



## Report title: 2021/22 draft budget and medium-term financial plan 2021 to 2025

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	25 November 2020
Lead Member:	Lead Member for Finance and Investment
From:	Jon Alsop, Chief Finance Officer
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	The Combined Authority Board is recommended to:  a) Approve the Draft Budget for 2021/22 and the Medium-Term Financial Plan 2021/22 to 2024/25 for consultation  b) Approve the timetable for consultation and those to be consulted
Voting arrangements:	A simple majority of all Members.

## 1. Purpose

- 1.1. According to 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 the Capital Programme.
- 1.2. The process for the approval of the Mayoral budget is set out in 'The Combined Authorities (Finance) Order 2017'.
- 1.3. This paper sets out the proposed Combined Authority draft Budget for 2021/22 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2021/22 to 2024/25. The paper also sets out the proposed timetable for the consultation and approval of the draft budget and MTFP, and the suggested consultees.

## 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.”*

## Budget Development Timetable

2.2. The proposed budget setting timetable for the draft budget and MTFP is as follows:

<b>Proposed Budget Setting Timetable Draft 2021/22 Budget and MTFP</b>	<b>Day</b>	<b>Date</b>
Overview and Scrutiny Committee Meeting (to discuss the Budget and consultation process)	Mon	23/11/20
CPCA Board Meeting (to receive and approve the draft Budget and MTFP for consultation)	Wed	25/11/20
Budget Consultation Period Starts	Thu	26/11/20
Overview and Scrutiny Committee Meeting (Consultation)	Mon	14/12/20
Budget Consultation Ends	Thu	31/12/20
Overview and Scrutiny Committee Meeting	Mon	25/01/21
CPCA Board Meeting to Approve 2021/22 Budget and MTFP	Wed	27/01/21

2.3. This is in accordance with the key dates and statutory deadlines as set out in the Constitution (Budget framework) and the Finance Order (where these fall on weekends the final working day has been substituted):

<b>Date</b>	<b>Activity</b>
Thursday 31 <sup>st</sup> December 2020	Deadline for Draft CA budget to the CA for consideration and approval for consultation (Budget Framework).
Not less than 4 weeks Duration	Consultation period (Budget Framework)
Friday 29 <sup>th</sup> January 2021	Deadline for the Mayor to notify the CA of the Mayor’s draft budget for 2021/22 (Finance Order)
Friday 29 <sup>th</sup> January 2021	Deadline for proposed CA budget to be submitted to the CA Board, including consultation responses and the Mayor’s budget (Budget Framework)
Within five working days of above	CA Board shall meet to consider the budget and may agree a report (Budget Framework)
At least five working days of report published if amendments to the Mayor’s Budget are proposed	CA Board shall meet to re-consider the budget (Budget Framework)
Friday 5 <sup>th</sup> February 2021	Deadline for CA to report on the Mayor’s draft budget (Finance Order)

At least five days from receipt of report	Deadline for the Mayor to respond to the CA report (Finance Order)
5 Days after end of deadline period above	Deadline CA to veto or approve Mayor's draft budget (Finance Order)
Friday 12 <sup>th</sup> February 2021	Deadline for issuing the Transport Levy to Peterborough City Council and Cambridgeshire County Council

#### 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 budget proposals will also be set out on the Combined Authority website with an invitation for feedback from residents and businesses.

#### 2.5. Budget Setting Objectives

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.

2.6. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:

- The 2021/22 Budget preparation builds on the 2020/21 Budget and MTFP 'refresh' as approved by the Board in June 2020, incorporating any subsequent budget decisions taken up to the end of October 2020.
- Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2021/22 onwards to ensure that spending plans continue to be affordable.
- The 2021/22 Budget and MTFP provides a clear presentation of capital and revenue budgets on a Directorate basis, strengthening the link between spending plans and funding sources.
- The staffing structure and budgets will continue to be managed at a corporate level by the Chief Executive(s) as Head(s) 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’.
- 2.7. 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.
- 2.8. All Revenue and Capital expenditure lines included within the 2021/22 budget envelope and the MTFP, including both ‘approved expenditure’ and ‘subject to approval’ expenditure, are affordable and provide a balanced budget.
- 2.9. There is no proposal to precept constituent authorities under Section 40 of the Local Government Finance Act 1992 for the 2021/22 financial year.
- 2.10. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

### 3. Draft Budget for 2021/22 and Medium Term Financial Plan (MTFP) for the period 2021/22 to 2024/25

- 3.1. This report presents draft Revenue and Capital Budgets, reflecting decisions taken by the Combined Authority Board up to the end of October 2020, in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper maintains the presentation, established in the 2020-21 Budget, to clearly align Directorate Budgets with funding sources. The paper also differentiates 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.

## 4. Funding

- 4.1. Funding summaries for planned and projected ‘Revenue’ expenditure and ‘Capital’ expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 on the next page. 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 positive overall balance for Revenue at the end of each year and at the end of the MTFP period (2024/25 - £11,071k), and for Capital (2024/25 - £14,824k), indicate that the budget is balanced and affordable.
- 4.2. In Table 1, the ‘Earmarked Reserves’ line is made up of the following:
- The £1m Contingency reserve
  - The election reserve
  - The Growth Fund Top-Slice reserve

The ‘EU Funds’ are a combination of both European Research Development Funding and

European Social Funding grants.

4.3. The 'Other Funding line is made up for the following sources of income and related expenditure:

- The Skills Advisory Panel grant
- The Health and Care Sector Work Academy grant
- The Commercial Support grant
- LEP capacity grant
- The Careers and Enterprise Company funding
- Growth Hub funding and,
- LEP core funding

4.4. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds

4.5. These tables indicate that all revenue and capital expenditure lines included within the 2021/22 budget envelope and the MTFP, including both 'approved' and 'subject to approval' expenditure, are affordable and provide a balanced budget.

**Table 1 - CPCA Revenue Funding Summary**

Source of Funding	2021/22				2022/23				2023/24				2024/5			
	Available Funds	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds	Approved Expenditure	Subject to Approval	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Revenue Single Pot	- 9,469	5,444	2,066	- 1,959	- 9,699	5,861	1,436	- 2,402	- 10,142	6,172	1,270	- 2,700	- 10,440	6,231	1,200	- 3,009
Earmarked Reserves	- 2,937	1,330	-	- 1,607	- 1,867	449	-	- 1,418	- 1,678	-	-	- 1,678	- 1,938	-	-	- 1,938
Business Board Revenue Funds	- 1,743	949	-	- 793	- 2,292	1,041	-	- 1,251	- 2,721	375	-	- 2,346	- 3,786	375	-	- 3,412
Adult Education Budget (AEB)	- 12,258	11,512	-	- 746	- 12,735	11,338	-	- 1,398	- 13,387	11,338	-	- 2,049	- 14,038	11,338	-	- 2,701
Transport Levy	- 13,360	13,360	-	-	- 13,627	13,627	-	-	- 13,900	13,900	-	-	- 14,178	14,178	-	-
EU funds	- 1,900	1,900	-	-	- 2,800	2,800	-	-	- 2,625	2,625	-	-	-	-	-	-
Other Funding	- 1,229	1,218	-	- 11	- 882	871	-	- 10	- 820	809	-	- 8	- 757	746	-	- 11
<b>Total</b>	<b>- 42,896</b>	<b>35,714</b>	<b>2,066</b>	<b>- 5,116</b>	<b>- 43,902</b>	<b>35,986</b>	<b>1,436</b>	<b>- 6,479</b>	<b>- 45,272</b>	<b>35,218</b>	<b>1,270</b>	<b>- 8,781</b>	<b>- 45,137</b>	<b>32,867</b>	<b>1,200</b>	<b>- 11,071</b>

