

Investment Plan - Quarterly Performance Monitoring Quarter 2 2020/2021 (July - Sept) - Finance Summary

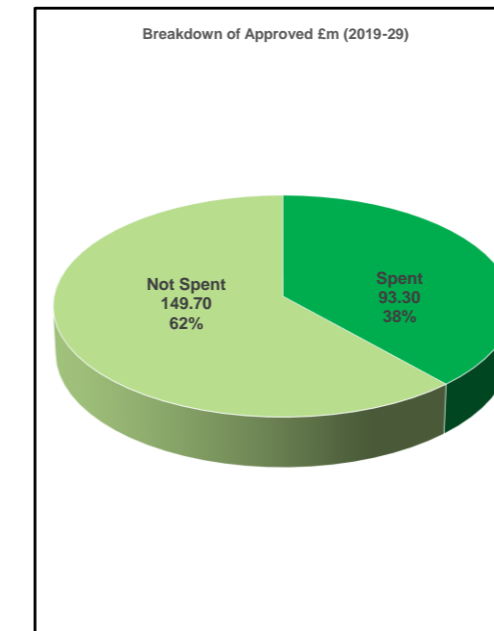
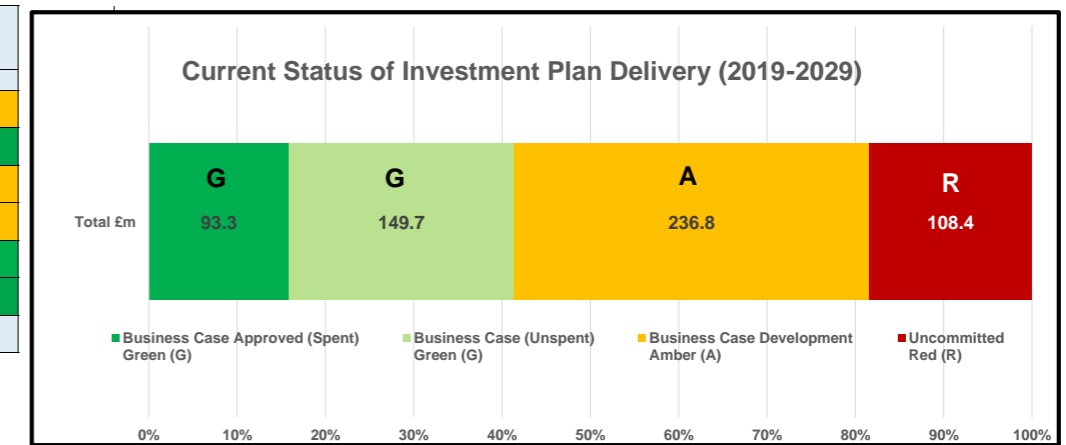
Ten-Year Investment Plan (2019-2029) Update at Q2 July - Sept 2020

TABLE 1) Investment Plan Allocations 2019-2029	2019/20	2020/21	2021/22	2022/23	2023/29	Total 2019/29	Total Previous Quarter	Change in Allocation Since Previous Quarter	Investment Plan Risk Rating
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	
Transport	50.1	19.6	40.3	77.8	68.9	256.7	256.7	→ 0.0	Medium
Education, Employment & Skills	1.0	6.2	12.3	5.5	30.0	55.0	55.0	→ 0.0	Low
Business Growth	14.2	51.0	37.2	21.0	23.1	146.5	146.5	→ 0.0	Medium
Culture & Tourism	0.3	3.1	17.3	19.2	20.1	60.0	60.0	→ 0.0	Medium
Research, Development & Innovation	0.0	1.7	8.5	6.2	3.6	20.0	20.0	→ 0.0	Low
Place	1.2	5.2	11.3	21.3	11.0	50.0	50.0	→ 0.0	Low
Total	66.8	86.8	126.9	151.0	156.7	588.2	588.2	→ 0.0	

TABLE 2) Investment Plan Progress & Spend	Business Case Approved	Business Case Development	Uncommitted	Total	Spend to Date	Of the Approved Balance to Spend	Spend Since Previous Quarter
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Transport	79.2	110.1	67.4	256.7	56.8	22.4	4.3
Education, Employment & Skills	14.5	0.0	40.5	55.0	3.1	11.4	2.1
Business Growth	93.6	52.4	0.5	146.5	30.5	63.1	17.1
Culture & Tourism	3.5	56.5	0.0	60.0	0.9	2.6	0.6
Research, Development & Innovation	2.2	17.8	0.0	20.0	0.5	1.7	0.5
Place	50.0	0.0	0.0	50.0	1.5	48.5	0.2
Total	243.0	236.8	108.4	588.2	93.3	149.7	24.8

Risk Rating: Based on Likelihood and Impact	
Low (L)	On Track
Medium (M)	Plan in Place Monitor Closely
High (H)	Action Plan Required

Progress Rating	
Green (G)	Approved / Spent
Amber (S)	Business Case Development
Red (R)	Uncommitted



Key Points
The allocation table sets out the latest profiled spend of the investment plan. As business cases are developed the profile will be amended to reflect the projected annual expenditure.

