



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **BUDGET MONITOR UPDATE**

### **1.0 PURPOSE**

- 1.1 This report provides an update of income and expenditure for the year to the end of November 2018 against the forecast for the year as approved by the Board on 28 November 2018.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Portfolio for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Noel O'Neill, Interim S73 Chief Finance Officer</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to: <ul style="list-style-type: none"><li>note the financial position of the Combined Authority for the year to date.</li></ul>	<b>Voting arrangements</b>  Simple Majority of the Members (or their Substitute Members)

### **2.0 BACKGROUND**

#### **Budget 2018/19 Update**

- 2.1. The 'Budget Update' report presented to the Board in November provided a summary of the Combined Authority's Revenue and Capital financial position for the six-month period to 30 September 2018. The outturn forecast reflected costs incurred to date, accrued expenditure and the impact on the current year of assumptions made on staffing, overheads and workstream programme delivery costs as set out in the Medium Term Financial Plan. The Board approved the outturn forecast for the year to 31 March 2019, which is now shown as the revised budget for 2018/19.

- 2.2. An update to the November 2018 Board report, showing 'Revenue' income and expenditure for the eight-month period to 30 November 2018, is set out in the summary table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

<b>2018/19 Revenue</b>	<b>2018/19 Revised Budget (£k)</b>	<b>Year to Nov 2018 (accrued)(£k)</b>	<b>2018/19 Predicted Outturn (£k)</b>
<b>Income</b>			
Grant Income	(11,292.6)	(7,528.4)	(11,292.6)
<b>Total Income</b>	<b>(11,292.6)</b>	<b>(7,528.4)</b>	<b>(11,292.6)</b>
<b>Expenditure</b>			
Mayor's Office	349.4	222.9	349.4
Operational Budget:			
Combined Authority Staffing	5,502.1	3,562.2	5,502.1
External Support Services	547.0	264.6	547.0
Corporate Overheads	687.8	509.7	687.8
Governance	150.6	23.8	150.6
Election Provision	260.0	260.0	260.0
Financing Costs	(700.0)	(493.9)	(700.0)
Workstream/Programme Budget:			
Rural Areas, Culture, Parks etc.	30.0	12.3	30.0
Fiscal	45.0	25.0	45.0
Economic Strategy	868.1	415.1	868.1
Transport & Infrastructure	2,276.6	1,368.3	2,276.6
Employment & Skills	1,015.3	296.2	1,015.3
Strategic Planning	289.2	3.7	289.2
Public Service Reform	416.0	135.8	416.0
<b>Total Expenditure</b>	<b>11,737.0</b>	<b>6,605.8</b>	<b>11,737.0</b>
<b>Total (Income) less Total Expenditure</b>	<b>444.3</b>	<b>(922.6)</b>	<b>444.3</b>

- 2.3. The November position set out in the table above shows a surplus of income over expenditure for the year to date of £922.6k. The predicted outturn remains unchanged from the revised budget and will see a draw on reserves for the year of £444.3k. This will leave a closing revenue balance of £9.948.57k at year end, which is the base number used in the budget report for 2019/20.
- 2.4. The total Revenue income for the year is expected to be £11.3m. The majority of this is grant income which was received from Central Government in April 2018. The year to date position is calculated on an eight month pro-rata basis.
- 2.5. The 'Operational Budget' costs includes staffing expenditure for the year to date of £3.56m. These costs reflect the developing staffing structure of the Combined Authority and includes a number of interims, consultants and agency staff covering vacant establishment posts.
- 2.6. The Election Costs year to date figure represents a provision of £260k, being one quarter of the anticipated costs of holding the mayoral elections. This

follows common practice in spreading the cost of the election across the four-year mayoral term.

