



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
30 SEPTEMBER 2020	PUBLIC REPORT

BUDGET MONITOR REPORT: SEPTEMBER 2020

1.0 PURPOSE

- 1.1 This report provides an update of the 2020/21 financial position as at 31st July 2020 and asks for approval of a budget in line with an historic Combined Authority Board decision.

<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: KDN2020/064 Key Decision: Yes	
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year. b) approve the 20-21 'subject to approval' budget of £1,040k for the Digital Connectivity Infrastructure Programme, in line with the Business Case presented in March 2018	Voting arrangements A simple majority of members

2.0 BACKGROUND

- 2.1. At its June meeting the Combined Authority Board approved a revised 2020-21 budget. This report presents the actual expenditure position as at the 31st July 2020 and the current forecast outturn (year-end) position.
- 2.2. As adopted last year detailed explanations of variances above the materiality thresholds are included in **Appendix 4**.
- 2.3. The thresholds are: £100k in Mayoral and Corporate Services revenue budgets, £250k in Housing, Business and Skills, and Delivery and Strategy revenue budgets, and £500k on all capital projects.
- 2.4. This month the budget report includes a request to move the 20-21 funding from 'subject to approval' to 'approved' for the Digital Connectivity Infrastructure programme. This is an ongoing programme, which we are contractually committed to in line with the business case approved by the Combined Authority Board in March 2018 and should therefore have been identified as an already approved budget when setting the 20-21 Budget and MTFP.

As the Board reserves the right to adjust the Budget, and the decision is over the officer delegated limit of £500k the Board are asked to approve this correction to the 20-21 budget.

3.0 REVENUE BUDGET POSITION

- 3.1. A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the four-month period to 30th July 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**.

2020-21 Revenue	2020-21 Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	FO Variance £'000	Appendix 3 ref:
Total Grant Income	(35,717.6)	(643.6)	(36,392.4)	(25,961.7)	(36,392.4)	-	
Total Mayor's Office	466.8	-	466.8	132.3	466.8	-	
Total CA Gross Staffing Costs	5,201.9	-	5,201.9	1,723.5	5,201.9	-	
Total Other Employee Costs	418.2	-	418.2	20.1	418.2	-	
Total Externally Commissioned Support Services	359.4	-	359.4	93.3	359.4	-	
Total Corporate Overheads	628.4	-	628.4	239.4	628.4	-	
Total Governance Costs	164.0	-	164.0	46.2	164.0	-	
Total Other Corporate Budgets	(686.0)	-	(686.0)	(30.4)	(307.0)	379.0	1
Total Recharges to Ringfence Funded Projects	(1,940.1)	-	(1,940.1)	(475.8)	(1,940.1)	-	
Total Corporate Services Expenditure	4,117.3	-	4,145.7	1,616.2	4,524.7	379.0	
Total Business and Skills	22,374.0	368.4	22,742.4	5,010.0	20,787.3	(1,955.1)	2
Total Delivery and Strategy	16,001.6	3,099.5	19,101.2	7,212.6	18,952.4	(148.8)	
Total Housing	779.6	-	779.6	17.5	779.6	-	
Total Workstream Expenditure	39,155.3	3,467.9	42,623.2	12,240.1	40,519.3	(2,103.9)	

- 3.2. The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against budget of £2.1m (£42.6m-£40.5m), this is predominantly due to a reduction in the spend on the Health and Care Sector Work Academy of £2.2m against budget.
- 3.3. The current approved budget shows total revenue expenditure for the year of £42.6m against a grant income of £36.4m.

