,500.0	267.1	1,500.0	500.0	(1,000.0)	(1,000.0)
EU Exit Funding	90.9		90.9	63.9	90.9	90.9	-	-
Growth Company Development	63.0		63.0	32.6	55.0	63.0	8.0	-
Total Business and Skills	9,669.0	0.0	9,669.0	6,869.8	9,324.6	7,786.6	(1,538.0)	(1,882.4)
<u>Economic Strategy</u>								
Growth Hub	92.2		92.2	50.1	92.2	92.2	-	-
Market Town Strategy Implementation	200.0		200.0	75.5	150.0	75.0	(75.0)	(125.0)
Energy Hub	615.4		615.4	14.5	500.0	420.0	(80.0)	(195.4)
Rural Communities Energy Fund	1,052.5		1,052.5	-	800.0	400.0	(400.0)	(652.5)
St Neots Masterplan Revenue	171.9		171.9	45.6	171.9	150.0	(21.9)	(21.9)
Trade and Investment Programme	100.0		100.0	50.0	80.0	77.0	(3.0)	(23.0)
CPCA LIS Implementation	200.0		200.0	167.2	150.0	189.0	39.0	(11.0)
LEP Capacity Funding	400.0	(80.0)	320.0	43.4	300.0	145.0	(155.0)	(175.0)
Skills Advisory Panel (SAP)	75.0		75.0	15.2	75.0	75.0	-	-
Total Economic Strategy	2,907.0	-80.0	2,827.0	461.5	2,319.1	1,623.2	(695.9)	(1,203.8)

	<u>19-20 Budget</u> <u>(Nov)</u>	<u>Budget</u> <u>Adjustments</u>	<u>19-20 Budget</u> <u>(Feb)</u>	<u>Actuals to 29th</u> <u>February 2020</u>	<u>Forecast</u> <u>Outturn (Nov)</u>	<u>Forecast</u> <u>Outturn (Feb)</u>	<u>Change in</u> <u>Forecast</u> <u>Outturn</u>	<u>Forecast</u> <u>Outturn</u> <u>Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategy, Planning and Performance								
Monitoring and Evaluation Framework	163.0		163.0	104.1	163.0	163.0	-	-
Public Service Reform	100.0		100.0	89.3	100.0	100.0	-	-
Non-Statutory Spatial Framework (Phase 2)	130.0		130.0	54.1	112.9	54.1	(58.8)	(75.9)
Cambridgeshire and Peterborough Land Commission	105.0		105.0	30.0	30.0	30.0	-	(75.0)
Total Strategy and Performance	498.0	0.0	498.0	277.4	405.9	347.1	(58.8)	(150.9)
Housing								
War Veterans Homelessness Support Grant	90.9		90.9	90.9	90.9	90.9	-	-
CLT / £100k Housing	166.6		166.6	55.8	166.6	166.6	-	-
Garden Villages	700.0		700.0	3.8	200.0	3.8	(196.2)	(696.2)
Total Housing	957.5	0.0	957.5	150.5	457.5	261.3	(196.2)	(696.2)
Total Workstream expenditure	30,284.2	170.0	30,454.2	20,987.9	28,360.1	25,038.7	(3,321.5)	1,924.1
Total Revenue Expenditure	36,149.9	170.0	36,319.9	25,836.3	33,904.8	30,813.2	(3,091.6)	(5,506.8)

