



Transport & Infrastructure Committee

26 June 2024

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

Recommendations:

A	Note the outturn financial position of the Transport and Infrastructure Division for the financial year 23/24 and Board approved carry forwards.
B	Note the Transport and Infrastructure Division budget for the next 4 years updated for approved carry forwards.

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 the outturn position for 2023/24 against budgets.
1.2	The Combined Authority annually approves a budget for the forthcoming year as part of a 4-year Medium-Term Financial Plan. More detailed performance data will be presented at the July meeting.

2. Background

2.1	At the last meeting, the Committee was provided with an analysis of the 2023/24 performance against budget to January 2024. This report provides an update covering up to March 2024.
2.2	Details of the Transport and Infrastructure division budgets for the next 4 years are shown in Appendix A.

2.3 The materiality threshold above which changes in forecast expenditure for the year (forecast outturn) are required to provide a specific explanation are £100k for all revenue budgets and £250k on capital projects.

3. Revenue Income and Expenditure

3.1 A breakdown of the Transport income for the period to 31 March 2024 is set out in Table 1 below:

Table 1

Transport Income	23/24 Budget FY £k	23/24 Actual £k	23/24 Variance FY £k	23/24 Approved Slippage £k
Highways Maintenance and Pothole Fund	-30,604	-30,604	0	-
Public Transport - Bus Service Operators Grant (BSOG) CCC	-411	-409	2	-
Public Transport - RTPI, Infrastructure & Information	0	-85	-85	-
Public Transport - Supported bus costs s106	0	-265	-265	-
Transport Levy	-13,494	-13,494	0	-
Total Transport Income	-44,509	-44,857	-348	0

3.2 Income was higher than estimated as RTPI and bus services received funds that was not budgeted for at the start of the year.

3.3 A breakdown of the Transport and Infrastructure Revenue Expenditure for the period to 31 March 2024 is set out in Table 2 below.

Table 2

Transport Revenue Expenditure	23/24 Budget FY £k	23/24 Actual £k	23/24 Variance FY £k	23/24 Approved Slippage £k
Active Travel 4	176	-	-176	-
Bus Reform Programme	517	530	13	-
Development of Bus Franchising	1,050	437	-613	613
Civil Parking Enforcement	150	-	-150	150
Bus Service Improvement Programme	2,000	-	-2,000	2,000
Public Transport - Bus Service Operators Grant (BSOG) CCC	411	409	-2	-
LEVI	403	24	-379	379
Public Transport - Bus Services CCC	5,833	5,592	-241	-
Public Transport - Bus Services PCC	1,275	845	-430	-
Public Transport - Community Transport CCC	247	321	74	-
Public Transport - Concessionary Fares CCC	6,204	4,950	-1,254	-
Public Transport - Concessionary Fares PCC	2,711	2,602	-109	-
Public Transport - Overheads	864	850	-14	-
Public Transport - RTPI, Infrastructure & Information	325	473	148	-
Public Transport - Supported Bus Costs	-	325	325	-
Total Transport Revenue Expenditure	22,166	17,357	-4,808	3,142

3.4 The reasons for the major variances are as follows;

Active Travel 4

This funding was committed by the end of March 2024 and schemes are due for completion by March 2025, in-line with a revision to the agreement with DfT.

Bus Franchising

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 incurred. As the public consultation may now be carried out in 2024/25 the unspent funding will be required later this year.

Civil Parking Enforcement

The Combined Authority has not spent against this budget to date, and further examination is required to justify whether this is the best use of our resources. Timely delivery of civil parking enforcement work could be important in maintaining the efficiency of our transport network. It is important to collaborate closely with our partners to understand their level of commitment to civil parking enforcement and determine whether they seek financial assistance. This partnership approach will help ensure effective implementation and optimise the use of our resources.

Bus Service Improvement Programme (BSIP)

Following recommendation by the Transport and Infrastructure Committee, the November CA Board agreed to allocate its BSIP+ funding against four of five foundational activities including more, and more reliable, bus services, integrated ticketing and improving the availability of service information. All of these activities are scheduled for 2024/25 so the in-year allocation is to be carried forward to meet these commitments.

LEVI

Awaiting signature of funding agreements with delivery partners therefore the project has not been invoiced yet. The project is progressing to time, cost, and programme. Some funding has also been held back following business case submission and continuation of the project, but the funding is not time-sensitive and spend continue if needed into the next financial year.