- 3.4. The majority of revenue grant income is received 'in advance' and is reported as it is received to enable monitoring of income. There have been two material changes to the Combined Authority's grant income since the previous position reported to Board:
- **£486k** The Dept. for Education announced an allocation for sector based work academies and high value courses for the area which will be received via the Adult Education Budget funding, £306k of this is applicable to the current financial year (Business and Skills Directorate).
 - **£210k** The Ministry for Health, Communities and Local Government announced a grant allocation to the area for Peer to Peer business support grants, the income has a matched expenditure line in the Business and Skills Directorate.
- 3.5. The following material changes to the budget were approved at the August Combined Authority Board meeting and are now reflected in the Delivery and Strategy budget:
- **£350k** allocation to the A141 Huntingdon SOBC
 - **£2,692k** for the CAM innovation Company set-up
- 3.6. One revenue ODN has been included in the update, ODN 209-2020 which committed the Combined Authority to fund a bus link between Cambourne and major employment areas in Cambridge for 12 months from the end of August at a cost of £8.3k pcm (£58.1k in 2020-21), to be funded from the Better Deal 4 Buses grant.
- 3.7. There are two material changes to the forecast outturn position as reported to the 5th August Board meeting;
- **-£2,183k** The Health and Care sector work academy– the project is forecasting an in-year underspend due to a change in the project lifetime agreed with the funder, the Dept. for Work and Pensions. This funding is ringfenced and will now be spent in 2021-22.
 - **294k** Interest receivable on Investments – this is interest earned on treasury management investments. Due to the effect of COVID on interest rates on loans throughout the country the interest rate available on treasury investments is now substantially lower than when the forecast was originally set in January.

4.0 CAPITAL BUDGET

- 4.1. The year to date 'Capital' position of the Combined Authority (as at 31st July 2020) is shown at **Appendix 2**.
- 4.2. The following material changes to the capital programme were approved at the August Combined Authority Board meeting and are now reflected in the budget report:
- **£2,500k** awarded to the CRC Construction and Digital Refurbishment Local Growth Fund capital project.

- **£500k** to both Nene Parkway Junction 32 and A141 Capacity enhancements.
- **£1,995k** awarded to invest in the CAM Innovation company, comprising £1,000k of capital gainshare and £995k of Local Growth Funding.
- **£1,000k** to March Junction Improvements
- **-£2,886k** removal of the St Neots Masterplan Capital budget due to the cancellation of the project – this funding is ringfenced to the town and a replacement proposal is expected.
- **-£4,500k** reduction in the Wisbech Access Strategy project.

4.3. The forecast underspend for the year to July 2020 is £15.3m, an increase of £14.9m from the previous report to 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 4**.

- Digital Connectivity Infrastructure – as noted in the ‘Background section of the report, this is an ongoing programme to which we are contractually committed. The expenditure is reflected in the forecast outturn **£1,295k**
- Cambridge City Housing Programme – the programme is showing an underspend of **-£10.3m** this is due to grant funding being paid directly to the City Council and thus the programme’s expenditure in 20-21 being 50% funded directly by the City Council as reported to the Board in June.
- Affordable Housing Grant Programme – this programme is showing an underspend of **£5.3m** due to projects being delayed due to COVID-19.

4.4. Of the funding for the £100m housing programme, £55m has been received so far. A further £15m was expected to be received in the financial year 2019/20 however despite having 2 review meetings during the year, the funding was held back pending a further review. The further review took place on 8th September 2020 and we are awaiting to hear of the outcome. We have been advised by MHCLG that we can expect to hear about what is being recommended to the Minister before the next Housing Committee meeting on 9th November 2020. We have also requested the final instalment payment for the balance of £30m which is due to be paid in the current financial year.

5.0 SUBJECT TO APPROVAL BUDGETS

- 5.1. Movements from Subject to Approval to Approved must be approved by the Combined Authority Board and are reported in the budget adjustments in the Revenue and Capital tables in this report.
- 5.2. There are no new identified changes to the subject to approval budgets since the previous report to Board leaving £8.6m of revenue and £26.7m of capital budgets yet to be allocated to projects but still forecast to spend in this financial year.