Appendix 2: CPCA Capital Programme - 2019/20

Capital	19-20 Budget (Jan)	Budget Adjustments	19-20 Budget (Feb)	Actuals to 29 Feb 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Kings Dyke CPCA Contribution	2.50		2.50	-	0.46	-	(0.46)	(2.50)
Cambridge South Station	0.75		0.75	0.18	0.75	0.36	(0.39)	(0.39)
A10 SOBC Capital	0.25	(0.25)	-	-	0.15	-	(0.15)	-
Peterborough University - Business case	1.52		1.52	0.23	1.52	0.30	(1.22)	(1.22)
Soham Station	0.95		0.95	0.19	0.95	0.95	-	-
St Neots River Crossing Cycle Bridge	0.60		0.60	-	0.45	-	(0.45)	(0.60)
St Neots Masterplan Capital	0.33		0.33	0.12	0.33	0.33	-	-
Wisbech Garden Town	1.75		1.75	0.05	1.75	0.05	(1.70)	(1.70)
Wisbech Rail	1.48		1.48	0.95	1.48	1.17	(0.31)	(0.31)
Wisbech Access Strategy	0.30		0.30	0.00	0.30	-	(0.30)	(0.30)
Digital Connectivity Infrastructure	0.84		0.84	0.29	0.84	0.34	(0.51)	(0.51)
A47 Dualling	0.41		0.41	0.14	0.41	0.17	(0.24)	(0.24)
Total Committed Direct Control Expenditure	11.67	(0.25)	11.42	2.14	9.38	3.66	(5.71)	(7.76)
Costed but not Committed								
Ely Rail Capacity next stage	1.00		1.00	-	-	-	-	(1.00)
Market Town pump priming	0.50		0.50	-	0.50	-	(0.50)	(0.50)
Coldhams Lane roundabout improvements	0.53		0.53	0.08	0.13	0.08	(0.05)	(0.45)
Eastern Industries Access - Phase 1	0.43		0.43	0.09	0.15	0.06	(0.09)	(0.37)
University Access	0.10		0.10	0.01	0.03	0.05	0.02	(0.05)
March junction improvements	1.08		1.08	0.34	0.50	0.55	0.05	(0.53)
Investment into CAM Innovation Company	0.30		0.30	-	0.30	0.30	-	-
Regeneration of Fenland Railway Stations	0.09		0.09	-	0.09	-	(0.09)	(0.09)
Regeneration of Fenland Railway Stations - Non Platforms	0.61		0.61	0.29	0.61	0.18	(0.43)	(0.43)
A1260 Nene Parkway Junction 15	0.36		0.36	0.01	0.10	0.23	0.13	(0.13)
A1260 Nene Parkway Junction 32-3	0.32		0.32	0.16	0.19	0.25	0.07	(0.07)
A141 Capacity enhancements	1.27		1.27	0.14	0.50	0.29	(0.22)	(0.99)
A16 Norwood Dualling	0.05	0.01	0.06	0.00	0.13	0.05	(0.08)	(0.01)
A505 Corridor	1.00		1.00	0.09	0.17	0.10	(0.07)	(0.90)
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.51		0.51	0.17	0.40	0.54	0.14	0.03
Schemes Previously Identified and Costed Total	8.15	0.01	8.16	1.39	3.80	2.69	(1.11)	(5.47)

Passported	19-20 Budget (Jan)	Budget Adjustments	19-20 Budget (Feb)	Actuals to 29 Feb 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Passported								
Cambridge City Housing Programme	20.61		20.61	9.89	20.61	18.90	(1.71)	(1.71)
Housing Affordable Housing Programme	41.18		41.18	25.39	34.18	31.40	(2.78)	(9.78)
Highways Maintenance Capital Grants	23.08		23.08	21.19	23.54	23.54	-	0.46
A47 J18 improvements	3.85		3.85	2.15	3.00	3.85	0.85	-
A605 Stanground East (whittlesea Access)	2.80		2.80	0.32	0.36	0.91	0.55	(1.89)
Passported/Ringfenced Total	91.52	0.00	91.52	58.93	81.69	78.60	(3.09)	(12.92)
Growth Funds								
King's Dyke Crossing (Growth Fund)	0.78		0.78	0.58	0.45	0.64	0.19	(0.14)
A428 Cambourne to Cambridge	-		-	-	-	-	-	-
Ely Area Capacity Enhancements	2.32		2.32	1.01	1.50	1.16	(0.34)	(1.16)
In Collusion	0.02		0.02	0.02	0.02	0.02	-	-
Wisbech Access Strategy - Delivery Phase	1.00		1.00	0.72	1.00	0.88	(0.12)	(0.12)
Agri-tech	3.69	(2.69)	1.00	0.63	2.00	0.70	(1.30)	(0.30)
M11 Junction 8	-		-	-	-	-	-	-
Soham Station Feasibility	1.00		1.00	1.00	1.00	1.00	-	-
Haverhill Innovation Centre	1.35		1.35	0.93	1.60	1.54	(0.06)	0.19
Small Grants Programme	0.10		0.10	0.16	0.06	0.06	-	(0.04)
Whittlesea and Manea Railway Stations	0.03		0.03	-	0.03	0.03	-	-
iMET Phase 3	0.30		0.30	-	-	-	-	(0.30)
Lancaster Way Phase 2	0.15		0.15	-	0.15	0.15	-	-
TeraView Loan	0.12		0.12	0.11	0.12	0.11	(0.01)	(0.01)
Project Living Cell	1.35		1.35	-	1.35	-	(1.35)	(1.35)
Capital Growth Grant Scheme	-	0.20	0.20	0.00	-	0.20	0.20	-
Sci-Tech Container Village (Loan)	-		-	-	-	-	-	-
Illumina Accelerator Global Expansion	1.00		1.00	-	-	-	-	(1.00)
Growth Funds Total	13.21	(2.49)	10.72	5.15	9.28	6.48	(2.80)	(4.24)
Total	121.82	(2.73)	121.82	67.61	104.14	91.43	(12.71)	(30.38)



