

## Draft 2023/24 budget and medium-term financial plan 2023 to 2027

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Lead Member:	Deputy Mayor Anna Smith
From:	Jon Alsop, Chief Finance Officer
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <p>a) Approve the Draft Budget for 2023/24 and the Medium-Term Financial Plan 2023/24 to 2026/27 for consultation.</p> <p>b) Approve the timetable for consultation and those to be consulted.</p>
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

## 1. Purpose

- 1.1. The Combined Authority Board is recommended to approve the draft unbalanced budget 2023/24 and Medium-Term Financial Plan to 2026/7 for public engagement and feedback through consultation.
- 1.2. According to Chapter 4 of the Constitution, functions reserved to the Combined Authority Board include the adoption of the non-mayoral Combined Authority budgets, the Medium-Term Financial Plan and Capital Programme and fiscal strategy to reflect any taxation proposals such as local taxation.
- 1.3. Chapter 7 of the Constitution sets out the Budget Framework Procedure rules including how the Combined Authority will make decisions on the budget.
- 1.4. The process for the approval of the Mayoral budget is set out in 'The Combined Authorities (Finance) Order 2017'.
- 1.5. This paper sets out the proposed Combined Authority draft Budget for 2023/24 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2023/24 to 2026/27.
- 1.6. The paper also sets out the proposed timetable for the consultation and approval of the draft budget and MTFP, and the suggested consultees in line with statutory timescales.
- 1.7. The consultation exercise will request consultees to provide comment and suggestion on how to balance the 2023/24 budget for consideration by the Board at its January meeting.

## 2. Background

- 2.1. According to the Constitution, "The draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee."
- 2.2. Whilst there is no requirement in the Finance Order 2017 for the Combined Authority to consult on its budget, Local Authorities have a duty to consult where its decision will impact residents.

### Development Timetable

- 2.3. The proposed timetable for approving the budget and MTFP is set out below and is in accordance with the key dates and statutory deadlines set out in the Constitution (Budget Framework) and the Finance Order. A more detailed timeline is included as Appendix 3.

Proposed Statement and Budget Setting Timetable	Day	Date
CPCA Board Meeting (to receive and approve the draft Budget and MTFP for consultation)	Wed	30/11/22
Draft Budget Consultation Period Starts	Thu	1/12/22

Overview and Scrutiny Committee Meeting (Consultation)	Mon	tbc
Consultation Ends	Fri	13/01/23
Overview and Scrutiny Committee Meeting	Mon	tbc
CPCA Board Meeting to Approve the 2022/23 Budget and MTFP	Wed	25/01/23

#### 2.4. Consultees

The consultees on the draft budget and MTFP must, as a minimum, include the following organisations:

- Cambridge City Council
- Cambridgeshire County Council
- East Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- Peterborough City Council
- South Cambridgeshire District Council
- The Business Board
- CPCA Overview and Scrutiny Committee

The draft budget and MTFP will also be set out on the Combined Authority website and a communications campaign will be run to encourage public engagement and feedback.

### Emerging Combined Authority Strategy

- 2.5. A refreshed overarching strategy for the Combined Authority is emerging at pace. A draft strategic vision and four areas of priority have been identified as a result of informal feedback from some key stakeholders, evidence and insight, links to and coherence with detailed sub strategies and delivery plans, and the Mayoral Ambition for the remainder of this term. This emerging strategy will continue to be subject to further engagement, including being informed by the proposed budget consultation, prior to being considered fully by Combined Authority Board in January 2023.
- 2.6. The overall strategy proposes to further enable a prosperous Cambridgeshire and Peterborough region; one that is more equitable, more environmentally sustainable, and securing good growth for its residents and businesses. The emerging priority areas are focused on achieving good growth; increasing connectivity; seeking ambitious skills and employment opportunities; and enabling resilient and adaptable communities.
- 2.7. The outputs of the Improvement Plan, such as improvements to governance, strategic and policy frameworks, and establishing the revised leadership structure and capacity, will provide a strong foundation to achieve the strategic vision and priorities.