- 2.7. Revenue costs to date reflect payments made and accrued expenditure where third parties have incurred costs against Combined Authority projects and programmes. A number of workstream budgets have not yet incurred any direct costs or appear to be underspent at the current time. These apparent underspends are due mainly to suppliers not yet having charged for services provided, or where commissioned activities are work in progress. These costs will be recognised in the year end accounts and so are reflected in the predicted outturn position.
- 2.8. The finance system is currently being developed to enable commitment accounting in future which will provide more accurate and up-to-date financial information.
- 2.9. Financing Costs includes interest earned on investments. Interest rates have improved during the course of the year and it is likely that the amount receivable in year will exceed budget.
- 2.10. The year to date 'Capital' position of the Combined Authority (as at 30 November) is shown at **Appendix 2**.
- 2.11. The Capital projects are categorised between those over which the Combined Authority has direct control (funded from Capital Gainshare and Transforming Cities grants), grants passported to delivery partners e.g. Capital Highways Maintenance funding and for Housing Programmes, Growth Fund expenditure as prioritised by The Business Board, and other schemes previously identified and costed.
- 2.12. Year to date Capital figures are based on actual payments made to date by the Combined Authority and spending that partners have incurred and are yet to bill us for.
- 2.13. Future reports will provide variance analysis between year-to-date actual figures and profiled budgets.
- 2.14. There are no significant differences between the predicted outturn position for the Combined Authority and the revised budget.

### **3.0 FINANCIAL IMPLICATIONS**

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

#### **4.0 LEGAL IMPLICATIONS**

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

#### **5.0 SIGNIFICANT IMPLICATIONS**

- 5.1. There are no other significant implications.

#### **6.0 APPENDICES**

- 6.1 Appendix 1 - detailed breakdown of income and expenditure for the year to date
- 6.2 Appendix 2 - the year to date 'Capital' position of the Combined Authority (as at 30 November)

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	Not applicable

**Appendix 1: CPCA Revenue 2018/19 (Nov 2018)**

	<b><u>Revised Budget</u></b>	<b><u>Actuals to 30 Nov 2018</u></b>	<b><u>Predicted Outturn</u></b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b><u>Income</u></b>			
Gain Share Revenue	(8,000.0)	(5,333.3)	(8,000.0)
Mayoral Capacity Fund	(1,000.0)	(666.7)	(1,000.0)
MHCLG - LEP core payments	(500.0)	(333.3)	(500.0)
Energy Hub Contribution (Staff Costs)	(333.8)	(222.5)	(333.8)
Growth Hub - BEIS	(246.0)	(164.0)	(246.0)
EZ contribution to LEP activity	(250.0)	(166.7)	(250.0)
AEB Funding	(162.8)	(108.5)	(162.8)
CEC Skills Funding (quarterly claims)	(300.0)	(200.0)	(300.0)
Growth Fund Contribution	(500.0)	(333.3)	(500.0)
<b>Total Income</b>	<b>(11,292.6)</b>	<b>(7,528.4)</b>	<b>(11,292.6)</b>
<b><u>Expenditure</u></b>			
<b><u>Mayor's Office</u></b>			
Mayor's Allowance	85.0	56.4	85.0
Mayor's Office Expenses	33.5	16.9	33.5
Mayor's Office Accommodation	43.9	25.1	43.9
Mayor's Office Staff	187.0	124.6	187.0
<b>Total Mayoral Costs</b>	<b>349.4</b>	<b>222.9</b>	<b>349.4</b>

	<u>Revised Budget</u> £k	<u>Actuals to 30 Nov 2018</u> £k	<u>Predicted Outturn</u> £k
<b><u>Combined Authority Staffing Costs</u></b>			
Salaries per Structure Report	5,432.1	3,514.6	5,432.1
Travel	40.0	35.3	40.0
Conferences, Seminars	20.0	10.4	20.0
Training	10.0	2.0	10.0
<b>Total Combined Authority Staffing Costs</b>	<b>5,502.1</b>	<b>3,562.2</b>	<b>5,502.1</b>
<b><u>Externally Commissioned Support Services</u></b>			
Payments to LAs for services	452.0	210.2	452.0
Procurement	15.0	0.0	15.0
Finance System	30.0	15.0	30.0
ICT external support	50.0	39.3	50.0
<b>Total Externally Commissioned Support Services</b>	<b>547.0</b>	<b>264.6</b>	<b>547.0</b>
<b><u>Corporate Overheads</u></b>			
Accommodation Costs	258.8	213.1	258.8
ICT consumables	20.0	16.3	20.0
Website Development	39.0	0.0	39.0
Recruitment Costs	200.0	173.5	200.0
Insurance	25.0	23.4	25.0
Audit Costs	70.0	15.4	70.0
Office running costs	20.0	27.3	20.0
Communications	55.0	40.7	55.0
<b>Total Corporate Overheads</b>	<b>687.8</b>	<b>509.7</b>	<b>687.8</b>
<b><u>Governance Costs</u></b>			
Committee/Business Board Allowances	47.0	23.8	47.0
Meeting Costs	10.0	0.0	10.0
Monitoring and Evaluation Framework	83.7	0.0	83.7
Miscellaneous	10.0	0.0	10.0
<b>Total Governance Costs</b>	<b>150.6</b>	<b>23.8</b>	<b>150.6</b>
<b><u>Election Costs</u></b>			
Election costs	260.0	260.0	260.0
<b>Total Election Costs</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b><u>Financing Costs</u></b>			
Interest Receivable on Investments	(700.0)	(493.9)	(700.0)
<b>Total Financing Costs</b>	<b>(700.0)</b>	<b>(493.9)</b>	<b>(700.0)</b>
<b>Total Operational Expenditure</b>	<b>6,447.5</b>	<b>4,126.4</b>	<b>6,447.5</b>