6.0 FINANCIAL IMPLICATIONS

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

7.0 LEGAL IMPLICATIONS

7.1 None.

8.0 Significant Implications

8.1. There are no other significant implications.

• APPENDICES

Appendix 1 - Detailed breakdown of the revenue position for the period to 31st July 2020

Appendix 2 – Capital position for the period to 31st July 2020

Appendix 3 – Subject to Approval budgets

Appendix 4 - Detailed explanations of material variances

<u>Source Documents</u>	<u>Location</u>
March 2018 Board Report on Digital Connectivity Infrastructure Programme	March 2018 Board paper
September 2020 Skills Committee report on Sector Based Work Academies and High Value Courses	Sept 2020 Skills Committee
June 2020 Affordable Housing report to the Combined Authority	June 2020 Board report

Appendix 1: Detailed breakdown of the revenue position for the period to 31st July 2020

<u>Grant Income</u>	May Budget £'000	Adjustments £'000	Current Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Revenue Gainshare	(8,000.0)		(8,000.0)	(8,000.0)	(8,000.0)	-	-
Mayoral Capacity Fund	(1,000.0)		(1,000.0)	(1,000.0)	(1,000.0)	-	-
Skills Advisory Panel Grant	(75.0)		(75.0)	-	(75.0)	-	-
Enterprise Zone receipts	(605.3)		(605.3)	-	(605.3)	-	-
Careers Enterprise Company Funding	(52.0)	(72.9)	(124.9)	-	(124.9)	(72.9)	-
Adult Education Budget	(11,778.3)	(305.7)	(12,084.1)	(11,778.3)	(12,084.1)	(305.7)	-
Growth Hub Grants	(536.0)		(536.0)	-	(536.0)	-	-
LEP Core Funding	(500.0)		(500.0)	(500.0)	(500.0)	-	-
Transport Levy	(12,347.6)		(12,347.6)	(4,115.9)	(12,347.6)	-	-
COVID-19 bus services support grant	(439.5)		(439.5)	(183.6)	(439.5)	-	-
Better Deal 4 Buses grant	(383.9)		(383.9)	(383.9)	(383.9)	-	-
Apprenticeship Levy Fund Pooling	(31.2)	(55.0)	(86.2)	-	(86.2)	(86.2)	-
Peer to Peer Network Funding	-	(210.0)	(210.0)	-	(210.0)	(210.0)	-
Total Grant Income	(35,717.6)	(643.6)	(36,392.4)	(25,961.7)	(36,392.4)	(674.8)	-
Mayor's Office							
Mayor's Allowance	85.0		85.0	28.0	85.0	-	-
Mayor's Conference Attendance	10.0		10.0	-	10.0	-	-
Mayor's Office Expenses	40.0		40.0	3.8	40.0	-	-
Mayor's Office Accommodation	77.4		77.4	31.3	77.4	-	-
Mayor's Office Staff	254.4		254.4	69.1	254.4	-	-
Total Mayor's Office	466.8	-	466.8	132.3	466.8	-	-
Corporate Services							
Combined Authority Gross Staffing Costs							
Business and Skills	1,749.8		1,749.8	556.0	1,749.8	-	-
Chief Executive	288.1		288.1	76.9	288.1	-	-
Corporate Services	1,517.7		1,517.7	535.1	1,517.7	-	-
Delivery and Strategy	1,240.7		1,240.7	393.4	1,240.7	-	-
Housing	405.6		405.6	162.0	405.6	-	-
Total CA Gross Staffing Costs	5,201.9	-	5,201.9	1,723.5	5,201.9	-	-
Other Employee Costs							
Travel	100.0		100.0	4.7	100.0	-	-
Apprenticeship Levy	19.9		19.9	2.0	19.9	-	-
Conferences, Seminars & Training	90.0		90.0	1.4	90.0	-	-
Change Management Reserve	208.3		208.3	12.0	208.3	-	-
Total Other Employee Costs	418.2	-	418.2	20.1	418.2	-	-