## Budget Setting Objectives

- 2.8. The overarching objective is to set an affordable and balanced budget that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority.
- 2.9. The Combined Authority approved the 2022/23 budget and MTFP following the adoption of the Sustainable Growth Ambition Statement. The inclusion of a number of new climate-related project proposals together with the addition of further transport and skills projects in March 2022 allocated the vast majority of the Combined Authority's available funds across the MTFP period. This substantially provided the baseline position for the development of the 2023/24 budget and MTFP update.
- 2.10. The focus to date has been on updating and rolling forward existing budgets and allocated 'subject to approval' funds whilst reviewing the profile of projects and programmes across the period of the MTFP. Whilst there are limited changes to existing projects included in the budget and MTFP, the impact of a worsening economic environment including rising inflation has created significant budgetary pressures that require the Board to consider service delivery and funding options to balance the budget.
- 2.11. This draft budget also includes some new funding and related expenditure e.g. from the UK Shared Prosperity Fund (UKSPF).
- 2.12. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:
- Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2023/24 onwards to ensure that spending plans continue to be affordable.
  - The 2023/24 Budget and MTFP provides a clear presentation of capital and revenue budgets. This is still based on the historic Directorate basis. While the new Directorate structure was formally adopted by the CA Board in October there is ongoing strategy and governance work which will result in revised roles and responsibilities for Committees which will not complete until early 2023. Once this is approved the Combined Authority's budget will be re-mapped to match. This will not change the approved budgets and projects but will change the headings against which each budget is reported.
  - The staffing structure and budgets will continue to be managed at a corporate level by the Chief Executive as Head of Paid Service.
  - The Budget and MTFP identifies staffing costs and other contributions to 'overheads' associated with grant funded programmes and these are recharged to the relevant directorate budget line.
  - The Budget and MTFP provides a clear presentation of projects where budget lines have already been approved by the Board, and of those projects which are 'Subject to Approval'.
  - The Budget takes a prudent approach to funding – new funding sources are not recognised until funding agreements have been received from Government.
- 2.13. In accordance with the Constitution, all expenditure lines which are indicated 'subject to approval' will need to be approved by the Board before any expenditure can be incurred

against them.

- 2.14. All Revenue and Capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget, subject to the Board's decision on service options and related funding to manage budgetary pressures in the immediate and longer term. These budget pressures are set out below.
- 2.15. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

## Draft budget for 2022/23 and MTFP for the period 2022/23 to 2026/27

- 2.16. This report presents draft Revenue and Capital Budgets, reflecting decisions taken by the Combined Authority Board up to the end of October 2022, in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper aligns Directorate Budgets with funding sources. The budget tables also differentiate between budgets which can be committed without further Board approval ('approved' projects and non-discretionary operational costs) and those that are 'subject to approval' by the Board.

## Funding

- 2.17. Funding summaries for planned and projected 'Revenue' expenditure and 'Capital' expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 below. These show the expected fund balances available in each year of the MTFP and are made up of reserves brought forward and expected in year funding. These tables show the movement against these funds for both 'approved' and 'subject to approval' expenditure profiles. The overall balance for Revenue at the end of each year and at the end of the MTFP period (2026/27 - £3.14m), and for Capital (2026/27 - £20.37m), indicate that the budget is balanced and affordable before taking account of the significant Passenger Transport budgetary pressure as outlined below.
- 2.18. The Combined Authority is aware that it cannot achieve the scale of its ambition with its resources alone and so will seek to work collaboratively with its Constituent Authorities, Central Government, and local businesses to leverage other funding sources and ensure that the maximum impact, and value for money, can be delivered from the resources devolved to the area.
- 2.19. In Table 1, the 'Earmarked Reserves' line is made up of the minimum revenue reserve, the election reserve and a top-slice funding reserve. The top-slice reserve is fully committed in 2023/24. The 'EU Funds' are a combination of both European Research Development Funding and European Social Funding grants. Other Transport and other Business and Skills are made up of accumulated small grants in those areas.
- 2.20. In response to the increasingly uncertain environment in which the Combined Authority operates, the level of forecast overspend on supported bus routes in 2022-23, and the substantial increase in inflation seen throughout 2022-23, the Combined Authority has

increased its minimum revenue reserve levels to 4.5% of planned revenue expenditure in 2023-24.