	<u>Revised Budget</u> £k	<u>Actuals to 30 Nov 2018</u> £k	<u>Predicted Outturn</u> £k
<b><u>Workstream Revenue Budgets</u></b>			
<b><u>Rural Areas, Culture, Parks and Open Spaces</u></b>			
Develop Energy Hub	10.0	12.3	10.0
Develop Rural Strategy	20.0	0.0	20.0
<b>Total Rural Areas, Culture, Parks and Open Spaces</b>	<b>30.0</b>	<b>12.3</b>	<b>30.0</b>
<b><u>Fiscal</u></b>			
Investment Fund Strategy	25.0	25.0	25.0
Treasury Management Strategy	20.0	0.0	20.0
<b>Total Fiscal</b>	<b>45.0</b>	<b>25.0</b>	<b>45.0</b>
<b><u>Economic Strategy</u></b>			
Growth Hub (net of salaries)	75.4	0.0	75.4
Development of a Market Towns Strategy	250.0	0.0	250.0
Develop an International Trade Programme	50.0	0.0	50.0
St Neots Masterplan	100.0	0.0	100.0
Independent Economic Commission	392.7	415.1	392.7
<b>Total Economic Strategy</b>	<b>868.1</b>	<b>415.1</b>	<b>868.1</b>
<b><u>Transport and Infrastructure</u></b>			
Local Transport Plan	400.0	446.0	400.0
Strategic Bus Review	148.6	44.6	148.6
Smart Cities Network	100.0	0.0	100.0
Sustainable Travel	150.0	120.1	150.0
Schemes and Studies	100.0	82.9	100.0
St Neots Bus Plan	28.0	0.0	28.0
Transport Feasibility Studies	1,350.0	556.6	1,350.0
Housing Programme Support	0.0	118.1	0.0
<b>Total Transport and Infrastructure</b>	<b>2,276.6</b>	<b>1,368.3</b>	<b>2,276.6</b>
<b><u>Employment &amp; Skills</u></b>			
Peterborough University	400.0	13.7	400.0
Career Advice and Progression (Hamptons)	54.5	0.0	54.5
Skills Hub	231.0	223.6	231.0
New - Life Sciences Sector Investment	75.0	0.0	75.0
Devolution of Adult Education Budget	254.8	58.9	254.8
<b>Total Employment &amp; Skills</b>	<b>1,015.3</b>	<b>296.2</b>	<b>1,015.3</b>
<b><u>Strategic Planning</u></b>			
Non Statutory Spatial Plan (Phase 2)	135.0	3.7	135.0
Rural Strategy - Town & Parish Council conf	8.3	0.0	8.3
CA2030 Programme	40.0	0.0	40.0
Fenland UNESCO Biosphere & Parks & Open Spaces Trust	26.0	0.0	26.0
Cambridgeshire and Peterborough Land Commission	80.0	0.0	80.0
<b>Total Strategic Planning</b>	<b>289.2</b>	<b>3.7</b>	<b>289.2</b>
<b><u>Public Service Reform</u></b>			
Independent Commission and Reform Plan	416.0	135.8	416.0
<b>Total Public Sector Reform</b>	<b>416.0</b>	<b>135.8</b>	<b>416.0</b>
<b>Total Workstream Expenditure</b>	<b>4,940.2</b>	<b>2,256.5</b>	<b>4,940.2</b>
<b>Total Expenditure</b>	<b>11,737.0</b>	<b>6,605.8</b>	<b>11,737.0</b>
<b>Total Income less Total Expenditure</b>	<b>444.3</b>	<b>(922.6)</b>	<b>444.3</b>