-	Budget			Year to-date	Whole Year		
-	May Budget £'000	Adjustments £'000	Current Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Externally Comissioned Support Services							
External Legal Counsel	100.0		100.0	17.9	100.0	-	-
Finance Service	61.4		61.4	18.3	61.4	-	-
Democratic Services	90.0		90.0	47.5	90.0	-	-
Payroll	8.0		8.0	1.3	8.0	-	-
HR	25.0		25.0	1.9	25.0	-	-
Procurement	25.0		25.0	4.2	25.0	-	-
ICT external support	50.0		50.0	2.2	50.0	-	-
Total Externally Comissioned Support Services	359.4	-	359.4	93.3	359.4	-	-
Corporate Overheads							
Accommodation Costs	340.0		340.0	206.2	340.0	-	-
Software Licences, Mobile Phones cost	20.0		20.0	6.9	20.0	-	-
Communications	40.0		40.0	10.1	40.0	-	-
Website Development	38.4		38.4	0.4	38.4	-	-
Recruitment Costs	40.0		40.0	4.0	40.0	-	-
Insurance	30.0		30.0	3.5	30.0	-	-
Audit Costs	85.0		85.0	(0.0)	85.0	-	-
Office running costs	25.0		25.0	7.8	25.0	-	-
Corporate Subscriptions	10.0		10.0	0.5	10.0	-	-
Total Corporate Overheads	628.4	-	628.4	239.4	628.4	-	-
Governance Costs							
Committee/Business Board Allowances	144.0		144.0	46.2	144.0	-	-
Miscellaneous	20.0		20.0	-	20.0	-	-
Total Governance Costs	164.0	-	164.0	46.2	164.0	-	-
Other Corporate Budgets							
COVID Pressures	120.0		120.0	105.0	205.0	85.0	85.0
Capacity Funding	125.0		125.0	-	125.0	-	-
Contribution to the A14 Upgrade	89.0		89.0	-	89.0	-	-
Interest Recievable on Investments	(1,020.0)		(1,020.0)	(135.4)	(726.0)	294.0	294.0
Total Other Corporate Budgets	(686.0)	-	(686.0)	(30.4)	(307.0)	379.0	379.0
Recharges to Ringfence Funded Projects							
Directly Grant Funded Staff	(1,691.2)		(1,691.2)	(421.2)	(1,691.2)	-	-
Directly Grant Funded Overheads	(248.9)		(248.9)	(54.6)	(248.9)	-	-
Total Recharges to Ringfence Funded Projects	(1,940.1)	-	(1,940.1)	(475.8)	(1,940.1)	-	-
Total Corporate Services Expenditure	4,145.7	-	4,145.7	1,616.2	4,524.7	379.0	379.0

	Budget			Year to-date	Whole Year		
	May Budget £'000	Adjustments £'000	Revised Budget £'000		Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
<u>Business and Skills</u>							
AEB Devolution Programme	11,646.3		11,646.3	4,427.2	11,822.2	175.9	175.9
AEB Innovation Fund - Revenue	336.7		336.7	-	336.7	-	-
AEB Programme Costs	397.7	(25.0)	372.7	26.6	372.7	(25.0)	-
Apprenticeship Levy Fund Pooling	31.2	45.0	76.2	5.0	76.2	76.2	-
National Retraining Scheme	80.1	(15.0)	65.1	-	65.1	(15.0)	-
Marketing and Promotion of Services	95.0	-	95.0	2.8	87.8	(7.2)	(7.2)
Careers and Enterprise Company (CEC)	80.5	78.6	159.1	(3.1)	160.0	79.5	0.9
Energy Hub	822.6		822.6	10.7	822.6	(0.0)	(0.0)
EU Exit Funding	131.5		131.5	62.2	131.5	(0.0)	(0.0)
Growth Hub	536.0	(19.0)	517.0	47.6	536.0	-	19.0
HAT Work Readiness Programme	51.0	1.8	52.8	18.3	51.0	-	(1.8)
Health and Care Sector Work Academy	3,235.6		3,235.6	-	1,053.1	(2,182.5)	(2,182.5)
Integrated Insight & Evaluation Programme	-	189.0	189.0	-	189.0	189.0	-
LEP Capacity Funding	188.0		188.0	(61.0)	149.0	(39.1)	(39.1)
LIS Implementation	176.3		176.3	12.9	176.0	(0.3)	(0.3)
Local Growth Fund Costs	480.0	(80.0)	400.0	44.1	480.0	-	80.0
Market Town Implementation of Strategies	222.9		222.9	22.5	222.9	-	-
Peer to Peer Networks Programme	-	210.0	210.0	-	210.0	210.0	-
Rural Community Energy Fund (RCEF)	2,765.7		2,765.7	165.6	2,765.7	-	-
Skills Advisory Panel (SAP) (DfE)	114.0		114.0	8.2	114.0	-	-
Skills Brokerage	84.0	23.0	107.0	-	107.0	23.0	-
Skills Strategy Implementation	120.5		120.5	10.2	120.5	-	-
SME Observatory	40.0	(40.0)	-	-	-	(40.0)	-
St Neots Masterplan	254.1		254.1	58.6	254.1	-	-
Trade and Investment Programme	100.0		100.0	48.6	100.0	-	-
EZ Funded Growth Company Contribution	230.0		230.0	-	230.0	-	-
University of Peterborough	4.2		4.2	6.6	4.2	-	-
University of Peterborough - Legal Costs	150.0		150.0	96.4	150.0	-	-
Total Business and Skills	22,374.0	368.4	22,742.4	5,010.0	20,787.3	(1,555.6)	(1,955.1)