**Table 2 - CPCA Capital Funding Summary**

Source of Funding	2021/22				2022/23				2023/24				2024/5			
	Available Funds in Year	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds in Year	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds in Year	Approved Expenditure	Subject to Approval	Balance at Year End	Available Funds in Year	Approved Expenditure	Subject to Approval	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	- 63,749	18,131	32,148	- 13,471	- 46,471	4,038	31,630	- 10,803	- 22,803	38	15,700	- 7,065	- 19,065	38	5,300	- 13,727
Cambridge City £70m	- 7,300	3,204	-	- 4,096	- 4,096	4,096	-	- 0	-	-	-	-	-	-	-	-
Housing Infrastructure £60m	- 37,055	12,000	-	- 25,055	- 25,055	22,000	-	- 3,055	- 3,055	3,055	-	0	-	-	-	-
Housing Loans £40m	- 23,514	5,728	17,786	-	- 26,358	593	25,421	- 344	- 344	-	-	- 344	- 344	344	-	-
Local Growth Fund / Getting Building Fund	- 23,946	4,000	14,600	- 5,346	- 6,684	4,000	-	- 2,684	- 3,392	3,000	-	- 392	- 1,097	-	-	- 1,097
Highways Maintenance Grant	- 23,080	23,080	-	-	- 23,080	23,080	-	-	- 23,080	23,080	-	-	- 23,080	23,080	-	-
<b>Total</b>	<b>- 178,644</b>	<b>66,143</b>	<b>64,534</b>	<b>- 47,967</b>	<b>- 131,743</b>	<b>57,806</b>	<b>57,051</b>	<b>- 16,885</b>	<b>- 52,674</b>	<b>29,173</b>	<b>15,700</b>	<b>- 7,801</b>	<b>- 43,585</b>	<b>23,462</b>	<b>5,300</b>	<b>- 14,824</b>

## 5. Revenue Budget

- 5.1. 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) which commenced in the 2019/20 academic year.
  - Drawdown from the Mayoral Election Reserve to fund the costs of the election in 2021/22.
  - Allowance for interest charged on (potential) capital borrowing.
- 5.2. 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.
- 5.3. Table 3 presents a summary of Approved budget totals by Directorate and year, and provides an indication of funding streams available to support these activities. A summary of Subject to Approval budget lines is included in each year, illustrating that both the Approved and Subject to Approval budget lines are affordable across the lifetime of the MTFP.
- 5.4. A more detailed breakdown of Directorate 'revenue' budgets and anticipated MTFP expenditure is shown at **Appendix 1**. Please note that where a budget line is not specified, this is deemed to be an Approved Budget line.

### 5.5. Mayor's Budget

The Mayor's Office budget 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.

**Table 3 – Summary Revenue Budget 2021/22 and MTFP**

Financial Year		Revenue Single Pot	Earmarked Reserves	Business Bord Revenue Funds	Adult Education Budget	Transport Levy	EU Funds	Other Funding	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Forecast Balance at 01/04/21</b>	- 1,469	- 2,937	- 257	- 161	-	-	- 283	- 5,106
2021/22	Funds Received in Year	- 8,000	-	- 1,486	- 12,098	- 13,360	- 1,900	- 946	- 37,790
	<i>Transfer Between Reserves</i>	-	-	-	-	-	-	-	-
	<b>Available Funds</b>	<b>- 9,469</b>	<b>- 2,937</b>	<b>- 1,743</b>	<b>- 12,258</b>	<b>- 13,360</b>	<b>- 1,900</b>	<b>- 1,229</b>	<b>- 42,896</b>
	Mayor	483	-	-	-	-	-	-	483
	Corporate	5,066	780	120	-	-	-	-	5,966
	Business & Skills	- 254	550	829	11,512	-	1,900	1,218	15,755
	Delivery & Strategy	150	-	-	-	13,360	-	-	13,510
	Housing	-	-	-	-	-	-	-	-
	Subject to Approval expenditure	2,066	-	-	-	-	-	-	2,066
	<b>Closing/Opening Balance</b>	<b>- 1,959</b>	<b>- 1,607</b>	<b>- 793</b>	<b>- 746</b>	<b>-</b>	<b>-</b>	<b>- 11</b>	<b>- 5,116</b>
2022/23	Funds Received in Year	- 8,000	-	- 1,499	- 11,989	- 13,627	- 2,800	- 871	- 38,786
	<i>Transfer Between Reserves</i>	260	- 260	-	-	-	-	-	-
	<b>Available Funds</b>	<b>- 9,699</b>	<b>- 1,867</b>	<b>- 2,292</b>	<b>- 12,735</b>	<b>- 13,627</b>	<b>- 2,800</b>	<b>- 882</b>	<b>- 43,902</b>
	Mayor	490	-	-	-	-	-	-	490
	Corporate	5,864	-	123	-	-	-	-	5,987
	Business & Skills	- 527	449	918	11,338	-	2,800	871	15,848
	Delivery & Strategy	34	-	-	-	13,627	-	-	13,661
	Housing	-	-	-	-	-	-	-	-
	Subject to Approval expenditure	1,436	-	-	-	-	-	-	1,436
	<b>Closing/Opening Balance</b>	<b>- 2,402</b>	<b>- 1,418</b>	<b>- 1,251</b>	<b>- 1,398</b>	<b>-</b>	<b>-</b>	<b>- 11</b>	<b>- 6,480</b>
2023/24	Funds Received in Year	- 8,000	-	- 1,470	- 11,989	- 13,900	- 2,625	- 809	- 38,792
	<i>Transfer Between Reserves</i>	260	- 260	-	-	-	-	-	-
	<b>Available Funds</b>	<b>- 10,142</b>	<b>- 1,678</b>	<b>- 2,721</b>	<b>- 13,387</b>	<b>- 13,900</b>	<b>- 2,625</b>	<b>- 820</b>	<b>- 45,272</b>
	Mayor	497	-	-	-	-	-	-	497
	Corporate	5,933	-	125	-	-	-	-	6,058
	Business & Skills	- 258	-	250	11,338	-	2,625	809	14,763
	Delivery & Strategy	-	-	-	-	13,900	-	-	13,900
	Housing	-	-	-	-	-	-	-	-
	Subject to Approval expenditure	1,270	-	-	-	-	-	-	1,270
	<b>Closing/Opening Balance</b>	<b>- 2,700</b>	<b>- 1,678</b>	<b>- 2,346</b>	<b>- 2,049</b>	<b>-</b>	<b>-</b>	<b>- 11</b>	<b>- 8,785</b>
2024/5	Funds Received in Year	- 8,000	-	- 1,440	- 11,989	- 14,178	-	- 746	- 36,353
	<i>Transfer Between Reserves</i>	260	- 260	-	-	-	-	-	-
	<b>Available Funds</b>	<b>- 10,440</b>	<b>- 1,938</b>	<b>- 3,786</b>	<b>- 14,038</b>	<b>- 14,178</b>	<b>-</b>	<b>- 757</b>	<b>- 45,137</b>
	Mayor	504	-	-	-	-	-	-	504
	Corporate	5,983	-	125	-	-	-	-	6,108
	Business & Skills	- 257	-	250	11,338	-	-	746	12,077
	Delivery & Strategy	-	-	-	-	14,178	-	-	14,178
	Housing	-	-	-	-	-	-	-	-
	Subject to Approval expenditure	1,200	-	-	-	-	-	-	1,200
	<b>Closing/Opening Balance</b>	<b>- 3,009</b>	<b>- 1,938</b>	<b>- 3,412</b>	<b>- 2,701</b>	<b>-</b>	<b>-</b>	<b>- 11</b>	<b>- 11,071</b>



## 6. Corporate Services Directorate

6.1. Given the 'non-discretionary' nature of Corporate costs, which are driven by policy and operational requirements, all costs are classified as 'Approved'.

### **Salaries and Other Employee Costs**

The staffing costs of the Combined Authority are presented gross, with recharges to specific grants and external bodies shown separately. This allows users of the budget to understand the overall size of the Authority while still showing that the core services of the Authority are maintained in a lean, commissioning, basis.

The Staffing budget has allowed for an anticipated annual pay award of 2%, along with an allowance for performance related pay increments thus shows a year on year increase, a significant proportion of this is offset by staffing recharges increasing in line with this.

### **6.2. Staffing Recharges**

Where staff undertake work relating to specific grant funded projects, or work on behalf of subsidiary companies, the costs relating to those staff are recharged.

For subsidiary companies this represents an income stream to the Combined Authority, for specific grant funded projects this reduces the net cost of staffing that is met by the combined authority's general revenue funding.

These recharges are shown in the corporate services directorate to give an accurate net cost of the service and the project budgets are shown inclusive of the staffing costs within the relevant line to show the total cost of individual projects.

### **6.3. Support Services**

The CPCA continues to operate a lean structure. To enable that efficiency some support services are provided by external organisations such as democratic services from Cambridgeshire County Council and IT support from a local authority subsidiary.

### **6.4. Corporate Overheads**

Corporate Overheads include the costs of running an office as well as the specific costs of being in business (e.g. audit). There are initial savings of £40k per year forecast in the accommodation budget line; further savings are anticipated, however they cannot be quantified until the long term accommodation solution for the Combined Authority Officers is known.

### **6.5. Governance**

This section identifies the costs of holding meetings and the allowances and expenses of the Business Board, independent panels and the independent Chair of the Audit and Governance Committee.