- 2.21. The Business Board's revenue funds are a combination of locally retained enterprise zone receipts and interest on loans made from the recycled capital funding sources.
- 2.22. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds.
- 2.23. Whilst individual approved budgets are required to include contingency funding, including an element for inflationary pressures, an additional allowance has been made within a corporately held capital contingency reserve to enable some flexibility if there are exceptional pressures beyond what was included when a project was approved.

## Significant Budgetary Pressure – Passenger Transport

- 2.24. In previous years the Combined Authority has been able to set a balanced budget while delivering on its strategic objectives. However, the unprecedented pressures arising from supported bus routes has resulted in a potential impact which cannot be met within the existing resources while maintaining a balanced position over the medium term.
- 2.25. Following the withdrawal of the incumbent operator from a raft of supported bus services, citing unmanageable increases in costs from fuel and petrol alongside cuts in government grant funds, the Combined Authority had to undertake an emergency re-procurement of these routes to avoid significant hardship on residents who rely on them to engage with society. Following these retenders the costs of supported bus services for the final 5 months of the year are expected to have increased by £1.7m, a 50% overspend on a £3.4m annual budget.
- 2.26. To deliver the existing network for the whole of 2023-24 would cost an estimated £7m, double the planned budget of £3.5m.  
However this is subject to significant uncertainty both from a funding side, as Central Government grants and policy is as-yet unconfirmed, and in terms of costs, as increased high inflation means there is the prospect of potential further withdrawal of routes by existing operators.
- 2.27. The CPCA Board will need to consider options to:
  - a) Continue with the existing network which will require additional funding to meet the £7m costs;
  - b) Limit the provision of bus services to be contained within the existing £3.5m funding envelope, which would require additional service reductions of the order of the services which were recently withdrawn by the operator; or
  - c) Expand and improve the existing service provision to deliver some combination of additional routes, more frequent services, infrastructure improvements, marketing and ticketing schemes. All of these would require additional funding in excess of option a) above

2.28. If the Board were to choose to maintain or enhance current services, a range of funding options could be considered including:

- Seeking contributions from Constituent Councils
- Delivering targeted efficiency savings
- A one-off call against reserves, which may only provide temporary respite
- Introducing a mayoral precept

Table 1 - CPCA Revenue Funding Summary

	2022/23	2023/24				2024/5				2025/6				2026/27			
Source of Funding	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Revenue Single Pot	(9,237)	(7,740)	5,822	2,119	(9,036)	(7,740)	7,707	1,841	(7,228)	(8,000)	8,559	1,517	(5,152)	(7,740)	8,358	1,390	(3,144)
Earmarked Reserves	(3,002)	(260)	696	-	(2,566)	(416)	466	-	(2,516)	-	780	-	(1,736)	(260)	-	-	(1,996)
Transport Levy	(748)	(13,495)	13,495	-	(748)	(13,764)	13,764	-	(748)	(14,040)	14,040	-	(748)	(14,321)	14,321	-	(748)
Business Board Revenue Funds	(552)	(1,033)	806	-	(779)	(1,004)	388	-	(1,395)	(986)	388	-	(1,993)	(986)	388	-	(2,591)
Other Business	(12)	(2,301)	779	1,522	(12)	(5,605)	739	4,866	(12)	(621)	621	-	(12)	(621)	621	-	(12)
EU funds	(342)	(635)	977	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Zero Hub	(643)	-	488	-	(155)	-	-	-	(155)	-	-	-	(155)	-	-	-	(155)
Adult Education Budget (AEB)	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)
Other Skills	(1,026)	(1,495)	2,599	-	78	(1,395)	1,472	-	155	-	-	-	155	-	-	-	155
Other transport	(838)	(411)	411	-	(838)	(411)	411	-	(838)	(411)	411	-	(838)	(411)	411	-	(838)
<b>Total</b>	<b>(18,360)</b>	<b>(40,297)</b>	<b>38,999</b>	<b>3,641</b>	<b>(16,016)</b>	<b>(43,262)</b>	<b>37,875</b>	<b>6,707</b>	<b>(14,697)</b>	<b>(36,985)</b>	<b>37,726</b>	<b>1,517</b>	<b>(12,439)</b>	<b>(37,265)</b>	<b>37,026</b>	<b>1,390</b>	<b>(11,289)</b>