	Budget			Year to-date	Whole Year		
	May Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
<u>Delivery and Strategy</u>							
A10 Dualling SOBC	297.1		297.1	185.1	185.1	(12.0)	(112.0)
A141 Huntingdon SOBC	-	350.0	350.0	-	350.0	350.0	-
Bus Review Implementation	644.0		644.0	73.2	644.0	-	-
Bus Service Subsidisation	187.0	58.1	245.0	-	245.0	58.1	-
CAM Metro OBC	1,356.4		1,356.4	1,256.4	1,356.4	-	-
CAM Metro SPV	-		-	-	-	-	-
CAM Innovation Company	-	2,691.5	2,691.5	1,293.0	2,691.5	2,591.5	-
Climate Change	125.0		125.0	10.0	125.0	-	-
COVID Bus Service Support Grant	439.5		439.5	173.9	439.5	-	-
Land Commission	40.0		40.0	-	40.0	-	-
Monitoring and Evaluation Framework	168.7		168.7	50.6	168.7	-	-
Non-Statutory Spatial Framework (Phase 2)	71.4		71.4	15.5	71.4	-	-
Public Service Reform	75.0		75.0	38.2	38.2	(36.8)	(36.8)
Schemes and Studies	100.0		100.0	-	100.0	-	-
Sustainable Travel	150.0		150.0	0.9	150.0	-	-
Transport Levy	12,347.6		12,347.6	4,115.9	12,347.6	-	-
Total Delivery and Strategy	16,001.6	3,099.5	19,101.2	7,212.6	18,952.4	2,950.8	(148.8)
<u>Housing</u>							
CLT and £100k Homes	83.4		83.4	17.5	83.4	-	-
Garden Villages	696.2		696.2	-	696.2	-	-
Total Housing	779.6	-	779.6	17.5	779.6	-	-
Total Workstream Expenditure	39,155.3	3,467.9	42,623.2	12,240.1	40,519.3	1,395.2	(2,103.9)