### **6.6. Election Costs**

The CPCA makes a contribution of £260k per year to a reserve which provides for the costs of the Mayoral election every four years. This annual contribution is shown in the funding tables, and the drawdown against it can be seen in 2021/22 to pay for the costs of the election.

### **6.7. Corporate Response Fund**

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.

#### 6.8. Interest receivable on Investments

This line shows the income forecast to be received from Treasury Management activities in each year. This has dropped from >£1.5m in 2019-20 to near zero by the end of the MTFP due to the current economic conditions creating very low, and in some cases negative, interest rates on lending.

#### 6.9. Interest on Borrowing

CPCA currently has an agreed cap with the Treasury that enables it to borrow up to £84.61m to finance capital related schemes. The revenue budget makes provision for a level of borrowing within the MTFP to allow it the flexibility to borrow to accelerate delivery if required.

### Workstream Budgets

#### 6.10. Contribution to A14 Upgrade (DfT)

As part of the current A14 upgrade works, an agreement was reached in October 2014 with all the Local Authorities in the area, and the Local Enterprise Partnership (LEP), that local contributions totalling £100m would be made towards the project. The LEP's contribution to this agreement was set at 30% of the LEP's share of the Enterprise Zone receipts from the Alconbury Weald site received in each financial year from 2019-20 onwards. This commitment was taken over by the CPCA and the Business Board when the CPCA took over the activities and business of the LEP in April 2018. This budget line represents 30% of the forecast receipts receivable by the CPCA from Alconbury Weald in each financial year.

## 7. Business and Skills Directorate

### 7.1. Overview

The Business and Skills Directorate and the Business Board, for which it supplies the executive support, is focused on the Combined Authority's vision to double our economy. Its strategic approach in achieving this is to:

- **Improve the long-term capacity for growth in Greater Cambridge** to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.
- **Increase sustainability and broaden the base of local economic growth**, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
- **Do this by expanding and building upon the clusters and networks** that have enabled Cambridge to become a global leader in innovative growth, creating an

economy-wide business support eco-system to promote inclusive business growth.

Business and Skills Projects and Programmes are described in the sections below.

## **7.2. Adult Education Budget (AEB)**

The devolved Adult Education Budget funds a service providing improved adult education to raise mid-level skills in the north and east of the economy, to increase productivity and support business growth in these areas. It also aims to fill critical gaps in skills in Greater Cambridge, including digital and laboratory technician skills. Following on from the previous year of devolution planning, the provision of service delivery began in August/September 2019. The budget is divided into three distinct areas:

- AEB Devolution Programme – the full allocation of the grant that is due for receipt, less the programme costs, as detailed below.
- AEB innovation Fund – A newly released fund in 2020-21, seeking innovative new ways of engaging with and educating those most disadvantaged due to lack of skills or a lack of digital access.
- AEB Programme Costs – provision of staffing and services to ensure delivery of the programme. This is the 3.5% top-slice of the AEB grant. As part of introducing clarity for corporate staffing costs and funded programmes, all staffing costs are included within this project. The staffing recharge will ensure that there is a net zero effect on the budget.

## **7.3. Business Rebound & Growth Service**

This is a proactive integrated programme incorporating 4 key service lines to support the region's businesses to rebound and grow in 2021. The programme will run over three years and aims to create over 6,000 jobs through a focussed growth coaching service, a proactive and global inward investment team and a comprehensive skills brokerage service (which includes our drive to create apprenticeships). All these services are also backed up by significant Capital Grant and Equity Funding to harness the rebound and future growth opportunities for our local businesses.

## **7.4. Careers & Enterprise Company (CEC)**

The Careers & Enterprise Company (CEC) is the national vehicle used to deliver careers advice and guidance in schools. The programme is linked to the Skills Brokerage Service which will, run from December 2020, as an outsourced element of the wider Business Growth Service. As with the AEB budget all staffing related costs are included here as a recharge from the Corporate staffing budget.

## **7.5. Economic Rapid Response**

The Economic Rapid Response budget is a multi-year cost provision for the development and launch of new business support interventions that become necessary and are approved by both the Business Board and CA Board, to respond to:

- Changes in strategy, either economic or industrial
- Economic shocks such as large employer closures, Brexit or pandemics
- Budgetary opportunities such as through spending reviews or new national programmes

This fund is designed to allow rapid mobilisation of new forms of business support interventions in the event of economic shocks or for the piloting of new ideas to build the

evidence to secure additional funding from government for the CPCA to extend its capacity to deliver the objectives of the Local Industrial Strategy and Local COVID 19 Economic Recovery Strategy.

#### **7.6. Enterprise Zone Investment**

£50k of revenue funding is budgeted for in 2021-22 to support specific Enterprise Zone promotional and inwards investment activity. This will also include updating the Combined Authority website to ensure it links in with the Enterprise Zone sites within the area (Cambridge Compass and Alconbury Weald).

#### **7.7. Growth Hub including EU Exit Funding and COVID 19 Business Advice**

The Growth Hub is a telephone based signposting service to local organisations providing advice and growth support. The board has agreed to the outsourcing of this service from December 2020. The revenue from Business, Energy and Industrial Strategy (BEIS), the sponsors of the service, and the outflow of costs to the contractor, via the Cambridgeshire & Peterborough Growth Company will continue to be included in the MTFP.

Additional services provided under sub-contract, have been provided to businesses and individuals regarding the EU Exit to ensure continuity of trade and the stability of European National Workers as well as to support businesses in accessing funding and advice relating to the COVID 19 pandemic effects on businesses.

Both COVID 19 advice and EU Exit activities are being supported by top-up funding within this financial year from MHCLG, which will carry forward into 2021/22.

#### **7.8. Health and Care Sector Work Academy**

The Health and Care Sector Work Academy provides additional education and work-based training for employees both in, and looking to enter, the health and social care work field. Traditionally a low-skill, low-pay area of work, the intention is to up-skill employees to improve outcomes. The academy is delivered on behalf of the Combined Authority by City College, Peterborough.

#### **7.9. High Value Courses**

As part of the government's response to COVID-19, this skills offer has been developed to support school and college leavers who are at higher risk of becoming not in education, employment or training because of Coronavirus (COVID-19). The additional funding will be made available to the existing adult education provider base, through current AEB grant funding mechanisms.

#### **7.10. Insight & Evaluation Programme**

In Spring 2020, we commissioned Metro Dynamics to coordinate a wide-ranging research programme to help us understand the detailed impacts of COVID-19 on our local economy. A regularly updated Dashboard is now being produced detailing the impacts on our local businesses, jobs losses and skills insights. This is our live evidence base to ensure our Local Economic Recovery Strategy flexes with the changing landscape and our Local Industrial Strategy (LIS), Skills, AEB and four main sector strategies are also adapted accordingly. This ongoing insight has proved to be invaluable during the COVID disrupted period and will also be vital as we monitor the region's economic recovery, the fluctuating pace of that recovery and the key trends of this recovery across our sub-economies during the MTFP period. Within this work programme, an evaluation of our recent LGF

Investments will also be continued to help us inform our future LGF Programme.

#### **7.11. Local Growth Fund Costs**

This line was not shown in previous versions of the budget or MTFP as the costs for running the Local Growth Fund (LGF), were included within the Corporate revenue budget. By showing these costs separately, we can ensure that all relevant costs are recognised and charged against the Local Growth Fund top-slice reserve.

#### **7.12. Market Towns & Cities Strategies**

This budget line supports growth in our market towns through the production of a Masterplan for each and funding to co-invest in the implementation of those plans. It also supports investment into our two city centres to support adaption of them for COVID 19 social distancing and to renew them for a post-COVID 19 retail and leisure economy. The St. Neots plan is shown separately in this report (section 7.18).

#### **7.13. Marketing and Promotion of Services**

Provision has been made for a Business and Skills Marketing budget to ensure that the CPCA business and skills support interventions are well publicised. This new expenditure line is funded from a top-slice from a range of activity budgets within the Directorate, as it will promote and publicise case studies demonstrating the benefits to learners, citizens and businesses arising from the complete range of business & Skills programmes and investments.

#### **7.14. Sector Based Work Academies**

Funded from within the devolved Adult Education Budget, Sector Based Work Academies are designed to help Jobcentre Plus claimants to build confidence, improve their job prospects and enhance their CV, whilst helping employers with local job vacancies to access a pool of talent on a trial basis with the aim of claimants going into sustainable employment.