Table 2 - CPCA Capital Funding Summary

	2022/23	2023/24				2024/5				2025/6				2026/27			
Source of Funding	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	(19,141)	(12,000)	13,510	15,538	(2,093)	(12,000)	5,661	7,624	(808)	(12,000)	42	4,390	(8,376)	(12,000)	-	-	(20,376)
Capital contingency reserve	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)
Net Zero Retrofit Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	(7,863)	-	4,628	-	(3,235)	-	3,130	-	(105)	-	-	-	(105)	-	-	-	(105)
Recycled Growth Funds / Getting Building Fund	(9,623)	(522)	2,630	-	(7,515)	(522)	1,136	-	(6,901)	(184)	99	-	(6,986)	(184)	-	-	(7,170)
SPF Capital	-	(1,520)	-	1,520	-	(3,705)	-	3,705	-	-	-	-	-	-	-	-	-
DfT Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-
<b>Total</b>	<b>(36,627)</b>	<b>(41,737)</b>	<b>48,463</b>	<b>17,058</b>	<b>(12,843)</b>	<b>(43,922)</b>	<b>37,622</b>	<b>11,329</b>	<b>(7,814)</b>	<b>(39,879)</b>	<b>27,836</b>	<b>4,390</b>	<b>(15,467)</b>	<b>(39,879)</b>	<b>27,695</b>	<b>-</b>	<b>(27,651)</b>



## The Combined Authority's Budget

- 2.29. The revenue budget covers the operational costs of the Combined Authority including staffing and staff related costs, corporate overheads and externally commissioned costs. Other 'revenue' costs include:
- Business Board funding and activities.
  - Ongoing devolution of the Adult Education Budget (AEB)
  - Drawdown from the Mayoral Election Reserve to fund the costs of the election in 2025/26.
- 2.30. Overall affordability is a key principle in creating a lawful budget and for ensuring financial control over the period of the MTFP. The budget has also been presented to highlight the governance processes for budget lines which are described as 'Approved' and 'Subject to Approval' Schemes.
- An **Approved Budget** line is one that the Board has already approved. Spending against budget lines is permitted without further approval.
  - A **Subject to Approval** budget line is noted within the overall budget affordability envelope, but further approval will be required from the CA Board to approve the spending.
- 2.31. A highlight of the key projects and programmes for each of the Directorates is included below and a detailed breakdown of Directorate budgets and anticipated MTFP expenditure is shown in **Appendices 1 and 2**. Please note that where a budget line is not specified, this is deemed to be an Approved Budget line.

## Mayor's Budget

- 2.32. The Mayor's Office budget envelope is included within this report for completeness as it draws on CPCA funding sources. However, the mayoral budget has a different approval process to the non-Mayoral Combined Authority budget. The process for determining the mayoral budget is set out in the Combined Authorities (Finance) Order 2017.