Appendix 2: Capital position for the period to 31st July 2020

	Budget			Year to-date	Whole Year		
	May Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Grant Income							
£100m Housing Fund	(45,000.0)		(45,000.0)	-	(45,000.0)	-	-
£70m Cambirdge City Housing Fund	(15,000.0)		(15,000.0)	-	(15,000.0)	-	-
Active Transport Grant	(2,942.4)		(2,942.4)	-	(2,942.4)	-	-
Pothole and Challenge Funding	(12,554.0)		(12,554.0)	(7,402.4)	(12,554.0)	-	-
Capital Gainshare	(12,000.0)		(12,000.0)	(12,000.0)	(12,000.0)	-	-
Highways Maintenance Capital Grant	(22,554.0)		(22,554.0)	(22,554.0)	(22,554.0)	-	-
Local Growth Funding	(35,737.6)		(35,737.6)	(23,825.1)	(35,737.6)	-	-
Transforming Cities Funding	(22,000.0)		(22,000.0)	(22,000.0)	(22,000.0)	-	-
Total Grant Income	(167,788.0)	-	(167,788.0)	(87,781.5)	(167,788.0)	-	-
Business and Skills							
AEB Innovation Fund	-	323.7	323.7	-	323.7	323.7	-
Aerotron Relocation	847.5		847.5	847.5	847.5	-	-
Ascendal New Technology Accelerator (Equity)	571.6	393.4	965.0	-	965.0	-	-
Cambridge Biomedical MO Building	3,000.0		3,000.0	-	3,000.0	-	-
CRC Construction and Digital Refurbishment	-	2,500.0	2,500.0	-	2,500.0	2,500.0	-
COVID and Capital Growth Grant Scheme	5,993.9		5,993.9	1,879.3	5,993.9	-	-
COVID micro-grants scheme	500.0		500.0	393.6	500.0	-	-
Eastern Agritech Initiative	1,695.8		1,695.8	50.3	1,695.8	-	-
Endurance Estates	2,400.0		2,400.0	-	2,400.0	-	-
Hauxton House Redevelopment	215.8		215.8	215.8	215.8	-	-
Haverhill Epicentre	1,162.9		1,162.9	1,162.8	1,162.8	(0.1)	(0.1)
Illumina Accelerator	1,000.0		1,000.0	200.0	1,000.0	-	-
March Adult Education	400.0		400.0	-	400.0	-	-
Market Town Master Plan Implementation	500.0		500.0	-	500.0	-	-
Metalcraft (Advanced Manufacturing)	3,160.0		3,160.0	-	3,160.0	-	-
NIAB - Agri-Tech Start Up Incubator	2,442.2		2,442.2	276.9	2,442.2	-	-
NIAB - Hasse Fen	599.9		599.9	39.6	599.9	-	-
Photocentric	1,875.0		1,875.0	-	1,875.0	-	-
Sci-Tech Container Village (Loan)	-		-	-	-	-	-
Small Grants Programme	6.6	(6.6)	-	0.0	-	(6.6)	-
Smart Manufacturing Association	715.0		715.0	-	715.0	-	-
South Fen Business Park	997.0		997.0	-	997.0	-	-
St Neots Masterplan Capital		386.0	386.0	-	-	-	(386.0)
Start Codon (Equity)	3,342.3		3,342.3	640.1	3,342.3	-	-
The Growth Service Company (Equity)	5,407.0		5,407.0	-	5,407.0	-	-
TTP Incubator	2,300.0		2,300.0	-	2,300.0	-	-
TWI - Innovation Ecosystem	386.0	844.0	1,230.0	6.7	1,230.0	-	-
University of Peterborough - Business Case/Phase 1	12,300.0		12,300.0	442.5	12,300.0	-	-
University of Peterborough - LGF investment	12,500.0		12,500.0	-	12,500.0	-	-
West Cambs Innovation Park	3,000.0		3,000.0	-	3,000.0	-	-
Total Business and Skills	67,318.4	4,440.5	71,758.9	6,155.1	71,372.8	2,817.0	(386.1)