£243m (41%) of investment has been approved, of which £93.3m has been spent. In total 15.8% of the overall Investment Plan has been delivered as of Q2 2020/21. The ten year plan is broadly on track if spend was spread equally over the lifetime of the plan. At Q2 2020/21 projects & programmes up to a total value of £236.8m are developing business cases, and projects & programmes up to a total value of £149.7m have approved business cases but are yet to spend. In total this represents 65% of the Investment Plan.

£108.4m of 'uncommitted funds' are allocated to activities that are yet to be fully defined which represents in total only 18% of the Investment Plan. Uncommitted funds primarily relate to future years of the Transforming Cities Fund within the Transport theme and £40.5m of undefined Employment and Skills Programmes.

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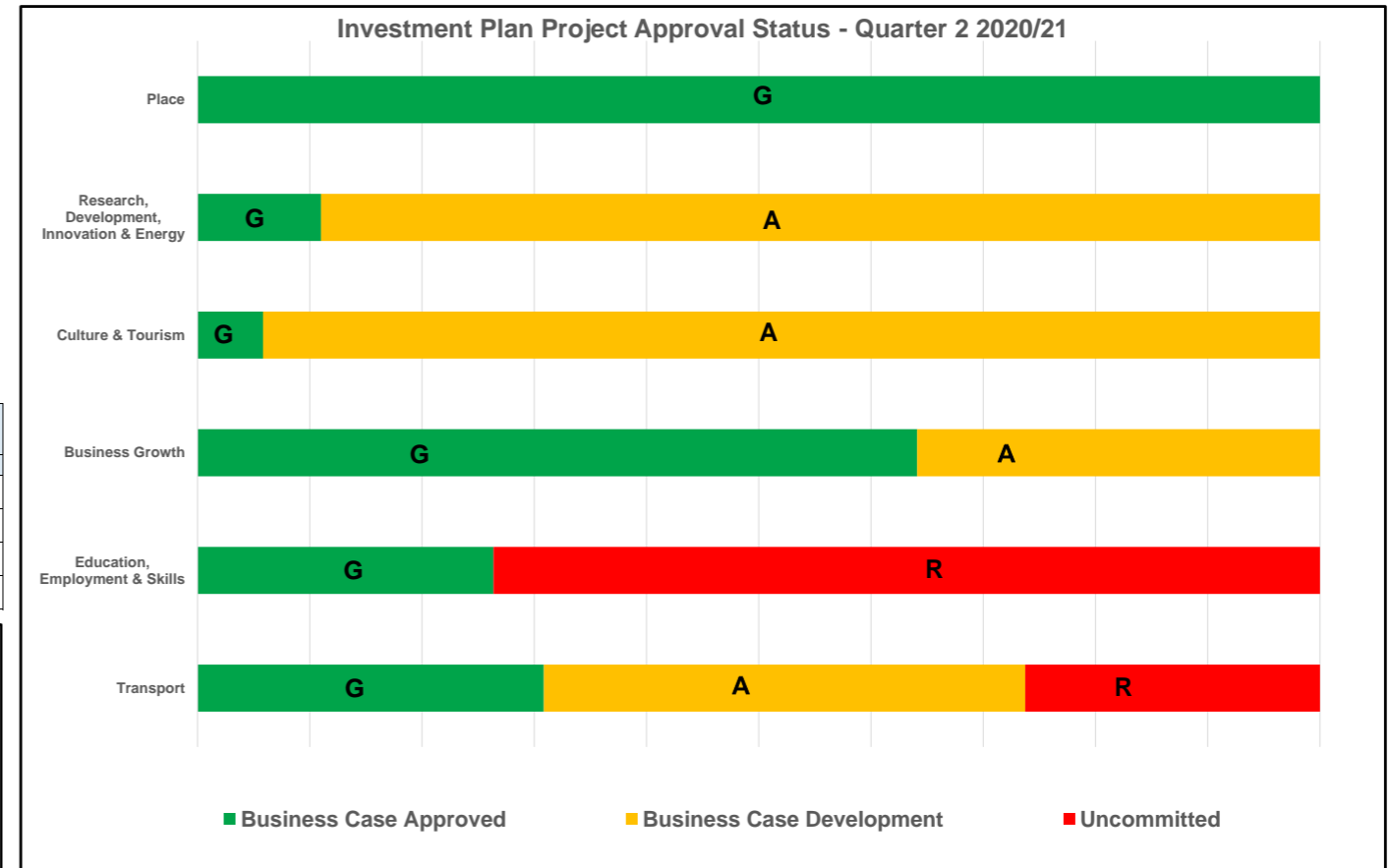
Investment Plan - Performance To Date (Q2 July - Sept 2020)