Appendix 3 – Detailed explanations of material variances

Operational Revenue Variances >£100k

1. Restructure Costs		Change in forecast expenditure	£184k
2019-20 Budget	£0k	Forecast expenditure	£184k
<p>As a result of the restructure exercise at the beginning of the financial year, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund for a provision to cover anticipated future pension liabilities has been required by the Authority's actuaries.</p>			

Workstream Revenue Variances >£250k

2. CAM OBC and Arms SOBC		Change in forecast expenditure	(£377k)
2019-20 Budget	£1,907k	Forecast expenditure	£1,530k
<p>The forecast underspend on the CAM is due to a delay in additionally scoped works being completed by the consultants: this work is contracted and underway hence the budget is committed and will be required in 2020-21.</p>			

3. Bus Review Implementation		Change in forecast expenditure	(£650k)
2019-20 Budget	£800k	Forecast expenditure	£150k
<p>A new permanent project manager has been put in place of this programme and has undertaken a complete review of the planned programme. This has resulted in a re-phasing of the project expenditure, to include additional bus services between Cambourne and Cambridge. The programme is still expected to deliver to its original budget over the 12 month implementation period.</p>			

4. A10 SOBC		Change in forecast expenditure	£250k
2019-20 Budget	£250k	Forecast expenditure	£250k
<p>The delivery of the A10 strategic outline business case has been taken in-house from the original delivery partner to accelerate delivery. The Combined Authority cannot capitalise this expenditure so funding has been allocated from revenue sources. There is a corresponding decrease in the capital programme.</p>			

5. Adult Education Budget - ITP		Change in forecast expenditure	(£550k)
2019-20 Budget	£1,282k	Forecast expenditure	£450k
<p>The AEB team have been working with providers to understand the reasons for the underspend, and providers have highlighted that it is due to it taking time for them to gain traction in the market as this is the first 6 months of the new devolved regime.</p> <p>A proposal to utilise part of this forecast underspend, still within the sphere of AEB provision is being brought to the Skills Committee and CPCA Board in April.</p>			

6. Health and Care Sector Work Academy		Change in forecast expenditure	(£1,000)
2019-20 Budget	£1,000k	Forecast expenditure	£500k
<p>It was anticipated that the responsibility for delivery of this programme would be transferred to Peterborough City Council as they are delivering the work via City College Peterborough; however, after protracted negotiations with DWP this project will now be remaining with the CPCA and it is unlikely that the full funding will be drawn down by the end of the year.</p>			

7. Rural Communities Energy Fund		Change in forecast expenditure	(£400k)
2019-20 Budget	£1,053k	Forecast expenditure	£400k
<p>There have been continued delays in the Energy Hub Board agreeing the governance structure required to award the RCEF to projects. This has delayed the majority of fund expenditure into future years. The governance system is now in place and the first claim for awarded funding has been received.</p> <p>The Department for Business, Energy & Industrial Strategy (BEIS) has set a deadline of March 2021 for all the funds to be committed. If this is not met, the Energy Hub and the Combined Authority can work with BEIS to see if an alternative use can be agreed. Otherwise under-allocated grant must be repaid to BEIS.</p> <p>It is anticipated that the Energy Hub will transfer to another Local Authority from the Combined Authority in 2020-21, and thus the RCEF will also be transferred.</p>			