	Budget			Year to-date	Whole Year		
	May Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals £'000	Forecast Outturn £'000	Change in FO £'000	FO Variance £'000
Grant Income							
A10 Dualling	-		-	-		-	-
A1260 Nene Parkway Junction 15	183.8	470.0	653.8	17.6	653.8	470.0	-
A1260 Nene Parkway Junction 32/3	17.0	500.0	517.0	13.5	517.0	500.0	-
A141 capacity enhancements	478.0	500.0	978.0	159.8	978.0	500.0	-
A16 Norwood Dualling	61.0		61.0	57.0	61.0	-	-
A47 Dualling	40.0		40.0	0.5	40.0	-	-
A505 Corridor	422.0		422.0	141.2	272.0	(150.0)	(150.0)
A605 Oundle Rd Widening - Alwalton-Lynch Wood	792.5		792.5	125.5	792.5	-	-
A605 Stanground - Whittlesea	1,110.2		1,110.2	116.3	1,110.2	-	-
Active Travel Grant payments to Highways Authorities	2,942.4		2,942.4	-	2,942.4	-	-
CAM Innovation Company Set up	-	1,995.0	1,995.0	-	1,995.0	1,995.0	-
CAM Delivery to OBC	-		-	-		-	-
CAM FBC Preperation	-		-	-		-	-
Cambridge South Station	385.3		385.3	-	385.3	-	-
Coldhams Lane roundabout improvements	409.1		409.1	30.6	409.1	-	-
Digital Connectivity Infrastructure Programme	-		-	136.8	1,295.0	1,295.0	1,295.0
Ely Area Capacity Enhancements	2,163.3		2,163.3	554.6	2,163.3	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	344.1		344.1	-	50.1	(294.0)	(294.0)
Fengate Access Study - Eastern Industries Access - Phase 2	146.6		146.6	23.4	146.6	-	-
Highways Maintenance (with PCC and CCC)	23,080.0		23,080.0	4,508.8	23,080.0	-	-
King's Dyke	8,619.8		8,619.8	571.7	8,619.8	-	-
Lancaster Way	2,604.2	29.3	2,633.5	-	2,633.5	29.3	-
M11 Junction 8	-		-	-		-	-
March Junction Improvements	736.8	1,000.0	1,736.8	114.6	1,736.8	1,000.0	-
Regeneration of Fenland Railway Stations	1,707.5		1,707.5	31.0	1,707.5	-	-
Soham Station	5,736.7		5,736.7	728.4	5,619.4	(117.3)	(117.3)
St Neots Masterplan Capital	2,886.0	(2,886.0)	-	-	-	(2,886.0)	-
Wisbech Access Strategy	9,994.5	(4,500.0)	5,494.5	305.5	5,494.5	(4,500.0)	-
Wisbech Rail	341.4		341.4	300.7	341.4	-	-
Total Delivery and Strategy	65,202.3	(2,891.7)	62,310.6	7,937.3	63,044.3	(2,158.0)	733.7
Housing							
Cambridge City Housing Programme	20,563.5		20,563.5	995.0	10,281.8	(10,281.7)	(10,281.8)
Affordable Housing Grant Programme	23,346.1		23,346.1	737.5	17,999.5	(5,346.6)	(5,346.6)
Housing Investment Fund - contracted	5,205.3		5,205.3	617.3	5,205.3	-	-
Total Housing	49,114.9	-	49,114.9	2,349.8	33,486.5	(15,628.3)	(15,628.4)
Total Capital Programme	181,635.6	1,548.8	183,184.4	16,442.2	167,903.7	(14,969.3)	(15,280.7)

Appendix 3: Subject to Approval Budgets

		Subject to Approval budget				Changes 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
<u>Corporate Services Directorate</u>													
Capital	Investment in Finance System	150.0	-	-	-	-	-	-	-	150.0	-	-	-
<u>Business and Skills Directorate</u>													
Revenue	Skills Brokerage	-	-	-	-	-	-	-	-	-	-	-	-
Capital	Market Town Masterplans	5,000.0	2,500.0	2,000.0	-	-	-	-	-	5,000.0	2,500.0	2,000.0	-
<u>Delivery and Strategy Directorate</u>													
Revenue	Bus Review Implementation	1,200.0	-	-	-	-	-	-	-	1,200.0	-	-	-
	CAM Metro SPV	2,500.0	-	-	-	-	-	-	-	2,500.0	-	-	-
	CAM Innovation Co.	1,723.7	-	-	-	-	-	-	-	1,723.7	-	-	-
	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	-	650.0	5,000.0	3,000.0	-	-	-	-	-	650.0	5,000.0	3,000.0
	A1260 Nene Parkway J15	-	7,754.6	-	-	-	-	-	-	-	7,754.6	-	-
	A1260 Nene Parkway J32-3	4,030.1	3,500.0	-	-	-	-	-	-	4,030.1	3,500.0	-	-
	CAM Innovation Co. Set-up	-	1,000.0	-	-	-	-	-	-	-	-	-	-
	CAM Delivery to OBC	-	5,000.0	5,000.0	5,000.0	-	-	-	-	-	-	-	-
	CAM FBC Preparation	-	-	1,500.0	1,500.0	-	-	-	-	-	-	-	-
	Coldhams Land Roundabout	700.0	1,500.0	-	-	-	-	-	-	700.0	1,500.0	-	-
	Digital Connectivity Infrastructure	1,940.0	1,867.5	-	-	-	-	-	-	1,940.0	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	2,198.0	1,550.0	-	-	-	-	-	-	2,198.0	1,550.0	-	-
	Wisbech Access Strategy	930.0	3,000.0	-	-	-	-	-	-	930.0	3,000.0	-	-
<u>Housing Directorate</u>													
Revenue	Garden Villages	3,000.0	-	-	-	(200.0)	-	-	-	2,800.0	-	-	-
Total required revenue budget		8,568.6	200.0	136.0	70.0	(200.0)	-	-	-	8,368.6	200.0	136.0	70.0
Total required capital budget		26,659.3	38,701.1	29,780.0	14,500.0	-	-	-	-	26,659.3	38,701.1	29,780.0	14,500.0