TABLE 3) Projected Expenditure by Theme 2020/21	Expenditure Forecasts 2020/21					
	Original Investment Plan £'m	Previous Quarter £'m	Projected Expenditure £'m	Change Since Original Investment Plan £'m	Change Since Previous Quarter	Risk in Year
Transport	18.1	22.3	19.6	↑ 1.5	-2.7	Medium
Education, Employment & Skills	8.7	9.5	6.2	↓ -2.5	-3.3	Low
Business Growth	16.8	27.9	51.0	↑ 34.2	23.1	Medium
Culture & Tourism	9.1	11.4	3.1	↓ -6.0	-8.3	Medium
Research, Development & Innovation	2.0	2.2	1.7	↓ -0.3	-0.5	Low
Place	10.0	12.2	5.2	↓ -4.8	-7.0	Low
Sub Total	64.7	85.5	86.8	↑ 22.1	1.3	

TABLE 4) Quarterly Expenditure 2020/21	Q1 - Jun £'m	Apr	Q2 Jul - Sept £'m	Q3 Dec £'m	Oct - Q4 £'m	Jan - Mar £'m	Total 2020/21 £'m	Total Previous Quarter £'m	Change Since Previous Quarter £'m
Forecasted	4.3		21.5	26.8		34.2	86.8	85.5	↑ 1.3
Actual	4.3		24.8	0.0		0.0	29.1	4.3	↑ 24.8
Difference (+/-)	0.0		3.3	-26.8		-34.2	-57.7		
Cumulative	0.0		3.3	-23.5		-57.7			

Key Points

We are increasingly in receipt of more accurate forecasts from project sponsors, this is expected to continue, allowing for more accurate forecasting at the programme level, particularly as Business Cases move through development stages and are approved. In Q2 we have spent £3.3m more than was forecast in Q1 this is because Q1 forecasts were based on an equitable split across the year. Now we are in receipt of more accurate forecasts there is a lower risk of this occurring in forthcoming quarters. In total we have spent £29.1m of the £86.6m forecast over 2020/21 this represents 33%, however, Q1 had been subject to particularly low spend given the disruption caused by the Covid Pandemic, it is anticipated that spend will continue to accelerate as has been the case with Q2. The largest forecast expenditure is on the Transport and Business Growth Themes - these themes have been rated as medium risk, however, revised projections have been based on project specific forecasts and finance plans and are related to acceleration of spend on those projects, which is a mitigating factor and overall cannot be considered to be a major risk to the Investment Plan at the programme level.



Previous Investment Plan and Other Funds Delivery Progress (2017-2019)

TABLE 5) Overall Expenditure	2019/20 £'m	2020/21 £'m	2021/22 £'m	2022/23 £'m	2023/29 £'m	Total 2019/29 £'m	Total Previous Quarter £'m	Change Since Previous Quarter £'m	Overall Risk Rating
Revised Forecast	36.3	65.0	153.2	44.3	23.6	322.4	140.2	↑ 182.2	Medium
Business Case Approved	36.3	65.0	153.2	44.3	15.9	314.7	127.9	↑ 186.8	
> Delivery (spend)	36.3	12.8	0.0	0.0	0.0	49.1	38.3	↑ 10.8	

Key Points

Spend in Q2 of 2020/21 of previous investment plan funds was £10.8m. We are now forecasting £65m of expenditure over 2020/21. In total £182.2m of additional funds have been secured by the Combined Authority to deliver specific projects, largely from Central Government, this includes:
 £19.8m Brownfield Housing Fund
 £17.4m Getting Building Fund
 £53.6m Teesworks Infrastructure
 £8.8m of ERDF SME's Business Growth Grant Scheme
 Although only £12.8m of spend for 2020/21 has been achieved to date with a further £52.2m forecast for the remaining two quarters - this is not considered to be a considerable risk given spend is tied to the delivery of specific projects, however we are committing development resource where necessary to ensure delivery.