#### **7.15. Shared Prosperity Fund Evidence Base & Pilot Fund**

Shared Prosperity Fund Evidence Base & Pilot Fund is a one year budget provision to gather and build an evidence base to support the CPCA's case for the full devolution of, and maximum possible local allocation of, the Shared Prosperity Fund (SPF). This fund will replace the current Local Growth Fund, the European Social Fund and European Regional Development Fund. It could be worth between £100m and £200m to the CPCA between 2022 and 2027. This budget line is a provision to gather evidence to support the authoring of business cases for individual large-scale projects, to act as a combined government ask and portfolio for initiatives to be funded by the SPF 2022-27. It will include SOBCs for at least:

- £80m University Phase 3 teaching capacity build out to 8,500 pa graduates.
- £85m Net Zero R&D programme connecting the Peterborough University Research Centre with the wider greater Cambridge R&D network to the south.
- £50m to expand the Whittle Laboratory for zero emission aviation development
- £50m to implement the first phase of Peterborough Station Quarter

#### **7.16. Skills Advisory Panel**

Skills Advisory Panels are local partnerships aiming to strengthen the link between public and private sector employers, local authorities, colleges and universities. They reflect the

geography of the Local Industrial Strategies and support Mayoral Combined Authorities and Local Enterprise Partnerships fulfil their local leadership role in the skills system by helping them understand their current and future skills needs and labour market challenges.

#### 7.17. **Skills Rapid Response**

The Skills Rapid Response budget is a multi-year cost provision for the development and launch of new skills development interventions that become necessary and are approved by both the Skills Committee and CA Board, to respond to:

- Changes in strategy, either economic or skills
- Economic shocks such as large employer closures, Brexit or pandemics
- Budgetary opportunities such as through spending reviews or new national programmes

This fund is designed to allow rapid mobilisation of new forms of skills programmes in the event of economic shocks or for the piloting of new ideas to build the evidence to secure additional funding from government for the CPCA to extend its capacity to deliver the objectives of the Skills Strategy and Local COVID 19 Economic Recovery Strategy.

#### 7.18. **St Neots Masterplan**

The funding for this project had previously been included in the Market Town Implementation of Strategies line as referred to above.

## 8. Delivery and Strategy Directorate

8.1. The Delivery and Strategy Directorate promotes the Mayor and Combined Authority's growth ambition by:

- Supporting their role as the Transport Authority, developing and overseeing the delivery of new transport schemes, developing the Local Transport Plan, and ensuring the provision of subsidised public transport by delivery partners.
- Supporting Local Planning Authorities by developing an overall spatial framework for the area.
- Providing programme and performance management to ensure successful delivery of Combined Authority projects; and
- Supporting the Mayor and Combined Authority's role in public service reform.

Delivery and Strategy revenue projects in the MTFP period include:

#### 8.2. **A142 Chatteris to Snailwell**

A study to identify current challenges and future options to enhance safety, reduce congestion and improve journey time reliability, to improve access into and out of the Fens in support of Devolution Deal objectives. Fits with Cambridgeshire and Peterborough Independent Economic Review, Local Transport Plan, Local Industrial Strategy, Housing, Local Transport Plan and climate change agendas.

#### **Bus Review Implementation.**

This project is taking forward the Mayor's Strategic Bus Review under the guidance of the Bus Reform Task Force. It is recommending both short-term improvements to bus services

and longer-term options for better delivery models, including considering the scope for enhanced partnerships with bus operators, and potentially franchising.

### **8.3. Climate Change**

This budget will fund research and other support for the Independent Commission on Climate Change. This includes support for public engagement. The research activity is being identified by the Commission to complement existing material and address specific gaps in knowledge. The Commission will report its initial recommendations in February 2021.

### **8.4. Development of Key Route Network**

To identify and classify a Key Route network, designing an operation and maintenance strategy, in line with the Devolution Deal commitment.

### **8.5. Harston Capacity Study**

A review of options to improve safety, reduce congestion and improve journey time reliability that align with Cambridgeshire and Peterborough Independent Economic Review, Local Transport Plan, Local Industrial Strategy, and the Housing Strategy.

### **8.6. Local Transport Plan**

The Local Transport Plan (LTP) was published in February 2020. In order to reflect on the impacts of the COVID pandemic and any potential changes resulting from a number of councils' local plans being updated in the early part of the MTFP period, it is prudent to make provision for a possible need to refresh the LTP in 2021/22. In addition, there are a number of key, underpinning sub-strategies to the LTP that require updating to ensure they are aligned with emerging central and local government policy.

### **8.7. Monitoring and Evaluation Framework**

The Combined Authority is obliged by the terms of the Devolution Deal to maintain a Monitoring and Evaluation Framework and to pay for external evaluation of its programme. This budget reflects contractual commitments with the external evaluator and Cambridgeshire County Council's Business Intelligence Team.

### **8.8. Non-Statutory Spatial Framework (Phase 2)**

The Combined Authority has a commitment under the Devolution Deal to produce a Non-statutory Strategic Spatial Framework. Phase 1 of the Framework was completed in 2018. This budget is to support development of Phase 2, including developing and maintaining a suitable evidence-base.

### **8.9. Sawston Station Contribution**

Match funding in the event of a successful outcomes to Sawston's 'Restoring Your Railway Fund' application.

### **8.10. Segregated Cycling Holme to Sawtry**

A study to design a segregated cycle and pedestrian route between Holme and Sawtry. Active travel measures with segregated routes for cycling and walking are a Local Transport Plan priority.

### **8.11. Transport CPCA Bus Operation**

Under current arrangements, Transport Levy funding raised from the two Highways

Authorities is passported back to them in full, to fund Transport Authority functions exercised under delegation from the Combined Authority. From 1 April 2021, the Levy will still be raised by the two Highway Authorities but will not be passported back to them, instead being spent directly by the Combined Authority.

#### **8.12. Transport Response Fund**

Funding to enable the development of a future pipeline of deliverable transport schemes in support of Combined Authority objectives.

## **9. Housing Directorate**

### **9.1. Community Land Trusts (CLT) and £100k Housing**

The Housing Strategy (September 2018) recognises that there is a need to deliver genuinely affordable housing across the Combined Authority Area. It further recognises that there is a gap in the market that provides for those who do not qualify for traditional affordable housing and for whom open market housing is out of reach.

£100k Homes and Community Land Trusts (CLTs) are referenced as a mechanism that could enable the Combined Authority to make a contribution to meet our housing objectives and respond to demand for cheaper housing for local people. It is recommended within the strategy to explore and deliver the £100k Homes project. CLTs are referenced as a means not only to deliver genuinely affordable housing but also as vehicles to potentially utilise the mechanism of land value capture.

On 25 September 2019 the Board approved the inclusion of these projects in the 2019/20 Business Plan and further agreed a total budget allocation of £250,000 to progress these projects.

£100k Homes is an exciting new initiative and is the first of its kind in the country. Developing and delivering this initiative will provide those individuals who are struggling to enter the housing market with a real opportunity to buy their own home at an affordable price.

The first £100k homes are now being delivered in South Cambridgeshire with more to follow.

### **9.2. Community Land Trusts**

These are a mechanism to deliver community-led housing. Community-led housing is an attractive and affordable alternative to conventional housing and can be part of the answer where communities come together to design and build affordable homes for the benefit of local households most in need.

The Combined Authority vision for Cambridgeshire and Peterborough is to have the most advanced community-led housing sector in the UK, where local people in confident, and resilient communities have access to the skills and expertise to create attractive local homes that they can genuinely afford.

Housing plays an important role in the growth of our local economy but across Cambridgeshire and Peterborough too many young people and families are unable to stay



in their communities, close to their place of work, because they cannot access decent housing that they can genuinely afford on their local incomes.

To support the 'scaling up' of community-led housing across Cambridgeshire and Peterborough, the Combined Authority can:

- Mobilise public support for new homes.
- Widen the range of housing products that are available, including homes for local people that are priced out of home ownership.
- Boost community ownership of assets.
- Diversify the local housebuilding market, building collaboration, innovation, skills, and local supply chains.
- Inspire stronger local communities with increased confidence, capacity, and control.

### 9.3. Housing Response Fund

Funding to enable the development of a future pipeline of deliverable housing schemes in support of Combined Authority objectives.

### 9.4. Garden Villages

This project relates to the negotiation and exchange of land option deals on the proposed CAM metro network to support a land value capture strategy to deliver garden villages. While there is no funding in the 2021/22 budget for this an in-year underspend is anticipated and thus work will continue into the new financial year. This activity is to be transferred from CPCA to the CAM delivery company for further progression.

