



Transport & Infrastructure Committee

18 September 2024

Title:	Budget and Performance Report
Report of:	Tim Greenwood, Finance Manager
Lead Member:	Councillor Anna Smith, Chair of the Transport & Infrastructure Committee
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	No vote required.

Recommendations:

A	Note the financial position of the Transport Division for the financial year 24/25 to July 2024
B	Review and comment on the current Transport budgets within the Combined Authority's Medium-Term Financial Plan and Capital Programme.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Achieving best value and high performance

1. Purpose

1.1	To provide an update of the financial position for 2024/25 and to provide analysis against the 2024/25 budgets, up to the period ending July 2024
1.2	To provide the Committee an opportunity to review the multi-year budgets within their remit and provide a steer to be considered as part of the development of the 2025-26 Medium Term Financial Plan.

2. Background

- 2.1 This report provides an update of the performance against budget up to the period ending July 2024.
- 2.2 The Combined Authority annually approves a budget for the forthcoming year as part of a 4-year Medium-Term financial plan. Development of the plan occurs between September and January each year and the Thematic Committees are engaged throughout to provide the opportunity to shape the development of the budget.
- 2.3 A thorough review of performance, included those indicators captured within the Local Transport and Connectivity Plans, is underway to ensure excellence and alignment with our strategic goals. Productive conversations have taken place between the Combined Authority's Strategic Transport and Policy and Performance Teams, focusing on baselining key information and assessing current progress. This approach enables us to assess our achievements while identifying opportunities for further improvement. Additionally, the Combined Authority will work with officers from the constituent Councils to ensure their needs are fully considered and addressed in an effective manner. Discussions are ongoing regarding the most effective ways to present these findings to Members, ensuring transparency and providing a clear roadmap for future initiatives. This process reflects our commitment to continuous improvement and delivering meaningful results for the community.

3. Revenue Income and Expenditure

- 3.1 A breakdown of the Transport income for the period to 31 July 2024 is set out in Table 1 below.

Table 1

Transport Income	24/25 Actual YTD £k	24/25 Budget YTD £k	24/25 Variance YTD £k	24/25 Budget FY £k	24/25 FO FY £k	24/25 Variance FY £k	24/25 Deferral £k
Highways Maintenance and Pothole Fund	-27,695	-30,604	2,909	-30,604	-30,604	0	-
Bus Service Improvement Plan (BSIP+)	0	0	0	-2,314	-2,314	0	-
Public Transport - Bus Service Operators Grant (BSOG)	0	0	0	-411	-411	0	-
Transport Levy	-4,129	-4,129	0	-13,764	-13,764	0	-
Total Transport Income	-31,824	-34,733	2,909	-47,093	-47,093	0	0

- 3.2 The income received to date in the year is £32m. The variance compared to budget to date is due to timing of the receipt of the highways maintenance grant.
- 3.3 The forecast outturn is in line with the expected budget.

3.4 A breakdown of Transport Revenue Expenditure for period to 31 July 2024 is set out in Table 2 below.

Table 2

Transport Revenue Expenditure	24/25 Actual YTD	24/25 Budget YTD	24/25 Variance YTD	24/25 Budget FY	24/25 FO FY	24/25 Variance FY	24/25 Deferral
	£k	£k	£k	£k	£k	£k	£k
Bus Service Improvement Plan (BSIP+)	93	0	93	2,000	2,000	0	-
Contributions from Mayoral Precept	-3,312	-4,416	1,104	-11,041	-11,041	0	-
Development of Bus Franchising	211	300	-89	1,513	1,513	0	-
Passenger Transport: Cambridge City Services	39	42	-3	130	130	0	-
Public Transport - Bus Service Operators Grant(BSOG)	0	0	0	411	411	0	-
Public Transport - Bus Services	1,744	5,015	-3,271	15,046	15,046	0	-
Public Transport - Concessionary Fares	1,667	3,269	-1,602	9,806	9,806	0	-
Public Transport - Contact Centre	122	104	18	306	306	0	-
Public Transport - Reduced Fares for Under 25's	11	1,600	-1,589	4,000	4,000	0	-
Public Transport - RTPI, Infrastructure & Information	101	120	-19	332	332	0	-
Public Transport - Team and Overheads	209	195	14	584	584	0	-
Total Transport Revenue Expenditure	885	6,229	-5,344	23,087	23,087	0	-

3.5 Expenditure to date is £5.3m lower than budget to date mainly in the area of public transport for the following three reasons:

- 1) The Tiger Pass was launched on the 28 May 2024 and the first invoices for reimbursements from Operators were not due until July, as such there is no spend showing as at the end of June. The launch of the passes has been a success with over 20,000 passes issued at the time of writing. Due to the summer period and that there has not been sufficient time for trend and cost data to be forecast to the end of the year there is currently no variance shown at year end – this will be updated for the committee's next meeting when we will have data for more than a full quarter.
- 2) The Combined Authority has announced 30 new and improved precept-funded routes which are due to go live throughout the Autumn. As these services will only be operating for the latter half of the 2024/25 financial year the full-year costs will not be seen leading to an underspend against the budget. The procurement for those routes is underway and the de minimis services (of which there are 14) will be running from September. The procurement for the other routes will conclude in the autumn with more services becoming operational. Those contracts are for 24 months with a break clause after 12 months. Any forecast underspends confirmed over the next month will be considered in the 2025/26 Medium-Term Financial Planning cycle.
- 3) The Department for Transport announced a new, post-COVID, funding model for concessionary fares to go live in 2024/25 and it was widely anticipated that this would result in a significant increase in the costs of the concessionary fares scheme. To date this increase does not appear to have been realised, and therefore the spend on concessionary fares has been lower than anticipated. This trend will be reviewed with an updated position and forecast reported at the committee's next meeting.

3.6 Forecast outturn shown is in line with expected budget.

4. Capital Expenditure

4.1 A breakdown of the Transport Capital Expenditure for the period to 31 July 2024 is set out in Table 3 below.

Transport Capital Expenditure	24/25 Actual YTD	24/25 Budget YTD	24/25 Variance YTD	24/25 Budget FY	24/25 FO FY	24/25 Variance FY	24/25 Deferral
	£k	£k	£k	£k	£k	£k	£k
A10 Upgrade Capital	172	140	32	2,274	2,274	0	-
A1260 Nene Parkway Junction 15	16	17	-1	23	23	0	-
A1260 Nene Parkway Junction 32-3	1338	1482	-144	2964	2964	0	-
A141 SOBC	448	285	163	5671	5671	0	-
A16 Norwood Dualling	80	80	0	908	908	0	-
A505 Corridor	0	132	-132	132	132	0	-
BP Roundabout Non Motorised User Crossing	0	550	-550	550	550	0	-
Active Travel	76	0	76	3452	3452	0	-
Carlyle Road	0	90	-90	180	180	0	-
Countywide Speed Reduction	0	224	-224	448	448	0	-
East Park Street	0	99	-99	198	198	0	-
Ely Area Capacity Enhancements	0	0	0	124	124	0	-
Fengate Access Phase 1	1324	1325	-1	4266	4266	0	-
Fletton Quays Footbridge	0	143	-143	3428	3428	0	-
Highways Maintenance & Pothole Fund	27577	27695	-118	30,604	30,604	0	-
March junction improvements	795	1149	-354	1,723	1,723	0	-
Peterborough Green Wheel	25	0	25	25	25	0	-
Peterborough Station Quarter LUF	0	5	-5	15,678	15,678	0	-
Smaller Road Safety Measures	0	36	-36	72	72	0	-
Snailwell Loop	0	0	0	150	150	0	-
Soham Station	0	0	0	153	153	0	-
Road Safety Fund	0	0	0	250	250	0	-
Thorpe Wood Cycle Way	58	58	0	166	166	0	-
University Access - Fengate Phase 2	2	0	2	207	207	0	-
Waterbeach Depot Solar PV	0	0	0	2,700	2,700	0	-
Wisbech Access Strategy	26	20	6	523	523	0	-
Wisbech Rail	0	0	0	193	193	0	-
Total Transport Capital Expenditure	31,937	33,530	-1,593	77,062	77,062	0	0

4.2 Current expenditure is slightly below the projected budget, with a variance of £1.5 million. The Combined Authority remain committed to working closely with our partners to ensure that the full forecasted budgets are effectively utilised. Through proactive collaboration and strategic planning, we aim to ensure that all allocated funds are spent efficiently and within the expected timelines, maximising the impact of our investments for the people and businesses of Cambridgeshire and Peterborough.

4.3 Forecast outturn is in line with expected budget.

5. Development of the Medium-Term Financial Plan

5.1	The Combined Authority annually approves a budget for the forthcoming year as part of a 4-year Medium-Term Financial Plan (MTFP). Development of the plan occurs between September and January each year, and the Thematic Committees are encouraged to engage throughout to provide the opportunity to shape the development of the budget.
5.2	The first stage in the update of the MTFP is for officers to review the existing MTFP and highlight areas where there are unavoidable changes which need to be updated to reflect current market conditions – items such as inflation in contracts which need to be updated for current forecasts. Alongside this Members are engaged to highlight areas where there may be investment or saving opportunities within service or thematic areas.
5.3	Appendix 1 sets out the current revenue and capital budgets within the Committee's remit for 2024-25 to 2027-28, as approved by the CA Board in January 2024, and updated for subsequent Board decisions and funding announcements.
5.4	The Committee are asked to review their current programme and provide a view on whether they are content that this will enable the delivery of their strategic objectives over the medium-term and if there are any areas of concern or opportunity which should be considered by Officers and the Board during the development of the 25-26 budget and MTFP.

6. Appendices

6.1	Appendix 1 – Current budget and MTFP
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7. Implications

Financial Implications

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

7.2	The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
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Public Health Implications

7.3	N/A
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Environmental & Climate Change Implications

7.4	N/A
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Other Significant Implications

7.5	N/A
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Background Papers

7.6	None
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