Capital Variances >£500k

8. University of Peterborough Business Case		Change in forecast expenditure	-£1,220k
2019-20 Budget	£1,520k	Forecast expenditure	£300k
<p>The University of Peterborough Outline Business Case (OBC) has been approved with the Full Business Case (FBC) being presented in financial year 2020-21. Due to delays in this project at the beginning of the financial year, a large portion of the capital expenditure that was programmed for 2019-20 is now expected in 2020-21, thus resulting in the need for budget reprofiling</p>			

9. Wisbech Garden Town		Change in forecast expenditure	-£1,700k
2019-20 Budget	£1,750k	Forecast expenditure	£50k
<p>The development of the Wisbech Garden Town business case is dependent on certainty around the location and timing of the A47 upgrade. As such, the development of the business case has been put on hold pending further progress in delivering the A47 upgrade.</p>			

10. Digital Connectivity Infrastructure		Change in forecast expenditure	-£505k
2019-20 Budget	£840k	Forecast expenditure	£335k
<p>Due to advances in technology there is reduced opportunity for anticipated interventions, thus a reduced funding requirement to deliver the intended outcomes of the project.</p>			

11. Market Town Pump Priming		Change in forecast expenditure	-£500k
2019-20 Budget	£500k	Forecast expenditure	£0k
<p>As the majority of these plans have only been approved in 2020 there has been nothing spent to date. As the plans are now in place it is anticipated that projects will start to come forward, but it is unlikely that these will commence spending prior to April 2020. As the Combined Authority has communicated to the Market Towns an overall capital budget of £5m of seed funding to pump-prime projects, the June Board will be asked to approve carrying this budget forward.</p>			

12. Cambridge City Housing Programme		Change in forecast expenditure	-£1,710k
2019-20 Budget	£20,610k	Forecast expenditure	£18,900k
<p>This programme is managed and delivered by Cambridge City Council who have indicated that the project's expenditure is running behind profile. The City Council is confident that they will still utilise the entirety of the £70m within the programme lifetime.</p>			

13. Affordable Housing Programme		Change in forecast expenditure	-£2,780k
2019-20 Budget	£41,180	Forecast expenditure	£31,400k
<p>A number of the schemes that were due to draw down in Q4 2019-20 have been delayed and will instead draw down in 2020-21. As has been reported to the Housing Committee the overall contracted loan value is over £40m with a peak draw on the fund of c.£35m, however this is likely to be affected by COVID's impact on the construction industry and the effects of this will be reported to Housing Committee and Board once they are understood</p>			

14. A47 Junction 18 Improvements		Change in forecast expenditure	£850k
2019-20 Budget	£3,850k	Forecast expenditure	£3,850k
<p>This project had been forecast to slip, but the delivery partner has indicated that it is now back on track and will spend on profile.</p>			

15. A605 Stanground East		Change in forecast expenditure	£550k
2019-20 Budget	£2,800k	Forecast expenditure	£910k
<p>The project has been delayed due to a gas main identified in the centre of the junction to be improved, the utility company is now carrying out a detailed design and costing exercise to give a better idea of the costs of the diversion works. Design of alternative options was considered, with a potential cost saving, but due to complexity of this option the original option will now be progressed.</p>			

16. Agri-Tech Programme		Change in forecast expenditure	-£1,300k
2019-20 Budget	£1,000	Forecast expenditure	£700k
<p>The January Combined Authority Board approved a reduction in the Agri-tech Programme of £4.5m due to the programme not anticipating the required spending before the deadline, due to it's funding source, of March 2021. This reduction in forecast is in line with the recommendation to the January Board.</p>			

17. Project Living Cell		Change in forecast expenditure	-£1,350k
2019-20 Budget	£1,350	Forecast expenditure	£0k
<p>Due to delays in contract negotiation the loan drawdown for this project is now anticipated in Q1 2020-21.</p>			