## 10. Revenue Budget Conclusions

- 10.1. The revenue budget position for 2021/22 and the MTFP, including both approved and subject to approval expenditure is affordable within the anticipated funding sources. Current spending plans leave uncommitted revenue single pot funding of £3,009k at the end of 2024/25 in addition to the £1m minimum prudent reserve level agreed in January 2019.

## 11. Capital Programme

### 11.1. Development of the Capital Programme

Table 4 below, presents a summary of Approved budget totals by Directorate and year, creating a clear link to forecast funding brought forward into 2021/22 and projected drawdown across the lifetime of the MTFP. A summary of Subject to Approval budget lines is included in each year showing, via a negative figure at the end of each year, that the programme is affordable across the lifetime of the MTFP.

**Appendix 2** shows the detailed Directorate Capital budget for 2021/22 and the Capital programme for the duration of the MTFP. The Capital programme differentiates between budget lines which have been 'Approved' for spending and those which are 'Subject to Approval' - budget lines that have been identified but require further approval from the Combined Authority Board to allow spending to commence.

**Table 4 – Capital programme funding summary**

Financial Year		Capital Single Pot	Cambridge City Housing Fund	Housing Infrastructure Grants	Housing Loan Fund	Local Growth Fund/Getting Building Fund	Highways Capital Grants	Total
	<b>Forecast Balance at 01/04/21</b>	<b>- 21,749</b>	<b>- 7,300</b>	<b>- 37,055</b>	<b>- 456</b>	<b>- 16,053</b>	<b>-</b>	<b>- 82,613</b>
<b>2021/22</b>	Funds Received in Year	- 42,000	-	-	- 23,058	- 7,893	- 23,080	- 96,031
	<b>Available Funds</b>	<b>- 63,749</b>	<b>- 7,300</b>	<b>- 37,055</b>	<b>- 23,514</b>	<b>- 23,946</b>	<b>- 23,080</b>	<b>- 178,644</b>
	Business & Skills Approved	-	-	-	-	4,000	-	4,000
	Delivery & Strategy Approved	18,087	-	-	-	-	23,080	41,167
	Housing Approved	-	3,204	12,000	5,728	-	-	20,932
	Corporate Approved	44	-	-	-	-	-	44
	Business & Skills subject to approval	4,500	-	-	-	14,600	-	19,100
	Delivery & Strategy subject to approval	27,648	-	-	-	-	-	27,648
	Housing subject to approval	-	-	-	17,786	-	-	17,786
	Corporate subject to approval	-	-	-	-	-	-	-
	<b>Closing/Opening Balance</b>	<b>- 13,471</b>	<b>- 4,096</b>	<b>- 25,055</b>	<b>-</b>	<b>- 5,346</b>	<b>-</b>	<b>- 47,967</b>
<b>2022/23</b>	Funds Received in Year	- 33,000	-	-	- 26,358	- 1,338	- 23,080	- 83,776
	<b>Available Funds</b>	<b>- 46,471</b>	<b>- 4,096</b>	<b>- 25,055</b>	<b>- 26,358</b>	<b>- 6,684</b>	<b>- 23,080</b>	<b>- 131,743</b>
	Business & Skills Approved	-	-	-	-	4,000	-	4,000
	Delivery & Strategy Approved	4,000	-	-	-	-	23,080	27,080
	Housing Approved	-	4,096	22,000	593	-	-	26,689
	Corporate Approved	38	-	-	-	-	-	38
	Business & Skills subject to approval	-	-	-	-	-	-	-
	Delivery & Strategy subject to approval	31,630	-	-	-	-	-	31,630
	Housing subject to approval	-	-	-	25,421	-	-	25,421
	Corporate subject to approval	-	-	-	-	-	-	-
	<b>Closing/Opening Balance</b>	<b>- 10,803</b>	<b>-</b>	<b>- 3,055</b>	<b>- 344</b>	<b>- 2,684</b>	<b>-</b>	<b>- 16,885</b>
<b>2023/24</b>	Funds Received in Year	- 12,000	-	-	-	- 708	- 23,080	- 35,788
	<b>Available Funds</b>	<b>- 22,803</b>	<b>-</b>	<b>- 3,055</b>	<b>- 344</b>	<b>- 3,392</b>	<b>- 23,080</b>	<b>- 52,674</b>
	Business & Skills Approved	-	-	-	-	3,000	-	3,000
	Delivery & Strategy Approved	-	-	-	-	-	23,080	23,080
	Housing Approved	-	-	3,055	-	-	-	3,055
	Corporate Approved	38	-	-	-	-	-	38
	Business & Skills subject to approval	-	-	-	-	-	-	-
	Delivery & Strategy subject to approval	15,700	-	-	-	-	-	15,700
	Housing subject to approval	-	-	-	-	-	-	-
	Corporate subject to approval	-	-	-	-	-	-	-
	<b>Closing/Opening Balance</b>	<b>- 7,065</b>	<b>-</b>	<b>-</b>	<b>- 344</b>	<b>- 392</b>	<b>-</b>	<b>- 7,801</b>
<b>2024/5</b>	Funds Received in Year	- 12,000	-	-	-	- 705	- 23,080	- 35,785
	<b>Available Funds</b>	<b>- 19,065</b>	<b>-</b>	<b>-</b>	<b>- 344</b>	<b>- 1,097</b>	<b>- 23,080</b>	<b>- 43,585</b>
	Business & Skills Approved	-	-	-	-	-	-	-
	Delivery & Strategy Approved	-	-	-	-	-	23,080	23,080
	Housing Approved	-	-	-	344	-	-	344
	Corporate Approved	38	-	-	-	-	-	38
	Business & Skills subject to approval	-	-	-	-	-	-	-
	Delivery & Strategy subject to approval	5,300	-	-	-	-	-	5,300
	Housing subject to approval	-	-	-	-	-	-	-
	Corporate subject to approval	-	-	-	-	-	-	-
	<b>Closing/Opening Balance</b>	<b>- 13,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 1,097</b>	<b>-</b>	<b>- 14,824</b>

## 12. Corporate Services Directorate

### 12.1. ICT Capital

This is the budget for purchase of IT hardware (laptops, etc) for staff. It is higher in year 1 as there are a number of staff who will be joining the Combined Authority as it starts direct delivery of Transport Functions in 2021/22, after that there is an expectation of a constant rolling cost of replacement as assets reach the end of their useful life.

## 13. Business and Skills Directorate

Business and Skills capital projects are categorised into two distinct sections:

1. **CPCA Funded Projects** – directly funded by CPCA (section 13.1).
2. **Growth Fund Projects** – directly funded through current and recycled growth funds from Government (section 13.2).

### 13.1. CPCA Funded Projects

#### 13.1.1. University of Peterborough

As this project will be being delivered via a Joint Venture with Peterborough City Council and Anglia Ruskin University, and the Combined Authority will be investing in equity shares in the 2020/21 financial year, the project no-longer appears in the Medium Term Financial Plan. However, this is a function of the delivery approach and it is still a Mayoral Key Priority Project.

#### 13.1.2. Market Town Master Plan Implementation

The Combined Authority is currently receiving bids based on the Market Towns masterplans which were completed in 2020/21 and this capital funding is available to support the delivery of projects which match the masterplans' vision.

### 13.2. Growth Fund Projects

- 13.2.1. £147m of Local Growth Funding was awarded to the area to enable the delivery of jobs and skills outcomes in partnership with local businesses between 2015 and 2021. This funding had to be defrayed by March 2021 thus the CPCA's financial contributions do not extend into 2021-22 and the projects do not appear in the 2021-25 MTFP. As the projects are committed to deliver jobs and skills outputs in the area on an ongoing basis the Business and Skills team are involved in monitoring and evaluation processes, which are reported to both the CPCA Board and central Government. These projects are listed in **Appendix 3** for reference

#### 13.2.2. Business Rebound & Growth Service – Capital Grant and Equity Fund

This is a capital fund to be invested via the new Business Rebound and Growth Service in high growth potential companies over the next three years. This will be offered as a mix of grants for lower value interventions and in return for equity for larger amounts. This is funded by recycled growth funds.

### 13.2.3. **Getting Building Fund - University of Peterborough Phase 2**

The Combined Authority and the Business Board have been awarded £14.6m of new growth funding called the Getting Building Fund – this has been earmarked for the second phase of the University of Peterborough programme. This project has now been recommended by the Business Board, and accepted by Mayoral Decision Notice, and an updated spend profile will be available in time for the final budget setting in January.

