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Revenue Forecast Variances >£200k

1. CEX Net Staffing Costs		Change in forecast expenditure	-£277k
2023-24 Budget	£1,716k	Forecast expenditure	£1,439k
<p>During 2023-24 there has been an external review of the current staffing structure within the CEX office, during this time vacant posts were not recruited to which has created an overall saving within this budget.</p> <p>However, these savings have been offset by some increased costs within the communications revenue budget within the CEX office as there was a need for external support during this time.</p>			

2. HUG2A 23/24 A&A Costs		Change in forecast expenditure	-£2,442k
2023-24 Budget	£3,924k	Forecast expenditure	£1,500k
<p>This is the revenue element of the larger capital programme, detailed reasoning behind both variances is included in item 24</p>			

3. R&P Net Staffing Costs		Change in forecast expenditure	£335k
2023-24 Budget	£2,337k	Forecast expenditure	£2,672k
<p>Some in-year vacant posts across the Resources & Performance directorate have been filled by relatively more costly interim/ agency staff while permanent placements are found.</p>			

4. Growth Co Services		Change in forecast expenditure	-
2023-24 Budget	£4,388k	Forecast expenditure	£3,000k
<p>The contract delivering Growth Co Services with GEG has finished in December 2023.</p> <p>The reduction in forecast represents the final position on the programme. The programme has exceeded the targeted number of new roles to be created during the lifetime of the programme (the main KPI).</p>			

5. UK Shared Prosperity Fund		Change in forecast expenditure	£484k
2023-24 Budget	£2,160k	Forecast expenditure	£640k

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UK Shared Prosperity Fund, a 3-years programme, was launched last year by DLUHC.

The time to mobilise new projects has caused delay in the expenditure, which is forecast to be £0.6m compared to the budgeted £2.2m.

The programme has now picked up speed and there is confidence that the full programme budget will be spent by the end of next year.

The increase in the forecast expenditure of £0.5m is due to the increased speed of delivery of projects since the previous forecast.

6. Skills Bootcamp Wave 3		Change in forecast expenditure	-
2023-24 Budget	£669k	Forecast expenditure	£279k

The programme is now complete.

The forecast reflects the actual cost incurred by the programme, which is lower than budget due to lower than anticipated enrolment numbers.

7. Bootcamp Wave 4		Change in forecast expenditure	-£337k
2023-24 Budget	£1,519k	Forecast expenditure	£850k

The forecast has been revised to reflect anticipated lower enrolment numbers. The enrolment numbers now anticipated are in line with the trend nationwide.

8. E&G Net Staffing Costs		Change in forecast expenditure	-£222k
2023-24 Budget	£569k	Forecast expenditure	£600k

The forecast has been reduced to reflect the decision not to recruit some roles until next financial year.

The budget has also been changed to account for the decision.

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9. Development of Bus Franchising	Change in forecast expenditure	£-450k
2023-24 Budget	£1,050k	Forecast expenditure
		£600k

The work on bus reform has developed during this financial year at pace including the development of the Business Case which is currently being audited by Grant Thornton. The total budget has not been drawn down, primarily due to the audit process still being underway and costs associated with the public consultation not yet being required. In recognition of the long-term responsibilities under either Enhanced Partnership or Franchising, the CPCA have also worked to bring in more permanent members of staff which will also reduce consultant fees. As the public consultation, if approved, will now be carried out in the next financial year the unspent funding will be required in 2024/25, in addition to the funding already allocated in 2024/25 to support the development work on whichever option is chosen.

10. Public Transport: S106 supported bus costs	Change in forecast expenditure	£305k
2023-24 Budget	£0k	Forecast expenditure
		£305k

The estimate here represents the cost of bus services which are supported from section 106 receipts. It is matched by income from various developers which are now reported in the income section, whereas previously these budgets were reported net, and thus a nil budget.

Capital forecast variances >£500k

11. Business Growth Fund	Change in forecast expenditure	-£2,850k
2023-24 Budget	£950k	Forecast expenditure
		NIL

The forecast reflects the changes in the timescale for the launch of the programme, which was originally planned for this financial year, but which will now occur early next financial year.

This follows the appointment of the delivery organisations through competitive tender.

12. Start Codon	Change in forecast expenditure	-£885k
2023-24 Budget	£250k	Forecast expenditure
		NIL

The forecast reflects the lack of equity investments made by Start Codon on the CPCA's behalf during this financial year. This is due to Start Codon going through a phase of consolidation of the existing portfolio.

This budget has also been adjusted to reflect the lack of new investments.

