

<b>Agenda Item 10</b>	<b>Appendix</b>
<b>2024/25 Budget Update Report Nov – Detailed Variance Explanations</b>	<b>3</b>

## **-Revenue Forecast Variances >£200k**

<b>1. Devolution trailblazer support</b>		Forecast Variance	<b>-£700k</b>
2024-25 Budget	<b>£940k</b>	Forecast Expenditure	<b>£240k</b>
<p>The general election, and the original extension of the Best Value Notice, delayed the work on the proposition for further devolution, which is now expected to continue in the next financial year supporting the Government on development of the devolution white paper, local growth plans and the future of Mayoral Combined Authorities.</p>			

<b>2. Growth Hub ‘Team Cambridgeshire &amp; Peterborough’</b>		Forecast Variance	<b>-£300k</b>
2024-25 Budget	<b>£573k</b>	Forecast Expenditure	<b>£273k</b>
<p>Recruitment, which was originally planned at the beginning of the financial year has been delayed and is now going ahead during the Autumn. This has fed through into delays in the delivery of activities planned for the current year, which will be requested to carry forward in the next financial year.</p>			

<b>3. Growth Hub</b>		Forecast Variance	<b>NIL</b>
2024-25 Budget	<b>£298k</b>	Forecast Expenditure	<b>£298k</b>
<p>Following confirmation from Department of Business and Trade of the continuation of Growth Hub funding in 2024/25 the budget and forecast have been updated to reflect the £298k allocated to the area. Delivery started earlier in the year and the budget will be fully utilised by the end of March 25 in-line with the funding requirements.</p>			

<b>4. New Economy</b>		Forecast Variance	<b>£30k</b>
2024-25 Budget	<b>£460k</b>	Forecast Expenditure	<b>£490k</b>
<p>The increase in forecast is due to the shift in the activities undertaken under the New Economy which were originally planned within the Sector Business Strategy heading. As such there will be a corresponding underspend on the Sector Business Strategies budget.</p>			

<b>5. Sector Business Strategies</b>		Forecast Variance	<b>-£530k</b>
2024-25 Budget	<b>£630k</b>	Forecast Expenditure	<b>£100k</b>
<p>The reduction in forecast is due to delays in recruitment that temporary reduce the need for external expenditure, which will continue in the future year following further analysis of the sectors and their specific requirements.</p>			

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<b>6. AEB Devolution Programme</b>		Forecast Variance	<b>£1,201k</b>
2024-25 Budget	<b>£10,846k</b>	Forecast Expenditure	<b>£12,047k</b>
<p>The existing budget only partially accounted for the value of the Independent Training Providers' contracts issued for the current financial year based on historic under-delivery on these contracts. More recently we have seen delivery improve on these and so expenditure is anticipated to be higher.</p> <p>The forecast also includes increase of costs for grant providers which are the result on their growth in candidature expected for the current financial year.</p> <p>This over contracting approach was approved by the Skills Committee and CA Board and the funds to cover the increase in spend will be drawn from the AEB ringfenced reserve.</p>			

<b>7. Skills Bootcamp Wave 5</b>		Forecast Variance	<b>NIL</b>
2024-25 Budget	<b>£1,600k</b>	Forecast Expenditure	<b>£1,600k</b>
<p>The budget's increase is the result of the confirmation from Department for Education of the continuation of the Skills Bootcamp Programme (now wave 5). The overall value of the programme is of £2,839k of which £1,600k are expected to be utilised in the current financial year, following the successful tender which has awarded more than 20 courses to 12 providers.</p>			

<b>8. Skills Bootcamp Wave 5 PM costs</b>		Forecast Variance	<b>NIL</b>
2024-25 Budget	<b>£264k</b>	Forecast Expenditure	<b>£264k</b>
<p>The budget's increase is the result of the confirmation from Department for Education of the continuation of the Skills Bootcamp Programme (now wave 5).</p>			

<b>9. UK SPF Skills</b>		Forecast Variance	<b>NIL</b>
2024-25 Budget	<b>£608k</b>	Forecast Expenditure	<b>£608k</b>
<p>The increase in this budget and forecast is the result of the re-categorisation of the staff costs to be recorded separately to the programme budget. The costs that were previously included in this budget are now budgeted for elsewhere in the Shared Prosperity Fund programme therefore there is no net impact on the authority's financial position.</p>			