### 13.2.4. **Illumina Accelerator**

This is the continuation of funding (total £3m) for the Combined Authority's investment into a £30m fund, recommended by the Business Board, to accelerate innovation in the biotechnology and life sciences industries by enabling and supporting new businesses which will result in creating local employment and generating economic benefit in the UK

## 14. Delivery and Strategy Directorate

### 14.1. **A10 Dualling OBC**

The Combined Authority has decided to take the project to dual and improve junctions on the A10 between Ely and Cambridge to Outline Business Case stage on the basis of the strong value for money demonstrated by the Strategic Outline Business Case. This funding will be deployed alongside any commitments made by the government under the Large Local Majors and Major Route Network funds.

### 14.2. **A16 Norwood Dualling**

Proposed housing development at the Norwood site in Peterborough will be unlocked by a package of measures which include dualling a short stretch of the A16. The Strategic Outline Business Case is being finalised. This budget funds the outline business case, full business case and construction.

### 14.3. **A141 OBC and FBC**

This funds the next stage of business case development to identify a single route option for multi modal improvements around north Huntingdon in support of housing and economic growth, to reduce congestion and provide active travel measure options for sustainable travel.

### 14.4. **A1260 Nene Parkway Junction 15**

This provides funding for a scheme to unlock congestion at a pinch-point roundabout on the West of Peterborough's urban area.

### 14.5. **A1260 Nene Parkway Junctions 32-3**

This funds a package of improvements to reduce congestion and enable growth at the main South-Western access route to Peterborough.

### 14.6. **CAM SPV Running Costs**

A capital investment into the One CAM Limited company, to fund its operational costs.

### 14.7. **CAM Business Cases Development**

A capital investment into the One CAM Limited company to fund the development of the

business case.

**14.8. Coldhams Lane Roundabout Improvements**

This funds improvements at this junction in Cambridge to provide a safer and more pleasant environment for pedestrians and cyclists.

**14.9. Digital Connectivity Infrastructure Programme**

This supports growth and inclusion by delivering wider broadband connectivity, better mobile coverage, and helping introduce new developments such as 5G.

**14.10. Fengate Access Studies Phase 1**

This funds study work to enable significant growth and job creation on Peterborough's Eastern edge.

**14.11. Fengate Access Studies Phase 2 (University Access)**

This funds study work to enable significant growth and job creation on Peterborough's Eastern edge and access to the new development area for the University.

**14.12. Highways Maintenance**

This is funding from national government for road maintenance which the Combined Authority passes to the two local highways authorities to support their work.

**14.13. King's Dyke**

The Combined Authority is the major funding contributor to this vital Cambridgeshire County Council scheme to provide a new road replacement for the King's Dyke level crossing.

**14.14. March Area Transport Strategy**

This funding is for the development of a package of longer-term infrastructure improvements in March to enable growth. In addition, the Combined Authority is funding a package of Quick Wins to improve traffic flow, and pedestrian and cycle connectivity. This line provides funding for that work.

**14.15. Regeneration of Fenland Railway Stations**

The Combined Authority has agreed to fund a package of improvements to stations at Manea, Whittlesea and March, improving the public realm to encourage modal shift for sustainable journeys to Peterborough, Cambridge and beyond.

**14.16. Snailwell Loop**

Study to identify options for reopening loop and improving rail connectivity between Ely and Newmarket in line with the Devolution Deal commitment. Promotes modal shift into sustainable transport supports both local, regional and national agendas.

**14.17. Soham Station**

A rail station is being reinstated at Soham. The Board agreed in September 2019 to fund the construction phase of the project. Enabling works commenced in September 2020, and the planned opening date has been brought forward to December 2021. This budget meets the costs of that construction phase.

**14.18. St. Ives (SOBC, OBC & FBC)**

This funds a study to identify and develop a set of interventions to reduce congestion,

improve safety and journey time reliability alongside improved cycling and walking provision for sustainable transport alternatives.

**14.19. Transport Modelling**

This budget allows the Combined Authority, as Transport Authority, to fulfil its strategic responsibilities by ensuring transport scheme development is supported with adequate modelling capacity based on cutting edge technologies.

**14.20. Wisbech Access Strategy**

This is the funding for the first phase of a package of improvements to key road junctions in and around Wisbech.

**14.21. Wisbech Rail**

This budget line allows continued funding for the project to restore the rail connection between Wisbech and Cambridge, taking work beyond the current GRIP 3b (Governance for Railway Investment Projects) stage.

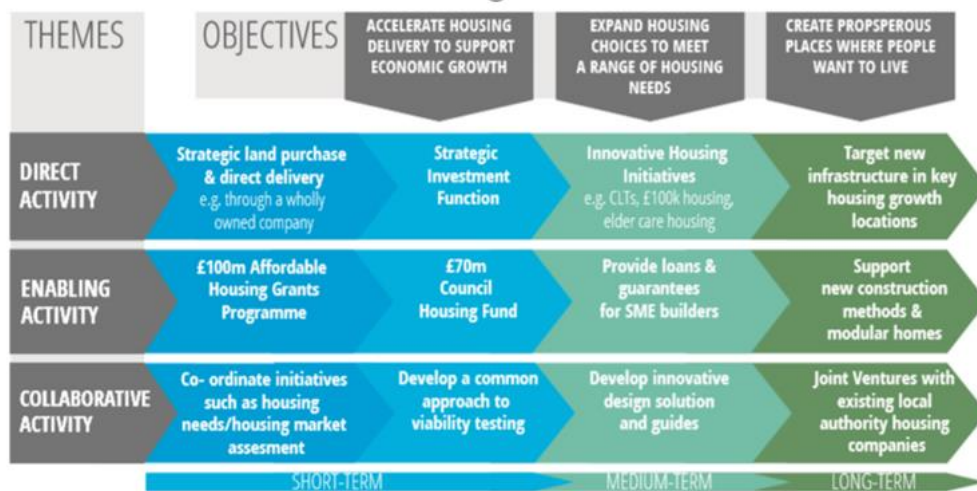
## 15. Housing Directorate

15.1. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.

15.2. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70 million is available to Cambridge City Council to deliver 500 new council homes.

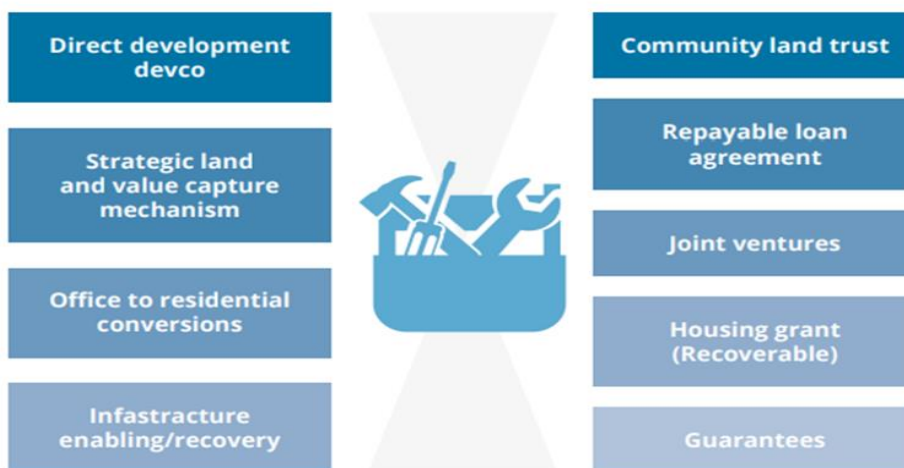
15.3. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing Board) to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships with landowners, developers and housing providers to seek opportunities to influence, enable and accelerate delivery of new affordable housing across the Combined Authority area.

15.4. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the diagram below:



15.5. The Housing Strategy also approved a flexible, multi-toolkit approach as the most effective way of accelerating affordable housing delivery. The use of grant as a tool to help unlock sites and deliver additional affordable housing is one of these tools:

**A flexible multi-toolkit approach**



15.6. Of the £170M funding, £70M has been allocated to grant funding provision of 500 affordable housing units within Cambridge City. The remaining £100M is intended to deliver a further 2,000 affordable housing units. £60M of this is allocated to grant funding outside of Cambridge City, and the remaining £40M is allocated to the flexible multi-toolkit to accelerate delivery of housing through other initiatives such as loan agreements and joint ventures.

**15.7. Affordable Housing Grant Programme Outside of Cambridge City**

The Combined Authority’s Affordable Housing programme runs for five years from 1 April 2017 to 31 March 2022 with the ambition to deliver a minimum of 2,000 new affordable homes.

