



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
5 AUGUST 2020	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an updated budget position for 2020-21 including the revised budget and carry forwards approved by the Combined Authority Board in June.

<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 revised budget for the 2020-21 financial year. b) Note the reduction in expected costs for the Garden Villages project in 2020-21 per paragraph 3.7.	Voting arrangements A simple majority of members

2.0 BACKGROUND

- 2.1. At its January meeting the Combined Authority Board approved the 2020-21 budget; however, in response to the COVID-19 pandemic the Combined Authority revised its priorities to better promote economic recovery and approved an updated budget, along with proposed budget carry forward from 2019-20.

2.2. This paper provides the Combined Authority Board with a summary of the revised budget position, along with other changes to budgets due to Board decisions since January or additional funding being awarded by Government.

3.0 REVENUE BUDGET POSITION

3.1. A summary of the 2020-21 revenue budget is shown below, a detailed breakdown of the revenue budget can be seen at **Appendix 1**.

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000	Para Ref.
Total Grant Income	(34,339.0)	-	(1,378.6)	(35,717.6)	3.2
Total Mayor's Office	466.8	-	-	466.8	
Total CA Gross Staffing Costs	5,201.9	-	-	5,201.9	
Total Other Employee Costs	418.2	-	-	418.2	
Total Externally Commissioned Support Services	359.4	-	-	359.4	
Total Corporate Overheads	600.0	28.4	-	628.4	
Total Governance Costs	164.0	-	-	164.0	
Total Other Corporate Budgets	(686.0)	-	-	(686.0)	
Total Recharges to Ringfence Funded Projects	(1,940.1)	-	-	(1,940.1)	
Total Corporate Services Expenditure	4,117.3	28.4	-	4,145.7	
Total Business and Skills	18,382.6	3,220.4	739.9	22,342.9	3.4
Total Strategy and Delivery	14,031.3	1,193.8	776.5	16,001.6	3.5
Total Housing	83.4	696.2	-	779.6	
Total Workstream Expenditure	32,497.4	5,110.4	1,516.3	39,124.1	

3.2. While the table above indicates an increase in approved expenditure of £6.66m none of this represents an increased pressure on the CPCA's funding compared to the original budget. This is due to the increase being made up of £5.14m of reprofiled budgets from 19-20, £1.36m of new or increased expenditure matched by new and increased grant awards from Government, and £150k of funding moved from subject to approval to approved expenditure.

3.3. As the table above shows there have been a number of new and amended revenue grants received announced by Government:

- £265k increase in the Adult Education Budget
- £290k for a one-year Growth Hub supplement grant
- £440k for the COVID-19 Bus Services Support Grant
- £384k for the Better Deal 4 Buses Grant

3.4. As each of these grants are ringfenced for a specific purpose these will have corresponding increases in expenditure within the equivalent Directorate budget.

3.5. The increase in Business and Skills budget is due to the following:

- £450k due to the increase in the AEB grant allocation, combined with a reduction in the management topslice approved at April's Skills Committee (split across AEB direct provision, programme management, and the new National Retraining Scheme).

- £290k increase in the Growth Hub budget due to increased grant allocation from Government.

3.6. The increase in Delivery and Strategy budget is due to the following:

- £187k for subsidising the X3 Bus route per Mayoral Decision Notice 24-2020
- £440k of payments to bus service operators funded by the new COVID-19 Bus Services Support Grant.
- £150k sustainable travel budget moved from subject to approval to approved per the April Combined Authority Board decision.

3.7 There have been no identified changes in the approved revenue Housing budgets however the expected requirement for revenue funding for the Garden Villages project has been reduced by £200k to £2.8m resulting in a reduction against the overall revenue requirement for the year. This reflects the likely timescales and speed of progressing several garden village sites across the area in 2020/21, where it is unlikely that they will all proceed at the same pace and time. – this can be seen in **Appendix 3**.

4.0 CAPITAL BUDGET

4.1. The updated budget position of the Combined Authorities Capital Programme is shown at **Appendix 2**. Following feedback from the budget setting process the presentation of the programme has been updated to group projects by directorate, in line with the revenue budget and the MTFP but, in contrast to the 2019-20 budget monitoring reports.