<b>10. Delivering Health &amp; Wellbeing Strategy Skills</b>		Forecast Variance	<b>-£250k</b>
2024-25 Budget	<b>£500k</b>	Forecast Expenditure	<b>£500k</b>
<p>Limited staffing resources and changes in the Skills', landscape have caused delays in the delivery of this programme, which will continue in the next financial year.</p>			

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<b>11. Sustainable Infrastructure</b>		Forecast Variance	<b>-£400k</b>
2024-25 Budget	<b>£400k</b>	Forecast Expenditure	<b>NIL</b>
<p>The Infrastructure Delivery Framework was realigned and delayed to sit alongside the Local Growth Plan and so the development funds for next steps will be required in 2025/26 rather than 2024/25.</p>			

<b>12. Bus Service Improvement Plan (BSIP+)</b>		Forecast Variance	<b>-£1,000k</b>
2024-25 Budget	<b>£2,000k</b>	Forecast Expenditure	<b>£1,000k</b>
<p>Demand Responsive Services have been delivered later in the year than initially forecast, resulting in a committed spend but not yet fully drawn upon. Investment into other ticketing schemes and bus stops is also being pursued, but has not yet reached the point of implementation and spend.</p>			

<b>13. Development of Bus Franchising</b>		Forecast Variance	<b>-£500k</b>
2024-25 Budget	<b>£1,513k</b>	Forecast Expenditure	<b>£1,103k</b>
<p>Due to the audit process taking longer than forecasted, the consultation and subsequent decisions has been programmed later in the year than initially projected. As a result a portion of the budget has not been utilised post decision, depending on the pathway the authority pursues. As such, this budget is required for implementation planning and due diligence in the new financial year.</p>			

<b>14. Reduced Fares for under 25s</b>		Forecast Variance	<b>-£1,500k</b>
2024-25 Budget	<b>£4,000k</b>	Forecast Expenditure	<b>£2,500k</b>
<p>The Tiger Pass was launched on the 28th of May 2024 and the first invoices for reimbursements from Operators have been lower than expected and although reimbursements have increased at the start of the new academic year this budget is now expected to underspend by around £1.5m.</p>			

<b>15. Public Transport: Concessionary fares</b>		Forecast Variance	<b>-£1,000k</b>
2024-25 Budget	<b>£9,806k</b>	Forecast Expenditure	<b>£8,806k</b>
<p>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. The budget is expected to underspend in the region of £1m. This funding will be slipped into 2025/26 to fund the increased use of concessionary fares following the decision to allow pre 9.30am usage.</p>			

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<b>16. Public Transport: Supported Bus Services</b>	Forecast Variance	<b>-£4,647k</b>
2024-25 Budget	<b>£15,046k</b>	Forecast Expenditure
		<b>£10,399k</b>
<p>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. It is expected that this underspend will be in the region of £4.6m. This funding will be slipped into 2025/26 to fund the routes</p>		

<b>17. LTCP sub-strategy development</b>	Forecast Variance	<b>-£400k</b>
2024-25 Budget	<b>£800k</b>	Forecast Expenditure
		<b>£400k</b>
<p>This programme has been delayed; it has taken longer to commission the work than first thought. A number of scopes are going through procurement now after agreed at Transport and Infrastructure committee but have not started as early as first programmed</p>		

## Capital forecast variances >£500k

<b>1. Business and Social Investment Fund (cap)</b>	Forecast Variance	<b>-£4,000k</b>
2024-25 Budget	<b>£5,225k</b>	Forecast Expenditure
		<b>£1,225k</b>
<p>Delays in launching the Business and Social investment funds with the partners FSE and Allia, have resulted in the reduction of the expected current financial year expenditure. The unutilised budget will be carried forward into the future financial year.</p>		

<b>2. Illumina Accelerator</b>	Forecast Variance	<b>-£800k</b>
2024-25 Budget	<b>£800k</b>	Forecast Expenditure
		<b>NIL</b>
<p>Confirmation has been received during the quarter that the Illumina Accelerator programme has now concluded. The unspent funds will return to capital single pot at year-end and be incorporated into the Combined Authority's budget setting projections.</p>		

<b>3. Start Codon</b>	Forecast Variance	<b>-£590k</b>
2024-25 Budget	<b>£885k</b>	Forecast Expenditure
		<b>£295k</b>
<p>The reduction in the forecast is due to the delay in the disbursement of the funds caused by the restructuring of the programme which will be, going forward, managed by a different entity.  The unutilised budget will be carried forward into the next financial year.</p>		