It is anticipated that over its lifetime, the programme will support a mixed portfolio of schemes including strategic sites and projects brought forward by housing associations,

developers and Community Land Trusts (CLTs). It includes the intended use of grant and a revolving fund to help unlock sites and deliver additional affordable housing, alongside other tools to support and enable housing delivery. In October 2020 the programme had 1,536 units approved, of which 615 units have started on site. £39.6m of grant funding has been approved.

#### **15.8. Cambridge City Housing Programme**

This element of the programme is implemented directly by Cambridge City Council's Housing team with funding from the Combined Authority. The target is to deliver 500 affordable homes by March 2022.

Cambridge City Council is forecasting a total spend of £120 million on its housing programme, comprising £70 million grant via the Combined Authority plus £50 million City Council resources including Right to Buy receipts and HRA funding. This figure is set to rise to £136 million with the inclusion of a new scheme at Campkin Road.

In October 2020 there were 293 net new unit starts on site which represents 58.6% of the delivery target against 45% spend (£31.4m) of the available funding.

#### **15.9. Housing Investment (revolving) Fund**

On the 26th September 2018 the Combined Authority Board approved a flexible multi toolkit housing strategy to provide a selection of tools and a flexible approach in which housing delivery can be achieved and accelerated.

The strategy included the provision of a £40m rolling fund from within the £100m housing programme to be used for a strategic investment toolkit to enable opportunities to deliver housing over and above solely issuing traditional grant. The toolkit includes initiatives such as repayable loan agreements, land value capture, recoverable housing grant, equity investment, and direct delivery.

The revolving fund is currently committed to 5 different loans delivering 213 new houses which includes 53 affordable housing units started on site at no extra cost to the taxpayer.

## **Significant Implications**

### **16. Financial Implications**

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

### **17. Legal Implications**

17.1. The budget setting process is as set out in the Combined Authority's Constitution

### **18. Appendices**

18.1. Appendix 1 – Draft 2021/22 Revenue Budget and Medium-Term Financial Plan

18.2. Appendix 2 – Draft Capital Programme 2021/22 to 2024/25



18.3. Appendix 3 – Ongoing Local Growth Funded Projects

## 19. Background Papers

19.1. Cambridgeshire and Peterborough Combined Authority Constitution  
[Link to document on Combined Authority Website](#)

## Appendix 1a – Draft Mayoral Revenue Budget

Report Section	2021/22	2022/23	2023/24	2024/25
Reference	£000's	£000's	£000's	£000's
<b>Mayor's Office</b>				
Mayor's Allowance	96	98	100	102
Mayor's Conference Attendance	10	10	10	10
Mayor's Office Expenses	40	40	40	40
Mayor's Office Accommodation	77	77	77	77
Mayor's Office Staff	260	265	270	275
<b>Total Mayor's Costs</b>	<b>483</b>	<b>490</b>	<b>497</b>	<b>504</b>
<b>Total Mayor's Approved Budgets</b>	<b>483</b>	<b>490</b>	<b>497</b>	<b>504</b>

## Appendix 1b – Draft Corporate Services Revenue Budget

Report Section		2021/22	2022/23	2023/24	2024/25
Reference		£000's	£000's	£000's	£000's
6.2	<b><u>Combined Authority Staffing Costs (inc NI &amp; Pen 'er)</u></b>				
	Chief Executive	309	328	335	342
	<b>Housing Directorate</b>				
	Housing	569	606	620	635
	<b>Business and Skills Directorate</b>				
	Business and Skills	1,082	1,118	1,116	1,112
	Growth Hub	-	-	92	187
	AEB	242	250	259	267
	<b>Delivery &amp; Strategy Directorate</b>				
	Delivery & Strategy	1,218	1,265	1,300	1,333
	<b>Corporate Services Directorate</b>				
	Legal and Governance	832	862	886	908
	Finance	665	697	730	751
	HR	180	164	171	174
	Communications	354	367	379	390
	<b>Total Combined Authority Staffing Costs</b>	<b>5,451</b>	<b>5,658</b>	<b>5,887</b>	<b>6,099</b>
6.2	<b><u>Other Employee Costs</u></b>				
	Travel and professional memberships	80	80	80	80
	Apprenticeship Levy	-	-	-	-
	Training	90	70	71	64
	Change Management Reserve	157	162	158	160
	<b>Total Other Employee Costs</b>	<b>327</b>	<b>312</b>	<b>309</b>	<b>304</b>
6.4	<b><u>Support Services</u></b>				
	External Legal Counsel	65	65	65	65
	Finance Service	74	75	76	77
	Democratic Services	95	100	100	100
	Payroll	4	4	4	4
	HR	13	13	13	13
	Procurement	8	8	7	7
	Finance System	-	-	-	-
	ICT external support	48	48	48	48
	<b>Total Externally Commissioned Support Services</b>	<b>307</b>	<b>313</b>	<b>313</b>	<b>314</b>
6.5	<b><u>Corporate Overheads</u></b>				
	Accommodation Costs	300	300	300	300
	Software Licences, Mobile Phones cost	102	102	102	102
	Communications	42	42	42	42
	Website Development	10	10	10	10
	Recruitment Costs	88	48	48	48
	Insurance	35	35	35	35
	Audit Costs	132	132	132	132
	Office running costs	31	31	31	31
	Corporate Subscriptions	36	36	36	36
	<b>Total Corporate Overheads</b>	<b>775</b>	<b>735</b>	<b>735</b>	<b>735</b>

6.6	<b><u>Governance Costs</u></b>				
	Committee/Business Board Allowances	144	144	144	144
	Miscellaneous	-	-	-	-
	<b>Total Governance Costs</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>144</b>
6.7	<b><u>Election Costs</u></b>				
	<b>Total Election Costs</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.8	<b><u>Corporate Response Fund</u></b>				
	<b>Total Corporate Response Fund</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>
	<b><u>Financing Costs</u></b>				
6.9	Interest Receivable on Investments	- 231	- 22	- 16	- 8
6.1	Interest on Borrowing	-	750	750	750
	<b>Net Financing Costs</b>	<b>- 231</b>	<b>728</b>	<b>734</b>	<b>742</b>
	<b>Total Operational Budget</b>	<b>7,958</b>	<b>8,035</b>	<b>8,268</b>	<b>8,483</b>
	<b><u>Workstream Budget</u></b>				
6.11	Contribution to A14 Upgrade (DfT)	96	99	99	99
	<b>Total Feasibility Budget</b>	<b>96</b>	<b>99</b>	<b>99</b>	<b>99</b>
6.3	<b><u>Staffing Recharges</u></b>				
	Internally Recharged Grant Funded Staff	- 1,379	- 1,334	- 1,147	- 1,260
	Externally Recharged Staff	- 709	- 813	- 1,162	- 1,214
	<b>Total Recharges to Grant Funded Projects</b>	<b>- 2,088</b>	<b>- 2,147</b>	<b>- 2,309</b>	<b>- 2,473</b>
	<b>Total Corporate Services Approved Budgets</b>	<b>5,966</b>	<b>5,987</b>	<b>6,058</b>	<b>6,108</b>

## Appendix 1c – Draft Business and Skills Revenue Budget

Report Section		2021/22	2022/23	2023/24	2024/25
Reference		£000's	£000's	£000's	£000's
	<b>Business &amp; Skills</b>				
7.2	AEB Devolution Programme	10,449	10,449	10,449	10,449
7.2	AEB Innovation Fund - Revenue	500	500	500	500
7.2	AEB Programme Costs	367	367	367	367
7.3	Business Rebound & Growth Service	2,630	3,639	2,785	-
7.4	Careers and Enterprise Company (CEC)	50	50	25	-
7.5	Economic Rapid Response	150	150	200	200
7.6	Enterprise Zone Investment	50	-	-	-
7.7	Growth Hub	-	-	123	246
7.8	Health and Care Sector Work Academy	232	-	-	-
7.9	High Value Courses	88	-	-	-
7.10	Insight & Evaluation Programme	75	75	75	75
7.11	Local Growth Fund Costs	530	429	-	-
7.12	Market Towns & Cities Strategies	100	-	-	-
7.13	Marketing and Promotion of Services	90	90	90	90
7.14	Sector Based Work Academies	86	-	-	-
7.15	Shared Prosperity Fund Evidence Base & Pilot Fund	100	-	-	-
7.16	Skills Advisory Panel (SAP) (DfE)	75	-	-	-
7.17	Skills Rapid Response	100	100	150	150
7.18	St Neots Masterplan	83	-	-	-
	<b>Total Business &amp; Skills Approved Budgets</b>	<b>15,755</b>	<b>15,848</b>	<b>14,763</b>	<b>12,077</b>
	<b>Total Business &amp; Skills Subject to Approval</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Business &amp; Skills Revenue Expenditure</b>	<b>15,755</b>	<b>15,848</b>	<b>14,763</b>	<b>12,077</b>