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13. The Growth Service Company		Change in forecast expenditure	-£500k
2023-24 Budget	£4,516k	Forecast expenditure	£4,000k

Growth Co services comprise of funds for grant and inward investment. Despite the positive result of meeting the target for increasing employment numbers in the region, not all the funds allocated to the programme have been utilised by the end of the contract in December 2023. The unused funds will be repurposed by the Combined Authority on other programmes to help economic development and support business.

This budget has also been adjusted to reflect the underspend.

14. Market Town - March		Change in forecast expenditure	£1,022k
2023-24 Budget	£1,434k	Forecast expenditure	£1,556k

The increase of forecast reflects the approval from the Combined Authority Board to spend a further £1m on the Market Town programme in March.

This budget has also been adjusted to reflect the change.

15. Market Town - March Future Highstreet Fund allocation		Change in forecast expenditure	£719k
2023-24 Budget	NIL	Forecast expenditure	£1,000k

The increase of forecast reflects the reallocation of unused funds from other Market Town projects towards the March Future Highstreet Fund.

16. Huntingdonshire Biodiversity		Change in forecast expenditure	-£555k
2023-24 Budget	£800k	Forecast expenditure	£245k

The project start was delayed due to issues with legal agreements meaning some spend will slip into 2024/25

17. Net Zero Villages		Change in forecast expenditure	-£1,000k
2023-24 Budget	£1,000k	Forecast expenditure	£0k

The programme will be run as a competitive grant pot, with circa 50 awards between £15k and

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£30k and is focused on demonstrating suitable projects in areas that may have more limited options to implement climate focused choices. Urban areas and those towns receiving support through the Market Towns Programme will be excluded from the programme. It is intended to launch the programme in May 2024 following work to prepare the process for allocation of the funds.

18. Affordable Housing Grant Programme	Change in forecast expenditure	-£1,938k
2023-24 Budget	£11,672k	Forecast expenditure
		£8,939k

The CPCA is reliant on the delivery of housing from our partner agencies. Completion of the Heylo Allison homes / Keepmoat Paston site previously forecast for the last quarter of this financial year is now forecast for early next financial year. Other sites have now completed so there will be no further slippage this financial year.

19. BP Roundabout	Change in forecast expenditure	-£550k
2023-24 Budget	£550k	Forecast expenditure
		£0k

Delays in finalising legal agreements and the award of contract mean this expenditure will now slip into 2024/25.

20. Fengate Access Phase 1 Upgrade	Change in forecast expenditure	-£2,724k
2023-24 Budget	£7,563k	Forecast expenditure
		£4,839k

The project has been delivered with little use of the risk contingency. A paper on the TIC agenda in March considers the possible uses for this underspend.

21. Local Highways Maintenance & Pothole (with PCC and CCC)	Change in forecast expenditure	£2,909k
2023-24 Budget	£27,695k	Forecast expenditure
		£30,604k

The increase in forecast reflects the extra pothole funding from government announced on 17th November 2023 as part of the Network North policy,

22. March Junction	Change in forecast expenditure	-£660k
2023-24 Budget	£5,573k	Forecast expenditure
		£4,913k

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The project has been delivered with little use of the risk contingency. Further enhancements to the scheme are being delivered but this means that some spend slips into 2024/25

23. Transport Model	Change in forecast expenditure	-£600k
2023-24 Budget	£2,340k	Forecast expenditure
		£1,740k

Consultants for the project have amended the profile of the programme meaning some tasks have been slipped into 2024/25.

24. HUG2A Capital 23/24	Change in forecast expenditure	-£21,838k
2023-24 Budget	£22,338k	Forecast expenditure
		£1,500k

HUG2 was forecast to spend £22.3m (capital) and £3.9m (administration & ancillary revenue) in year 1.

The under delivery is due to four major factors, and is reflected in the performance of other providers of the HUG2 scheme across the country:

- Changes by government to the technical specification and processes between the HUG1 and HUG2 schemes created delay for our major delivery partners.
- Delays in getting our delivery partners to the point of batch submission within the constraints of the restrictive scheme rules for year 1.
- Delays from the batch approval system
- In particular the experience for bricks and mortar properties was much more complex and led to significant delays in identifying and submitting properties for batch approval.

The systems within the programme nationally have now been tested and used and the major delivery partners are now in contract so most of the major causes for delay in the first year of the contract are not expected to impact year 2.

Year 2 delivery within the HUG2 bid was a cautious figure and the delivery capacity of the appointed installers across the territory allow a peak of over 400 properties per month to be completed. Applying prudent assumptions regarding weather and other constraints on year 2 has led to a proposed year 2 target of 1,880 properties, which will enable the Hub to recover a significant proportion of the underspend in year 1 during 2024/25.