## Corporate Services Directorate

- 2.33. There is significant inflationary pressure on the staffing budget due to the cost of living crisis. The draft budget has been increased by 5% in 2023.24 then 4% each year from 24/25 which is in line with other Local Authorities.
- 2.34. Given the 'non-discretionary' nature of the majority of Corporate costs, which are driven by policy and operational requirements, all but the capacity funds are deemed as "Approved".
- 2.35. Corporate Services are those services which support the business of the organisation. They comprise finance, legal, governance and audit, procurement, HR and communications. Two of the three statutory officers, the Monitoring Officer and the Chief Finance Officer are based in this Directorate. Together they provide the foundation that supports the business, skills, transport and housing teams to deliver to the people of Cambridgeshire and Peterborough. The Corporate Services Directorate comprises professionally qualified officers with specialised knowledge, exercising best practice to serve internal officers in the delivery of the corporate objectives.
- 2.36. The key functions of this Directorate are to ensure economy and efficiency in the delivery of services by providing a balanced budget which aligns with the business plan, regulate the good conduct of members and officers, ensure that the work of the organisation is communicated to the public and provide advice to the various decision-making groups, such as the CPCA Board meeting, the Overview and Scrutiny Committee and the Audit & Governance Committee. The officers of this team are constantly assessing the work of the CPCA to ensure that decisions make best use of public funds, are lawful and meet the policy goals of the members.
- 2.37. The Combined Authority delivers relatively few services directly and commissions the majority of its project work through delivery partners, including Constituent Councils. As the Authority's staff are therefore further removed from the construction of physical projects the majority of staff are not capitalised. This, along with the fixed costs which come with any Local Authority regardless of size, result in a higher proportion of staff costs within the revenue budget than is common in traditional Local Authorities.
- 2.38. The previously provided allowance to service borrowing has been removed from the revenue budget as there are currently no projects funded by borrowing in the capital programme. Any projects which may require borrowing in future will need to demonstrate their ability to cover their borrowing costs to be considered prudential.
- 2.39. The forecast income from the Combined Authority's Treasury Management portfolio has been increased to reflect the rise in UK interest rates.

## Response Funds

- 2.40. The Corporate Response Fund enables the organisation to react to emerging ideas, concepts, and central Government policy. Use of this funding requires the approval of the Chief Executive.

- 2.41. The “Programme Response Fund” allows flexibility to respond to emerging issues and opportunities. The Programme Response Fund is ‘Subject to Approval’ and so requires Board approval prior to allocation.

## Business and Skills Directorate

- 2.42. Our vision is to deliver the Board’s goal of doubling our economy, under the devolution deal, in a way that is fairer, more inclusive, and would not happen without the activity and programmes of the Combined Authority. One that is greener for the planet, transforms life chances and healthier for our communities.
- 2.43. Our mission is to level-up the opportunity of access to both high-quality education and high-quality employment, in order to tackle persistent inequalities in economic, social and health outcomes across our communities.
- 2.44. The new Employment and Skills Strategy and Economic Growth Strategy, both approved by the CA Board in 2022 set out challenges and opportunities to deliver on the overarching vision defined in the devolution deal.
- 2.45. The Employment and Skills Strategy recognises that to address the systemic skills challenges is a long term project and therefore a number of longer term system change outcomes have been identified. This year we will work with partners to drive forward this ambition.
- 2.46. In terms of employment and skills this means:
- **Inspiring more young people into careers that can transform their life chances**, raising social mobility across the Combined Authority, and especially in Peterborough and Fenland which are ranked 191st and 319th respectively, out of 324 local authority districts, putting them in the bottom 40% and 2% respectively of places nationally.
  - **Tackling the inequalities in access to further (FE) and higher education (HE)** that hold back life chances and progress to improve related health and social outcomes. Building FE and HE capacity to provide more adults, of all ages, with an education able to improve their access to better jobs and prosperity, raising the proportion of the population in the north from just 30% gaining a NVQ4 or above qualification to the 43% national average. Chief amongst our aspirations to raise life chances through education, is the establishment and development of a university for Peterborough and the Fens.
- 2.47. However, filling the higher-level skills gap in Peterborough and the Fens, will have limited impact on real lives, without effective measures to significantly grow the business demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones, more evenly across our places.
- 2.48. Green and inclusive business growth support is key to levelling-up, already well underway through an integrated and powerful array of support that accelerates our recovery by strengthening our businesses and workforce capacity for rebound and regrowth. The Growth Works Service is enabling this as it enters its third year of delivery in 2023,

