

BUDGET AMENDMENT

Proposer: Cllr C Boden

Seconder: Cllr Anna Bailey

THE CPCA BOARD NOTES, IN RELATION TO BUSES:

1. That current pressures on the 2023/24 CPCA Budget primarily relate to additional subsidies for bus services in Cambridgeshire & Peterborough.
2. That the CPCA is the only Mayoral Combined Authority which received no Government funding in the announcements made in March/April 2022 for Bus Service Improvement Plan (BSIP) grants and for Sustainable Transport Settlements. According to the Gov.uk website, other Mayoral Combined Authorities received:
 - a. Greater Manchester: £1.173bn
 - b. Liverpool City Region: £729m
 - c. North of Tyne: £163.5m (including area outside the Mayoral Authority)
 - d. South Yorkshire: £575m
 - e. Tees Valley: £314m
 - f. West Midlands: £1.146bn
 - g. West of England: £651m (including area outside the Mayoral Authority)
 - h. West Yorkshire: £907m
3. That no attempt appears to have been made by the CPCA to lobby Government for at least partial inclusion in the funding for Sustainable Transport Settlements, or at least for some compensatory and complementary payments given its exclusion.
4. That according to Government, failure to obtain BSIP grants demonstrated a “lack of ambition”, although Transport Secretary Mark Harper has clearly and categorically stated in a Parliamentary answer that this does NOT relate to road charging, and that road charging has never been a Government requirement to receive BSIP funding.
5. That Stagecoach announced in Summer 2022 its intention to withdraw or reduce more than 20 bus service routes in Cambridgeshire & Peterborough, some of which were then provided with additional subsidy by the CPCA under new contracts, in most but not all cases using a different operator.
6. That, according to the most up-to-date information provided to the Board by CPCA Officers, the ten most costly subsidised bus service contracts (on a per passenger journey basis) would cost the CPCA £634,133 to renew for the financial year 2023/24, but that these services only relate to 7,246 return journeys a year, at an average subsidy of £87.52 per return journey.
7. That the Mayor has taken it upon himself both to chair the Transport & Infrastructure Committee and to fulfil the Combined Authority Lead Member position for Finance.

THE CPCA BOARD NOTES, IN RELATION TO HOUSING:

1. That the CPCA no longer has any new funding to promote affordable housing.
2. That the CPCA is now merely managing down the three remaining outstanding housing loans and the remaining grant monies allocated to specific affordable housing schemes.
3. That the outstanding loans are scheduled to be repaid by May 2023.
4. That, with respect to affordable housing grants, no new grants are expected to be made.
5. That, regardless of the above points, revenue staffing expenditure of £167,000 is included in the draft budget for 2023/24 in respect of housing.

ADDITIONALLY, THE CPCA BOARD NOTES THAT, AT A TIME OF SIGNIFICANT FINANCIAL CHALLENGE BOTH FOR THE AUTHORITY AND FOR LOCAL RESIDENTS, THERE IS NO ROOM IN THE 2023/24 BUDGET FOR VANITY PROJECTS OR FOR PROJECTS WHICH ARE DESIRABLE BUT NOT URGENTLY REQUIRED:

1. The City of Cambridge Capital of Culture project is a vanity project with a revenue provision of £156,000 in the proposed CPCA 23/24 Budget.
2. The proposed CPCA Budget includes a revenue provision of £75,000 for a rewilding project.

THE CPCA BOARD NOTES, IN RELATION TO THE DRAFT 2023/24 BUDGET OVERALL:

1. That the CPCA's external auditors, Ernst and Young, set out serious value for money concerns in a letter dated 1st June 2022, including concerns about investigations into key individuals in the Mayor's office following a whistleblower notification and an increased number of employment claims against the Authority.
2. That Government is currently withholding funds from the CPCA because of the concerns raised by Ernst and Young.
3. That significant sums of money have already been spent settling employment claims and committed in the implementation of the Improvement Plan.
4. That the CPCA still lacks clear definition of the aims, objectives and priorities of the Mayor.
5. That, as the Mayor moves towards setting those priorities through the CPCA Board, there will be opportunities for choices, and reductions of expenditure, to be made.
6. That the current CPCA workforce numbers demonstrate an unacceptable and relatively uncontrolled expansion of bureaucracy within the CPCA.
7. That it is both appropriate and desirable to set in-year savings targets in 2023/24 and subsequent years to ensure the overhead expenses are better controlled and more closely aligned to the priorities which the CPCA will set.
8. That the Chief Executive has already tasked officers to design an efficiency savings programme.