Appendix 4 – Detailed explanations of material variances

Operational Revenue Variances >£100k

1. Interest Receivable on Investments		Change in forecast expenditure	£294k
2020-21 Budget	(£1,020k)	Forecast income	(£726k)
<p>In response to the global economic recession due to COVID the Bank of England, in line with many national and international institutions has reduced the cost of borrowing (the base rate) to historically low levels. The cost of debt from the Bank has a knock-on effect on lending rates across the country.</p> <p>As we predominantly lend to other Local Authorities this is further exacerbated as Government has made substantial cash injections into the sector and projects have been put on hold reducing the demand for borrowing and thus the rates achievable.</p> <p>As we make loans of up to 1 year the current forecast should not decrease substantially from this point, however future years income may reduce further depending on the economy's recovery..</p> <p>Forecasts of interest rates will be monitored and a prudent forecast will be used for the medium term financial plan to ensure we do not overcommit.</p>			

Workstream Revenue Variances >£250k

2. Health and Care Sector Work Academy		Change in forecast expenditure	(£2,183)
2020-21 Budget	£3,236	Forecast expenditure	£1,053k
<p>In response to a low level of take-up of courses nationally DWP agreed to the project's change request, which extends the timeframe to achieve the originally agreed outcomes of the project to the end of 2021-22. This includes extending the period over which the grant funds were spent thus allowing the expenditure to be more realistically forecast over this financial year and the next.</p>			

Capital Variances >£500k

3. Digital Connectivity Infrastructure Programme		Change in forecast expenditure	£1,295k
2020-21 Approved Budget	£0k	Forecast expenditure	£1,295k
<p>As set out in this report, we are contractually committed to the Digital Connectivity Infrastructure Programme per the Board Decision in March 2018.</p> <p>The Board is recommended to re-allocate this budget from ‘subject to approval’.</p>			

4. Cambridge City Housing Programme		Change in forecast expenditure	(£10,282k)
2020-21 Approved Budget	£20,564k	Forecast expenditure	£10,282k
<p>As reported to the Combined Authority Board in June, due to 19-20 grant funds being paid directly to the City Council an agreement has been reached that the Combined Authority will only fund 50% of the City’s Housing Programme until the funds paid to the Council directly are depleted, at which point the Combined Authority will return to funding 100% of the programme’s expenditure from the ringfenced grant funds.</p>			

5. Affordable Housing Grant Programme		Change in forecast expenditure	(£5,346k)
2020-21 Approved Budget	£23,346k	Forecast expenditure	£18,000k
<p>There have been issues relating to payments of grants due to slippage of ‘Starts On Site’ when the first tranche of grant is paid and some construction impacts delaying second and final payments upon practical completion. This has been impacted by the COVID pandemic upon the construction industry, whereby most construction sites closed down when the UK went into lockdown from mid-March before slowly opening up from mid-May onwards.</p> <p>We have continued to complete more Grant Funding Agreements on newly approved schemes and more recently the volume of payment requests has picked up.</p>			