providing significant job growth from the programme and a legacy of job growth for the Business Board over the next 5 years. This service will continue to deliver during 2023 with evaluation and design to be undertaken to inform the next iteration of business support provision, working with the Business Board to bring forward proposals that deliver against the new Economic Growth Strategy.

The current programme will continue to provide for most of 2023:

- **A Growth Coaching Service** to engage and support our highest potential firms to speed their growth, build their capacity for growth, and sustain their period of growth.
  - **An Inward Investment Service** to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects.
  - **A Skills Brokerage Service** to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors.
  - **A Capital Growth Investment Fund** to help SMEs, grow through organic expansion, offering an integrated range of grants, loans and equity products unavailable commercially.
- 2.49. Contributing to delivery of Levelling Up across all of the Combined Authority will be the portfolio of projects being delivered via the UK Shared Prosperity Fund and Rural England Prosperity Fund, which during 2023-24 will comprise targeted interventions, outputs and outcomes in Communities and Place plus Local Business pillars of the programme.
- 2.50. **Place based innovation is key to levelling-up.** However, replicating the “Cambridge Phenomenon”, that has taken five decades to organically evolve and develop, requires a specifically designed and long-term programme of interventions that balance supply of improved human capital with the demand for it, created by indigenous and inward business growth, that is higher value, requiring higher level skills. As demonstrated in Cambridge, research is fundamental to achieving this - it produces the new ideas and technologies that enable entrepreneurs to start up, existing businesses to scale-up; and for new tech-firms to spin-out of universities. Having won funding for, and started construction on, the first three buildings of the university campus in Peterborough, now is the time to deliver on the CPIER ambition to increase innovation-based business growth in the north by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation eco-system to promote inclusive growth. Future phases of the university project will realise this ambition.

## Delivery and Strategy Directorate

### Transport

- 2.51. The Combined Authority is the area’s Strategic Transport Authority, as such it has responsibility for creating and owning the statutory Local Transport and Connectivity Plan (LTCP) – this sets out the long-term strategy to improve transport for both the people and businesses of Cambridgeshire and Peterborough, with our constituent Council’s Local Plans adhering to the LTCP. Reflecting the impact that internet connectivity has on transport needs, the Combined Authority has rolled Connectivity into the Plan forming the

LTCP; following public engagement and a formal public consultation the final document will be presented to the Combined Authority Board in March 2023 (subject to the release of government guidance). Following this, next year the Combined Authority will be finalising its delivery plan that will illustrate a golden thread between the Plan's objective and the work programme and pipeline of schemes for the region. In addition, further work will be undertaken to develop child documents within the Plan's suite, such as modal and geographical specific strategies and policies.

- 2.52. Along with the LTCP the Combined Authority has responsibility for shaping the bus network across the region. This includes paying for concessionary fares as well as supporting bus services to ensure that remote areas of the County are not excluded. The Combined Authority with partners have revised our Bus Service Improvement Plan that was previously submitted to government following collaborative working with our local bus services, the Greater Cambridge Partnership and the Local Highways Authorities. The BSIP strongly aligns to the emerging Bus Strategy that sets out our vision for a bus network for the area that is fast, frequent, reliable, and ready to help drive a modal shift in transport.
- 2.53. The landscape for bus provision across the region has changed markedly over the last couple of years, giving a need to revisit the strategy for taking the bus network forward. There are significant challenges – lower patronage, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages. Meanwhile, the ambitions for what the bus network needs to achieve are growing, as set out in the Combined Authority's Local Transport and Connectivity Plan to dramatically boost bus provision and in parallel cut private vehicle travel by 15%. Achieving this will see bus patronage more than double, compared to 2019 levels, with some 60-75 million passenger journeys anticipated. Therefore, the Combined Authority will be restarting its consideration of different options, including franchising, for the area.
- 2.54. The Transport team also programme manage a portfolio of large capital projects delivering journey improvements and public health benefits across the region to help deliver the Combined Authority's commitment to double GVA – these projects are predominantly funded by the Transforming Cities Fund, a £95m fund devolved to the area with the Combined Authority able to direct to where it will create the greatest impact.