4.2. There have been three material changes to the capital grant income since the budget was approved in January:

- £15.0m – the payment of the £100m Cambridgeshire and Peterborough Housing Capital grant due in 2019-20 has been deferred pending a further review in September 2020 in order for MHCLG to be satisfied that sufficient progress has been made with the £100m Housing programme delivery at that time. It is anticipated that this will now be received in 20-21, in addition to the 20-21 allocation.
- £2.94m – the Department for Transport announced the Active Travel Fund in May 2020. This is a mixture of revenue and capital funding but is being reported together for simplicity as the funding is passported to the local Highways Authorities.
- £12.55m – the Department for Transport announced the Pothole and Challenge funds for 20-21, this was a much smaller value (c. £500k) in prior years and was reported within the Highways Capital Maintenance Grants.

4.3. The majority of changes to the Business and Skills capital programme are due to Growth Fund projects approved by the Combined Authority Board on the recommendation of the Business Board between January and June (£41.26m), changes outside of these are reported below:

- -£697k - the Sci-Tech container village has withdrawn, and its Growth Funding allocation has been returned to be allocated to another project.
- £500k - awarded to fund the COVID micro grant scheme.

- 4.4. There have been two material changes to the Delivery and Strategy project budgets:
- £2.94m – expenditure matched to the newly announced active travel fund reflecting the funding to be passported to the two local Highways Authorities.
 - The M11 Junction upgrade project has withdrawn from the Local Growth Fund programme and released its £1m allocation.

- 4.5. The only change to the Housing directorate capital budget is a reduction of £1.12m in profiled expenditure against the Cambridge City Housing Fund as was reported to the Combined Authority Board in June.

5.0 FINANCIAL IMPLICATIONS

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

6.0 LEGAL IMPLICATIONS

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

7.0 Significant Implications

- 7.1. There are no other significant implications.

APPENDICES

Appendix 1 - Breakdown of the 2020/21 revenue budget

Appendix 2 – Breakdown of the 2020/21 capital programme budget.

Appendix 3 – Summary of subject to approval budget lines.

<u>Source Documents</u>	<u>Location</u>
None	n/a



Appendix 1: Breakdown of the 2020/21 revenue budget

	2020-21 Budget	Carry Forward	Budget Adjustments	Revised Budget
	£'000	£'000	£'000	£'000
Grant Income				
Revenue Gainshare	(8,000.0)			(8,000.0)
Mayoral Capacity Fund	(1,000.0)			(1,000.0)
Skills Advisory Panel Grant	(75.0)			(75.0)
Enterprise Zone receipts	(605.3)			(605.3)
Careers Enterprise Company Funding	(52.0)			(52.0)
Adult Education Budget	(11,513.1)		(265.2)	(11,778.3)
Growth Hub Grants	(246.0)		(290.0)	(536.0)
LEP Core Funding	(500.0)			(500.0)
Transport Levy	(12,347.6)			(12,347.6)
COVID-19 bus services support grant	-		(439.5)	(439.5)
Better Deal 4 Buses grant	-		(383.9)	(383.9)
Total Grant Income	(34,339.0)	-	(1,378.6)	(35,717.6)
Mayor's Office				
Mayor's Allowance	85.0			85.0
Mayor's Conference Attendance	10.0			10.0
Mayor's Office Expenses	40.0			40.0
Mayor's Office Accommodation	77.4			77.4
Mayor's Office Staff	254.4			254.4
Total Mayor's Office	466.8	-	-	466.8
Corporate Services				
Combined Authority Gross Staffing Costs				
Business and Skills	1,749.8			1,749.8
Chief Executive	288.1			288.1
Corporate Services	1,517.7			1,517.7
Delivery and Strategy	1,240.7			1,240.7
Housing	405.6			405.6
Total CA Gross Staffing Costs	5,201.9	-	-	5,201.9
Other Employee Costs				
Travel	100.0			100.0
Apprenticeship Levy	19.9			19.9
Conferences, Seminars & Training	90.0			90.0
Change Management Reserve	208.3			208.3
Total Other Employee Costs	418.2	-	-	418.2
Externally Comissioned Support Services				
External Legal Counsel	100.0			100.0
Finance Service	61.4			61.4
Democratic Services	90.0			90.0
Payroll	8.0			8.0
HR	25.0			25.0
Procurement	25.0			25.0
ICT external support	50.0			50.0
Total Externally Comissioned Support Services	359.4	-	-	359.4
Corporate Overheads				
Accommodation Costs	340.0			340.0
Software Licences, Mobile Phones cost	20.0			20.0
Communications	40.0			40.0
Website Development	10.0	28.4		38.4
Recruitment Costs	40.0			40.0
Insurance	30.0			30.0
Audit Costs	85.0			85.0
Office running costs	25.0			25.0
Corporate Subscriptions	10.0			10.0
Total Corporate Overheads	600.0	28.4	-	628.4
Governance Costs				
Committee/Business Board Allowances	144.0			144.0
Miscellaneous	20.0			20.0
Total Governance Costs	164.0	-	-	164.0