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<b>4. The Growth Service Company</b>	Forecast Variance	<b>NIL</b>
2024-25 Budget	<b>£572k</b>	Forecast Expenditure
<p>The increase in budget is due to changes in the categorisation of costs incurred by Growth Co throughout its life that now can be claimed to CPCA.</p> <p>The increase in costs is covered by previous years underspends on the investment funds managed by Growth Co through GEG.</p>		

<b>5. Care Home Retrofit Programme</b>	Forecast Variance	<b>-£1,899k</b>
2024-25 Budget	<b>£2,000k</b>	Forecast Expenditure
<p>Applications for these grants has not been as expected and in line with the CA board decision in July this year funds have been diverted into the climate capital fund in 2025/26.</p>		

<b>6. Meanwhile at Core Site, North East Cambridge</b>	Forecast Variance	<b>-£1,000k</b>
2024-25 Budget	<b>£1,000k</b>	Forecast Expenditure
<p>Delays in the finalisation of the plan has caused the delivery to be postponed to the next financial year.</p>		

<b>7. Nature and Environment Investment Fund</b>	Forecast Variance	<b>-£500k</b>
2024-25 Budget	<b>£1,000k</b>	Forecast Expenditure
<p>Delays in finalising the grant funding agreement mean that some expenditure on this project will slip into 2025/26.</p>		

<b>8. Waterbeach Depot Solar PV Smart-grid Project</b>	Forecast Variance	<b>-£2,700k</b>
2024-25 Budget	<b>£2,700k</b>	Forecast Expenditure
<p>Greater Cambridge Shared Waste Service (GCSWS) project team has reviewed project and will now not proceed with the original contract this has resulted in a further period of design work delaying the project into 2025/26.</p>		

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<b>9. Affordable Housing Grant Programme</b>	Forecast Variance	<b>£1,818k</b>
2024-25 Budget	<b>£6,236k</b>	Forecast Expenditure
		<b>£8,054k</b>
<p>The Northminster had been expected to complete during 2025/26, triggering the final grant payment. 315 units have been handed over and completed, 131 of which since the end of September 2024. The remaining units are due for completion by the end of March 2025.</p> <p>This has been offset by delays due to s278 issues and services at Wisbech Road which is now anticipate for completion in July 2025.</p>		

<b>10. Peterborough Station Quarter</b>	Forecast Variance	<b>-£10,601k</b>
2024-25 Budget	<b>£15,678k</b>	Forecast Expenditure
		<b>£5,077k</b>
<p>The submission of the Full Business Case was postponed from October 2024 to January 2025 and Department for Transport approval is anticipated to take place around the start of the next financial year. This means that some spend on specific activities after Full Business Case approval has been shifted to the financial year 2025/26.</p>		

<b>11. Active Travel 4</b>	Forecast Variance	<b>-£2,000k</b>
2024-25 Budget	<b>£3,452k</b>	Forecast Expenditure
		<b>£1,452k</b>
<p>Further development work on some schemes is required in consultation with partners delaying some spend into 2025/26.</p>		

<b>12. Fengate Access Study - Eastern Industries Access - Phase 1</b>	Forecast Variance	<b>-£1,600k</b>
2024-25 Budget	<b>£4,266k</b>	Forecast Expenditure
		<b>£2,666k</b>
<p>At Full Business Case the schemes were costed by a Quantity Surveyor (but not target costed) and those costs were put into the business case to secure the construction budget. As the schemes were not target costed additional elements are included such as contingencies, risk and scope creep which means the budget business case values can be different from the target cost and as the target costs were produced for the different components of the scheme the costs were below what was costed at Full Business Case stage. The project has been delivered with little or no use of the risk contingency. Further enhancements to the scheme had been investigated but refused by the Department of Transport and the project will now underspend.</p>		

<b>13. March Junction Improvements</b>	Forecast Variance	<b>£3,000k</b>
2024-25 Budget	<b>£1,723k</b>	Forecast Expenditure
		<b>£4,723k</b>
<p>The increase in budget reflects the CA board decision to draw down £3m subject to approval budget to allow the project to continue.</p>		

<b>14. Wisbech Access Strategy</b>	Forecast Variance	<b>-£523k</b>
2024-25 Budget	<b>£523k</b>	Forecast Expenditure
		<b>NIL</b>
<p>National Highways has indicated that this scheme will only be considered for further development in the next Road Investment Strategy (RIS) period, covering 2025–2030, delaying the spend on this project.</p>		