Bus Services

The variance on the supported bus service is due to two factors, first a £300k budget allocation in September 2023 for the expansion of the DRT pilot network – which was not scheduled for implementation until 2024/25 and this budget will be required in 24/25. The remainder of the variance is due to re-procured routes costing less than envisioned, likely due to planned procurement exercises delivering better value than an emergency response.

Concessionary Fares

Rates of payment to bus operators for concessionary pass use in 2023/24 have remained at pre-COVID levels per advice from the Department of Transport leading to a significant underspend due to the reduced number of pass-users who have returned to regular bus patronage. For 2024/25 the Department have published a new model and expenditure is forecast to increase due to the new calculation methodology.

RTPI

Increased costs associated with the maintenance of RTPI equipment offset by income in Table 1 above.

Supported Bus Service Costs

The spend here represents bus services that are either supported from S106 receipts or are provided as extra services which other local authorities pay directly for. The expenditure is offset by income received shown in Table 1.

3.5 The underspends outlined above fall into two broad funding categories:

Ringfenced Grants

Active Travel 4, BSIP and LEVI are all budgets funded from grants awarded to the Combined Authority specifically for these purposes. None of them are time limited to 2023-24 so carrying them forward to enable delivery against the objectives of the funds in the new year does not create a funding risk.

Passenger Transport Levy

Concessionary Fares and much of the supported bus services are funded from the Passenger Transport Levy. This funding has to be ringfenced for application on costs related to the Combined Authority's Transport responsibilities (passenger transport, LTCP, etc). As such the unspent funds will be retained within an earmarked reserve and future passenger transport levy levels will be set taking into account the balance on that reserve.

Revenue general funds

The development of bus franchising and civil parking enforcement are funded from general revenue funding. This is the Combined Authority's core revenue which is not ringfenced to any particular year or project. As such the delay in the Outline Business Case consultation and implementation of Civil Parking Enforcement will cause the funding to be rolled and available in 24/25.

4. Capital Expenditure

4.1	Transport Capital Expenditure	23/24 Budget FY £k	23/24 Actual £k	23/24 Variance FY £k	23/24 Approved Slippage £k
	A10 Upgrade Capital	3,116	1,302	-1,814	1,814
	A1260 Nene Parkway J15	1,728	1,705	-23	23
	A1260 Nene Parkway Junction 32-3	9,392	6,428	-2,964	2,964
	A141 SOBC	7,001	1,330	-5,671	5,671
	A16 Norwood Dualling	1,221	313	-908	908
	A505 Corridor	135	3	-132	132
	BP Roundabout NMU Access Study	550	0	-550	550
	Cambridgeshire TCF funded Schemes	2,860	2,036	-824	898
	Active Travel 4	3,720	268	-3,452	3,452
	Centre For Green Technology	2,500	2,471	-29	29
	Ely Area Capacity Enhancements	124	0	-124	124
	Fengate Access Phase 1	7,563	3,297	-4,266	4,266
	Fletton Quays Footbridge	465	0	-465	465
	Highways Maintenance and Pothole Fund	30,604	34,586	3,982	0
	King's Dyke	0	1,700	1,700	0
	March junction improvements	5,573	3,850	-1,723	1,723
	Peterborough Green Wheel	631	606	-25	25
	Snailwell Loop	150	0	-150	150
	Soham Station	153	0	-153	153
	Thorpe Wood Cycle Way	635	469	-166	166
	Transport Modelling	2,340	1,408	-932	932
	University Access - Fengate Phase 2	841	634	-207	207
	Wisbech Access Strategy	523	-10	-533	523
	Wisbech Rail	310	117	-193	193
	ZEBRA (buses)	8,508	8,333	-175	175
	Total Transport Capital Expenditure	90,643	70,846	-19,797	25,543
4.2	<p>The reasons for the major variances are:</p> <p>A10 - As previously reported, the Combined Authority is collaborating with the County Council to develop an Outline Business Case (OBC) for the A10 improvements. Governance decisions are being made by the Transport and Infrastructure Committee (TIC) at the Combined Authority, with support from a working group of CPCA and CCC officers, chaired by CPCA officers. The goal is to engage the public later this year, pending TIC approval and ensuring alignment of the business case with the Local Transport and Connectivity Plan as well as central government protocols and policies. It is important to note that the busway consultation, led by the Greater Cambridge Partnership (GCP), is separate from the A10 engagement. While these efforts will be coordinated, the busway consultation will not be included in the A10 project discussions.</p> <p>A1260 – As previously reported, the original project scope has been delivered under budget, with minimal use of the risk contingency. A change request has been discussed with the Department for Transport (DfT) regarding options to enhance the existing project and area using the unutilised funds. If the change request is approved, the underspend will be allocated to these enhancements. Otherwise, the funding will be reallocated within the transport portfolio in line with Transforming Cities Fund criteria.</p>				