## Strategy and Climate Change

- 2.55. This area leads on strategic planning with responsibility for an overall spatial framework for the area and development in 2023 of a statutory local nature recovery strategy. It supports implementation of the Climate Action Plan, taking forward the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate, with wide ranging implications for both the public and private sectors in the Combined Authority area.
- 2.56. It holds responsibility for both the programme management office (PMO) and the analysis functions, providing management, monitoring and evaluation across the Combined Authority's portfolios of projects. The PMO oversees the project delivery pipeline and provides valuable management support for specific Projects. The analysis function ensures provision of high-quality data to decisionmakers to enable policy to be based on the best available evidence. This can include commissioning additional external data and evidence work. It supports the Board in developing its policies and priorities and ensuring

the strategic policy framework is up to date.

- 2.57. This area also manages specific projects including the digital connectivity programme, covering broadband, mobile and public access Wifi. This is to ensure that Cambridgeshire and Peterborough have leading-edge digital connectivity infrastructure needed for local businesses to thrive, make it easier to access public services, and that no communities are left behind.

## Housing Directorate

### Affordable Housing programme

- 2.58. The CPCA Board paper on the future of Housing (June 2022) recognised that there is a need to deliver genuinely affordable housing across the Combined Authority Area, however with no further financial support from DLUHC beyond the end of the current programme the CPCA does not have the financial support to deliver anything significant and regional housing support will have to come through Homes England.
- 2.59. The Combined Authority's Affordable Housing programme ran to 31 March 2022 and is delivering 1,457 housing units utilising £55.4m of capital.
- 2.60. As at the end of October 2022, 499 homes have been completed with the remainder at various stages of development and construction. 2 loans with ECTC at Haddenham and MOD Ely are due for re-payment on 31<sup>st</sup> March 2023.

### Community Led Housing

- 2.61. CPCA is offering grants to genuine community led affordable housing schemes that deliver legitimate community engagement, transparency and democracy, Support is offered through respected independent Community homes consultants Eastern Community Homes, with both start up and development preparation grants.

### Prospects beyond March 2023

- 2.62. There is no expectation of there being any additional DLUHC money available that could provide a funding source.
- 2.63. CPCA will continue to support community led housing schemes as referred above.
- 2.64. The CPCA should retain some basic capability to bid for any future Housing grant or funding opportunities that may arise.
- 2.65. The programme to March 2023 needs to be managed to completion with phased grant payments being required as developments pass through construction stages to practical completion. The balance of the final housing loan with Laragh homes at Histon Road Cambridge is due for re-payment in May 2023 and needs to be monitored.

## Significant Implications

### 3. Financial Implications

- 3.1. There are no financial implications beyond those identified in the paper.

### 4. Legal Implications

- 4.1 The budget setting process is as set out in the Combined Authority's Constitution

### 5. Appendices

- 5.1 Appendix 1 – Draft 2023/24 Revenue Budget and Medium-Term Financial Plan
- 5.2 Appendix 2 – Draft Capital Programme 2023/24 to 2026/27
- 5.3 Appendix 3 – 2023/24 Budget Setting Timetable

### 6. Background Papers

- 6.1 [Combined Authority Constitution](#)