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
Other Corporate Budgets				
COVID Pressures	120.0			120.0
Capacity Funding	125.0			125.0
Contribution to the A14 Upgrade	89.0			89.0
Interest Receivable on Investments	(1,020.0)			(1,020.0)
Total Other Corporate Budgets	(686.0)	-	-	(686.0)
Recharges to Ringfence Funded Projects				
Directly Grant Funded Staff	(1,691.2)			(1,691.2)
Directly Grant Funded Overheads	(248.9)			(248.9)
Total Recharges to Ringfence Funded Projects	(1,940.1)	-	-	(1,940.1)
Total Corporate Services Expenditure	4,117.3	28.4	-	4,145.7

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
Business and Skills				
AEB Devolution Programme	10,948.9	336.7	360.7	11,646.3
AEB Innovation Fund - Revenue		336.7		336.7
AEB Programme Costs	388.6		9.1	397.7
Apprenticeship Levy Fund Pooling				-
National Retraining Scheme	-		80.1	80.1
Marketing and Promotion of Services	95.0			95.0
Careers and Enterprise Company (CEC)	80.5			80.5
Energy Hub	697.8	124.8		822.6
EU Exit Funding	181.8	(50.3)		131.5
Growth Hub	246.0		290.0	536.0
HAT Work Readiness Programme	51.0			51.0
Health and Care Sector Work Academy	2,167.8	1,067.8		3,235.6
LEP Capacity Funding	-	188.0		188.0
LIS Implementation	195.0	(18.7)		176.3
Local Growth Fund Costs	480.0			480.0
Market Town Implementation of Strategies	175.0	47.9		222.9
Rural Community Energy Fund (RCEF)	1,713.2	1,052.5		2,765.7
Skills Advisory Panel (SAP) (DfE)	75.0	39.0		114.0
Skills Brokerage	75.0	9.0		84.0
Skills Strategy Implementation	125.0	(4.5)		120.5
SME Observatory	40.0			40.0
St Neots Masterplan	167.0	87.1		254.1
Trade and Investment Programme	100.0			100.0
EZ Funded Growth Company Contribution	230.0			230.0
University of Peterborough	-	4.2		4.2
University of Peterborough - Legal Costs	150.0			150.0
Total Business and Skills	18,382.6	3,220.4	739.9	22,342.9
Strategy and Delivery				
A10 Dualling SOBC	250.0	47.1		297.1
Bus Review Implementation	-	644.0		644.0
Bus Service Subsidisation	-		187.0	187.0
CAM Metro OBC	965.0	391.4		1,356.4
CAM Metro Post OBC Tunnels	-			-
CAM Innovation Company	-			-
Climate Change	125.0			125.0
COVID Bus Service Support Grant			439.5	439.5
Land Commission	-	40.0		40.0
Monitoring and Evaluation Framework	168.7			168.7
Non-Statutory Spatial Framework (Phase 2)	-	71.4		71.4
Public Service Reform	75.0			75.0
Schemes and Studies	100.0			100.0
Sustainable Travel	-		150.0	150.0
Transport Levy	12,347.6			12,347.6
Total Strategy and Delivery	14,031.3	1,193.8	776.5	16,001.6
Housing				
CLT and £100k Homes	83.4			83.4
Garden Villages	-	696.2		696.2
Total Housing	83.4	696.2	-	779.6
Total Workstream Expenditure	32,497.4	5,110.4	1,516.3	39,124.1