A141 – As previously reported, the Combined Authority continues to collaborate with partners on revalidating the original Strategic Outline Business Case to ensure alignment with national and local policies. This effort includes evaluating both strategic passenger transport initiatives and an additional option for a limited road-based intervention, combined with passenger transport and active travel initiatives. This work has involved additional transport modelling to assess the effectiveness of each option. Demonstrating to central government that we have thoroughly examined all feasible options, while maintaining alignment with our local policy objectives outlined in the *Local Transport and Connectivity Plan*, will strengthen our position when seeking funding for the scheme.

A16 – The development of the A16 Norwood business case, originally scheduled for completion by the end of March 2024, has been delayed due to capacity issues at the contracted consultancy. The project is now underway and expected to be completed by the end of July 2024.

BP Roundabout - Delays in the contract award process and legal agreements mean that this project did not commence until April 2024 with the feasibility study due to be delivered by Cambridgeshire County Council over the course of the next financial year.

Cambridgeshire Funded TCF schemes – various minor road improvement schemes across Cambridgeshire were planned in short order, some of which will now be delivered in 2024/25 with the explicit agreement of DfT.

Active travel – This funding was committed by the end of March 2024 and schemes are due for completion by March 2025, in-line with the grant agreement with DfT.

Fengate Access phase 1 - The original project scope and work are nearing completion and currently are under-budget, with little use of the risk contingency. Fletton Quay – As previously reported, the scheme draws on multiple funding sources some of which are time limited. CPCA contribution will be used later in the scheme.

Highways Capital Grant - As part of the budget 2023 the government announced extra funding in year of £4.1m for pothole repair which was passported through to Cambridgeshire County Council and Peterborough City Council. This spend is matched extra grant income. The £118k balance is funding retained by the Combined Authority and used to fund its expenditure on the bus Real Time Passenger Information network.

King's Dyke - Due to timing of evidence on project expenditure in 2023, a claim against the project budget was not accrued as anticipated in the final 2022/23 accounts. As the expenditure was expected in 2022/23 the budget was not carried forward. The project is funded by the Transforming Cities Fund so the funding which was not spent in 2022/23 is available to pay for the spend in 2023/24 so neither the overall funding, nor the project, are impacted.

March Junction – As previously reported, the original project scope is currently being delivered under budget, with minimal use of the risk contingency. A change request has been agreed and further works until Summer 2024 are being undertaken.

Regional Transport Model - An amended profile for the project has been agreed with the appointed consultants due to delays in the project which resulted in some tasks have been slipped into 2024/25, this has also impacted the timeline for involvement of Cambridgeshire's transport team and associated costs. As reported in this month's Director's Report, considerable progress has been made on the Regional Transport Model, with the base network now complete and most data collected despite some delays. The model build is on track to complete in October, with a further update report expected in November 2024, and no extra costs associated with the extended timeline. Additionally, the Peterborough Transportation Model (PTM4) is 90% through pre-calibration and validation, with consistent updates and finalisation of the zoning system.

Wisbech Access Strategy - Issues with the acquisition and subsequent demolition of a property have delayed this project meaning spend has slipped into 2024/25. The apparent negative spend is due to project costs from 2022/23 coming in slightly lower than forecast when making year-end adjustments.

4.3 While there is no capital funding within the Committee's remit which is time limited to 2023/24, and thus no significant funding risk associated with the slippage on the capital programme from 23/24, this is not the case for 24/25.

The Department for Transport requires that both the Transforming Cities Fund (TCF) and the Active Travel 4 (AT4) capital funds must be spent by the 31st March 2025 – if the projects have not spent these funds by that time, they are at risk of losing this funding, with potential significant impacts on deliverability of the schemes.

	<p>These risks are being proactively managed at both the project and programme level (through Project Board and the Transport Programme Board) to ensure the timely delivery of the schemes. In addition, the Combined Authority will continue to engage with the DfT through regular touchpoints and quarterly reporting to central government.</p> <p>The strategic transport team are focussed on these deadlines and are working with delivery partners to ensure that both TCF and AT4 will be spent on the relevant projects ahead of the cut-off.</p>
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5. Implications

Financial Implications

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

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

5.3	N/A
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Environmental & Climate Change Implications

5.4	N/A
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Other Significant Implications

5.5	N/A
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Background Papers

5.6	None
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