**Appendix 2: CPCA Capital Programme - 2018/19 (Nov 2018)**

<b><u>Direct Control</u></b>	<b><u>Revised Budget £m</u></b>	<b><u>Actuals to 30 Nov 2018 £m</u></b>	<b><u>Predicted Outturn £m</u></b>
Cambridge South Station	0.25	0.00	0.25
Peterborough University - Business case	0.30	0.00	0.30
Soham Station	2.00	1.26	2.00
St Neots River Northern Crossing cycle bridge	0.50	0.00	0.50
Wisbech Garden Town	1.00	0.09	1.00
Wisbech Rail	0.75	0.01	0.75
Wisbech Access Study	0.30	0.00	0.30
Digital Connectivity Infrastructure	0.44	0.00	0.44
A47 Dualling	1.01	0.33	1.01
Office Accommodation Fitout	0.25	0.25	0.25
<b>Total Committed Direct Control Expenditure</b>	<b>6.81</b>	<b>1.94</b>	<b>6.81</b>
<b><u>Schemes Previously Identified and Costed</u></b>			
Coldhams Lane roundabout improvements	0.30	0.03	0.30
Eastern Industries Access - Phase 1	0.25	0.22	0.25
March junction improvements	0.39	0.19	0.39
Queen Adelaide Level Crossing	0.13	0.01	0.13
Regeneration of Fenland Railway Stations	0.30	0.00	0.30
A10 Foxton Level Crossing	0.50	0.00	0.50
A1260 Nene Parkway Junction 15	0.25	0.25	0.25
A1260 Nene Parkway Junction 32-3	0.15	0.00	0.15
A141 capacity enhancements	0.40	0.05	0.40
A142 Capacity Study	0.15	0.00	0.15
A14 Junctions Improvement feasibility study	0.15	0.00	0.15
A47 Junction 18 Improvements	0.25	0.00	0.25
A505 Corridor	1.00	0.10	1.00
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.23	0.10	0.23
<b>Schemes Previously Identified and Costed Total</b>	<b>4.44</b>	<b>0.95</b>	<b>4.44</b>

<b><u>Passported</u></b>	<b><u>Revised Budget</u> £m</b>	<b><u>Actuals to 30 Nov 2018</u> £m</b>	<b><u>Predicted Outturn</u> £m</b>
Cambridge City Housing Programme	19.43	8.77	19.43
East Cambs - Housing Loan Provision	1.67	0.00	1.67
Housing Investment Programme	6.63	1.08	6.63
LTP Schemes with PCC and CCC	24.52	24.52	24.52
National Productivity Investment Fund	4.65	1.60	4.65
<b>Passported Total</b>	<b>56.89</b>	<b>35.97</b>	<b>56.89</b>
<b><u>Growth Funds</u></b>			
King's Dyke Crossing (Growth Fund)	5.49	0.00	5.49
A428 Cambourne to Cambridge	1.00	0.00	1.00
Ely Rail Improvements	1.80	0.07	1.80
In Collusion	0.12	0.11	0.12
Wisbech Access Strategy - Delivery Phase	1.00	0.00	1.00
Agri-tech	1.98	0.54	1.98
Bourges Boulevard Phase 2	1.35	1.53	1.35
Ely Southern Bypass	3.80	3.81	3.80
Whittlesea and Manea Railway Stations	0.34	0.32	0.34
Local Energy East	0.04	0.04	0.04
ERDF	0.00	0.35	0.00
IMET Phase 3	1.64	1.02	1.64
Lancaster Way Phase 2	0.86	0.00	0.86
University Project Group	0.01	0.01	0.01
COSMOS	0.03	0.03	0.03
<b>Growth Funds Total</b>	<b>19.47</b>	<b>7.82</b>	<b>19.47</b>
<b>Total</b>	<b>87.61</b>	<b>46.67</b>	<b>87.61</b>