Appendix 2: Breakdown of the 2020/21 capital programme budget

	2020-21 Budget	Carry Forward	Budget Adjustments	Revised Budget
	£'000	£'000	£'000	£'000
Grant Income				
£100m Housing Fund	(30,000.0)		(15,000.0)	(45,000.0)
£70m Cambridge City Housing Fund	(15,000.0)			(15,000.0)
Active Transport Grant	-		(2,942.4)	(2,942.4)
Pothole and Challenge Funding	-		(12,554.0)	(12,554.0)
Capital Gainshare	(12,000.0)			(12,000.0)
Highways Maintenance Capital Grant	(23,080.0)		526.0	(22,554.0)
Local Growth Funding	(35,737.6)			(35,737.6)
Transforming Cities Funding	(22,000.0)			(22,000.0)
Total Grant income	(137,817.6)	-	(29,970.4)	(167,788.0)
Business and Skills				
Aerotron Relocation	-		847.5	847.5
Ascendal New Technology Accelerator (Equity)	500.0		465.0	965.0
Cambridge Biomedical MO Building	-		3,000.0	3,000.0
COVID and Capital Growth Grant Scheme	3,000.0	200.0	2,793.9	5,993.9
COVID micro-grants scheme	-		500.0	500.0
Eastern Agritech Initiative	2,189.0	316.8	(810.0)	1,695.8
Endurance Estates	-		2,400.0	2,400.0
Hauxton House Redevelopment (Grant)	-		215.8	215.8
Haverhill Epicentre (Grant)	1,350.0	(187.1)		1,162.9
Illumina Accelerator	2,000.0	1,000.0	(2,000.0)	1,000.0
March Adult Education	-		400.0	400.0
Market Town Master Plan Implementation	-	500.0		500.0
Metalcraft (Advanced Manufacturing)	-		3,160.0	3,160.0
NIAB - Agri-Tech Start Up Incubator (Grant)	2,000.0		442.2	2,442.2
NIAB - Hasse Fend (Grant)	300.0		299.9	599.9
Photocentric	-		1,875.0	1,875.0
Sci-Tech Container Village (Loan)	697.0		(697.0)	-
Small Grants Programme	100.0		(93.4)	6.6
Smart Manufacturing Association	-		715.0	715.0
South Fen Business Park	-		997.0	997.0
Start Codon (Equity)	-		3,342.3	3,342.3
The Growth Service Company (Equity)	-		5,407.0	5,407.0
TTP Incubator	-		2,300.0	2,300.0
TWI - Innovation Ecosystem (Grant)	1,230.0			1,230.0
University of Peterborough - Business Case/Phase 1	11,150.0	1,150.0		12,300.0
University of Peterborough - LGF investment	-		12,500.0	12,500.0
West Cams Innovation Park	-		3,000.0	3,000.0
Total Business and Skills	24,516.0	2,979.7	41,060.1	68,555.8

	2020-21 Budget	Carry Forward	Budget Adjustments	Revised Budget
	£'000	£'000	£'000	£'000
Delivery and Strategy				
A10 Dualling	-			-
A1260 Nene Parkway Junction 15	-	183.8		183.8
A1260 Nene Parkway Junction 32/3	-	17.0		17.0
A141 capacity enhancements	-	478.0		478.0
A16 Norwood Dualling	80.0	(19.0)		61.0
A47 Dualling	-	40.0		40.0
A505 Corridor	-	422.0		422.0
A605 Oundle Rd Widening - Alwalton-Lynch Wood	795.0	(2.5)		792.5
A605 Stanground - Whittlesea	-	1,110.2		1,110.2
Active Travel Grant payments to Highways Authorities	-	-	2,942.4	2,942.4
CAM Innovation Company Set up	-			-
CAM Delivery to OBC	-			-
CAM FBC Preperation	-			-
Cambridge South Station	-	385.3		385.3
Coldhams Lane roundabout improvements	-	409.1		409.1
Digital Connectivity Infrastructure Programme	-			-
Ely Area Capacity Enhancements	-	2,163.3		2,163.3
Fengate Access Study - Eastern Industries Access - Phase 1	-	344.1		344.1
Fengate Access Study - Eastern Industries Access - Phase 2	100.0	46.6		146.6
Highways Maintenance (with PCC and CCC)	23,080.0			23,080.0
King's Dyke	5,922.9	2,696.9		8,619.8
Lancaster Way	2,604.2			2,604.2
M11 Junction 8	1,000.0		(1,000.0)	-
March Junction Improvements	112.0	624.8		736.8
Regeneration of Fenland Railway Stations	1,500.0	207.5		1,707.5
Soham Station	6,000.0	(263.3)		5,736.7
St Neots Masterplan Capital	2,626.0	260.0		2,886.0
Wisbech Access Strategy	9,500.0	494.5		9,994.5
Wisbech Rail	-	341.4		341.4
Total Delivery and Strategy	53,320.2	9,939.8	1,942.4	65,202.3
Housing				
Cambridge City Housing Programme	21,678.9		(1,115.4)	20,563.5
Affordable Housing Grant Programme	17,999.5	5,346.6		23,346.1
Housing Investment Fund - contracted	5,205.3			5,205.3
Total Housing	44,883.7	5,346.6	(1,115.4)	49,114.9
Total Capital Programme	122,719.9	18,266.1	41,887.1	182,873.1