## Appendix 1d – Draft Delivery and Strategy Revenue Budget

Report Section		2021/22	2022/23	2023/24	2024/25
Reference		£000's	£000's	£000's	£000's
	<b><u>Delivery &amp; Strategy</u></b>				
8.2	<b>A142 Chatteris to Snailwell</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	150	-	-	-
8.3	<b>Climate Change</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	100	100	100	100
8.4	<b>Development of Key Route Network</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	150	-	-	-
8.5	<b>Harston Capacity Study</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	150	-	-	-
8.6	<b>Local Transport Plan</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	200	100	-	-
8.7	<b>Monitoring and Evaluation Framework</b>				
	Approved Project Costs	150	34	-	-
	Subject to Approval	-	36	70	-
8.8	<b>Non-Statutory Spatial Framework (Phase 2)</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	100	100	-	-
8.9	<b>Sawston Station Contribution</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	16	-	-	-
8.10	<b>Segregated Cycling Holme to Sawtry</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	100	-	-	-
8.11	<b>Transport CPCA Bus Operation</b>				
	Approved Project Costs	13,360	13,627	13,900	14,178
	Subject to Approval	-	-	-	-
8.12	<b>Transport Response Fund</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	650	650	650	650
	<b>Total Delivery &amp; Strategy Approved Projects</b>	<b>13,510</b>	<b>13,661</b>	<b>13,900</b>	<b>14,178</b>
	<b>Total Delivery &amp; Strategy Projects Subject to Approval</b>	<b>1,616</b>	<b>986</b>	<b>820</b>	<b>750</b>
	<b>Total Delivery &amp; Strategy Revenue Expenditure</b>	<b>15,126</b>	<b>14,647</b>	<b>14,720</b>	<b>14,928</b>

## Appendix 1e – Draft Housing Revenue Budget

Report Section		2021/22	2022/23	2023/24	2024/25
Reference		£000's	£000's	£000's	£000's
	<b>Housing</b>				
9.1&9.2	<b>CLT and £100k Housing</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	100	100	100	100
9.3	<b>Housing Response Fund</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	350	350	350	350
	<b>Total Housing Approved Budgets</b>	-	-	-	-
	<b>Total Housing Projects Subject to Approval</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>
	<b>Total Housing Revenue Expenditure</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>

## Appendix 2a – Draft Corporate Services Capital Programme

Report Section Reference		2021/22 £,000	2022/23 £,000	2023/24 £,000	2024/5 £,000
12.1	<b>ICT Capital</b>				
	Approved Project Costs	44	38	38	38
	Subject to Approval				
	<b>Total Corporate Approved Capital Projects</b>	<b>44</b>	<b>38</b>	<b>38</b>	<b>38</b>
	<b>Total Corporate Project Costs Subject to Approval</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Corporate Capital Projects</b>	<b>44</b>	<b>38</b>	<b>38</b>	<b>38</b>



## Appendix 2b – Draft Business and Skills Capital Programme

Report Section Referenc		2021/22 £,000	2022/23 £,000	2023/24 £,000	2024/25 £,000
13.2.2	<b>Business Rebound &amp; Growth Service - Capital Grant and Equity Fund</b>				
	Approved Project Costs	3,000	3,000	3,000	-
13.2.3	<b>Getting Building Fund - University of Peterborough Phase 2</b>				
	Subject to Approval	14,600	-	-	-
13.2.4	<b>Illumina Accelerator</b>				
	Approved Project Costs	1,000	1,000	-	-
13.1.2	<b>Market Town Master Plan Implementation</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	4,500	-	-	-
	<b>Total Approved Business and Skills Capital Projects</b>	<b>4,000</b>	<b>4,000</b>	<b>3,000</b>	-
	<b>Total Business and Skills Project Costs Subject to Approval</b>	<b>19,100</b>	-	-	-
	<b>Total Business and Skills Capital Projects</b>	<b>23,100</b>	<b>4,000</b>	<b>3,000</b>	-

## Appendix 2c – Draft Delivery and Strategy Capital Programme

Report Section Referenc		2021/22	2022/23	2023/24	2024/5
		£,000	£,000	£,000	£,000
14.1	<b>A10 Dualling</b>				
	Approved Project Costs	1,000	-	-	
	Subject to Approval	-	-	-	
14.2	<b>A16 Norwood Dualling</b>				
	Approved Project Costs	-	-	-	
	Subject to Approval	730	12,000	-	
14.3	<b>A141 OBC &amp; FBC</b>				
	Approved Project Costs	-	-	-	
	Subject to Approval	-	650	1,300	2,300
14.4	<b>A1260 Nene Parkway Junction 15</b>				
	Approved Project Costs	-	-	-	
	Subject to Approval	5,000	-	-	
14.5	<b>A1260 Nene Parkway Junction 32-3</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	1,000	1,500	-	
14.6	<b>CAM SPV Running Costs</b>				
	Approved Project Costs	-	-	-	
	Subject to Approval	2,000	-	-	
14.7	<b>CAM Business Case Development</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	5,000	6,500	6,500	-
14.8	<b>Coldhams Lane roundabout improvements</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	1,500	-	-	-
14.9	<b>Digital Connectivity Infrastructure Programme</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	1,868	1,500	1,500	1,500
14.10	<b>Fengate Access Studies Phase 1</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	600	4,200	-	-
14.11	<b>Fengate Access Studies Phase 2 (University Access)</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	700	1,280	-	-
14.12	<b>Highways Maintenance (with PCC and CCC)</b>				
	Approved Project Costs	23,080	23,080	23,080	23,080
	Subject to Approval				
14.13	<b>King's Dyke</b>				
	Approved Project Costs	9,087	-	-	
	Subject to Approval	-	-	-	

Report Section		2021/22	2022/23	2023/24	2024/5
Referenc		£,000	£,000	£,000	£,000
14.14	<b>March Junction Improvements</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	1,500	-	-	-
14.15	<b>Regeneration of Fenland Railway Stations</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	1,000	-	-	-
14.16	<b>Snailwell Loop</b>				-
	Approved Project Costs	-	-	-	-
	Subject to Approval	500	-	-	-
14.17	<b>Soham Station</b>				
	Approved Project Costs	8,000	4,000	-	-
	Subject to Approval	-	-	-	-
14.18	<b>St. Ives (SOBC, OBC &amp; FBC)</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	500	1,000	1,400	1,500
14.19	<b>Transport Modelling</b>				-
	Approved Project Costs	-	-	-	-
	Subject to Approval	750	-	-	-
14.20	<b>Wisbech Access Strategy</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	3,000	-	-	-
14.21	<b>Wisbech Rail</b>				
	Approved Project Costs	-	-	-	-
	Subject to Approval	2,000	3,000	5,000	-
	<b>Total Delivery and Strategy Approved Capital Projects</b>	<b>41,167</b>	<b>27,080</b>	<b>23,080</b>	<b>23,080</b>
	<b>Total Delivery and Strategy Projects Subject to Approval</b>	<b>27,648</b>	<b>31,630</b>	<b>15,700</b>	<b>5,300</b>
	<b>Total Delivery and Strategy Capital Projects</b>	<b>68,815</b>	<b>58,710</b>	<b>38,780</b>	<b>28,380</b>

## Appendix 2d – Draft Housing Capital Programme

Report Section Reference		2021/22 £,000	2022/23 £,000	2023/24 £,000	2024/25 £,000
15.7	<b>Affordable Housing Grant Programme</b>				
	Approved Project Costs	12,000	22,000	3,055	-
	Subject to Approval	-	-	-	-
15.8	<b>Cambridge City Housing Programme</b>				
	Approved Project Costs	3,204	4,096	-	-
	Subject to Approval	-	-	-	-
15.9	<b>Housing Investment (revolving) Fund</b>				
	Approved Project Costs	5,728	593	-	344
	Subject to Approval	17,786	25,421	-	-
	<b>Total Housing Approved Capital Projects</b>	<b>20,932</b>	<b>26,689</b>	<b>3,055</b>	<b>344</b>
	<b>Total Housing Project Costs Subject to Approval</b>	<b>17,786</b>	<b>25,421</b>	<b>-</b>	<b>-</b>
	<b>Total Housing Capital Projects</b>	<b>38,719</b>	<b>52,110</b>	<b>3,055</b>	<b>344</b>