IN RELATION TO SUBSIDIES FOR BUSES, THE CPCA BOARD BELIEVES THAT ADDITIONAL SUBSIDIES PROPOSED FOR 2023/24 SHOULD BE REGARDED AS A SINGLE-YEAR BUDGET PRESSURE. THIS IS BECAUSE:

- a) The Mayor has cited bus service improvements as the key priority for his Mayoral term and it is therefore expected that bus services will be prioritised, both in terms of effort and funding, in the future CPCA strategy being driven through the Improvement Board work. The Mayor's strategy will need to make choices to ensure CPCA lives within its means.
- b) Longer term, CPCA is working to transform bus services in Cambridgeshire and Peterborough, through its emerging Bus Strategy, the Bus Service Improvement Plan work and its pursuit of franchising or an enhanced bus partnership.
- c) Whilst franchising or an enhanced bus partnership alone will not necessarily in itself bring more funding into the CPCA, it can deliver a well evidenced plan for an affordable and sustainable bus service network and it can yield early improvements.
- d) Shorter term, CPCA is devising a bus service framework to inform decision making about the viability of subsidised services, the contracts for which (with the exception of TING) are all due to end in March 2023.
- e) In the event of the CPCA failing to achieve the above measures, a further opportunity to re-balance priorities and funding for the CPCA will be available in its 2024/25 budget setting process.

- f) Further, whilst the CPCA has not endorsed or even discussed the Greater Cambridge Partnership's (GCP) plans for a Future Bus Network paid for by road charging, a decision on the plans is due to be taken by the GCP in June with a decision on road charging by Cambridgeshire County Council expected shortly afterwards, with fundamental consequences as to how bus services would be paid for in the future.

THE CPCA BOARD FURTHER NOTES THE OVERWHELMING OPPOSITION FROM LOCAL RESIDENTS IN ITS CONSULTATION TO THE IMPOSITION OF A NEW MAYORAL PRECEPT FOR 2023/24.

THE CPCA BOARD BELIEVES:

1. That the main purpose of entering into a devolution agreement was for Cambridgeshire and Peterborough to receive powers and funding from Government to implement decisions at a local level, not as a new method to raise funds through local taxation.
2. That the CPCA should live within its means, rather than placing additional tax burdens on local people.
3. That local tax payers should not be expected to pay for the failures of the Mayor and the CPCA.
4. That at a time when many local residents' finances are under pressure, a Mayoral Precept should be introduced only if there is absolutely no alternative available.
5. That it is indefensible, when CPCA finances are restricted and in the absence of a comprehensive sustainable bus strategy, to propose to include £634,133 in the CPCA 2023/24 budget to provide bus subsidies at an average rate of £87.52 per return journey
6. That it is indefensible, when CPCA finances are restricted and taxing residents is being proposed, that projects such as Cambridge City of Culture are being proposed for inclusion at a revenue cost of £156,000.
7. That in-year overhead efficiency savings, in line with CPCA priorities, are both achievable and desirable, and that a modest in-year savings target of 5% per annum is both proportionate and appropriate, but with an initial savings target of £350,000 in 23/24 to reflect the significant opportunities for cost-saving and project prioritisation once priorities are properly determined by the Authority for the year.
8. That management of the run-off of the residual and declining affordable housing programme could be adequately managed within existing budgets elsewhere in the CPCA.
9. That reserves are at a level where additional one-year non-recurring costs can be absorbed in 2023/24, whilst appreciating that choices will need to be made in subsequent years as to the prioritisation of the CPCA's many programmes and ambitions.

THE CPCA BOARD THEREFORE AGREES TO AMEND THE REVENUE ELEMENT OF THE DRAFT 2023/24 CPCA BUDGET AS FOLLOWS:

1. CESSATION OF SUBSIDY FOR THE TEN BUS SERVICE CONTACTS LISTED IN APPENDIX 1:	-£634,133
2. PROVISION FOR IN-YEAR EFFICIENCY SAVINGS:	-£350,000
3. CESSATION OF HOUSING OVERHEAD EXPENDITURE:	-£167,000
4. CANCELLATION OF CAMBRIDGE CAPITAL OF CULTURE PROJECT:	- £156,000
5. POSTPONEMENT OF REWILDING PROJECT:	-£75,000
6. REDUCTION IN RESERVES:	-£2,241,994
7. CANCELLATION OF PROPOSED MAYORAL PRECEPT:	+£3,624,127

APPENDIX 1

Service	Route	Average Weekly Passenger Return Journeys (21/22)	Cost per Return Passenger Journey
7A	Trumpington P&R – Hinxton – Whittlesford – Trumpington P&R	7	£256.43
Citi 5 & 6 / Busway A	Madingley / Boxworth – Cambridge	2	£149.10
19	Haverhill - Linton - Burrough Green	11	£117.76
15	Over - St Ives	4	£111.00
31	Cambridge - Stapleford - Fowlmere	20	£108.05
22	St Ives - Warboys	13	£94.17
18	Newmarket - Fulbourn	6	£76.77
75	Cambridge - Orwell - Wrestlingworth	34	£61.80
415	Peterborough - Upwood	4	£61.47
8	Cambridge - Dry Drayton - Papworth Everard	39	£55.60