Appendix 3: Summary of subject to approval budget lines

		Original Subject to Approval budget				Increase/Decrease in requirements				Revised Subject to Approval budget			
		2020-21	2021-22	2022-23	2023-24	2020-21	2021-22	2022-23	2023-24	2020-21	2021-22	2022-23	2023-24
Corporate Services Directorate													
Capital	Investment in Finance System	150.0	-	-	-	-	-	-	-	150.0	-	-	-
Business and Skills Directorate													
Revenue	Skills Brokerage	23.0	-	-	-	-	-	-	-	23.0	-	-	-
Capital	Market Town Masterplans	5,000.0	2,500.0	2,000.0	-	-	-	-	-	5,000.0	2,500.0	2,000.0	-
Delivery and Strategy Directorate													
Revenue	Bus Review Implementation	1,200.0	-	-	-	-	-	-	-	1,200.0	-	-	-
	CAM Metro Post OBC Tunnels	2,500.0	-	-	-	-	-	-	-	2,500.0	-	-	-
	CAM Innovation Co.	4,415.2	-	-	-	-	-	-	-	4,415.2	-	-	-
	Local Transport Plan	-	100.0	-	-	-	-	-	-	-	100.0	-	-
	M&E Framework	-	-	36.0	70.0	-	-	-	-	-	-	36.0	70.0
	NSSF2	144.9	100.0	100.0	-	-	-	-	-	144.9	100.0	100.0	-
Capital	A10 Dualling	1,000.0	1,000.0	-	-	-	-	-	-	1,000.0	1,000.0	-	-
	Kings Dyke	2,100.0	-	-	-	-	-	-	-	2,100.0	-	-	-
	Regeneration of Fenland Railway Station	874.0	1,059.0	-	-	-	-	-	-	874.0	1,059.0	-	-
	Wisbech Rail	987.6	2,000.0	3,000.0	5,000.0	-	-	-	-	987.6	2,000.0	3,000.0	5,000.0
	A16 Norwood Dualling	320.0	730.0	12,000.0	-	-	-	-	-	320.0	730.0	12,000.0	-
	A141 Capacity Enhancements	500.0	1,000.0	5,000.0	3,000.0	-	-	-	-	500.0	1,000.0	5,000.0	3,000.0
	A1260 Nene Parkway J15	224.6	8,000.0	-	-	-	-	-	-	224.6	8,000.0	-	-
	A1260 Nene Parkway J32-3	4,530.1	3,500.0	-	-	-	-	-	-	4,530.1	3,500.0	-	-
	Coldhams Land Roundabout	700.0	1,500.0	-	-	-	-	-	-	700.0	1,500.0	-	-
	Digital Connectivity Infrastructure	2,682.0	1,867.5	-	-	-	-	-	-	2,682.0	1,867.5	-	-
	Lancaster Way Phase 2	1,168.2	-	-	-	-	-	-	-	1,168.2	-	-	-
	Ely Area Capacity Enhancement	4,141.4	-	-	-	-	-	-	-	4,141.4	-	-	-
	Fengate access 1	1,000.0	4,890.0	-	-	-	-	-	-	1,000.0	4,890.0	-	-
	Fengate access 2	120.0	700.0	1,280.0	-	-	-	-	-	120.0	700.0	1,280.0	-
	March Junc Improvements	3,198.0	1,550.0	-	-	-	-	-	-	3,198.0	1,550.0	-	-
Wisbech Access Strategy	930.0	3,000.0	-	-	-	-	-	-	930.0	3,000.0	-	-	
Housing Directorate													
Revenue	Garden Villages	3,000.0	-	-	-	(200.0)	-	-	-	2,800.0	-	-	-
Total required revenue budget		11,283.1	200.0	136.0	70.0	(200.0)	-	-	-	11,083.1	200.0	136.0	70.0
Total required capital budget		29,626.0	33,296.5	23,280.0	8,000.0	-	-	-	-	29,626.0	33,296.5	23,280.0	8,000.0