



OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM No: 6
Date: 23 November 2020	PUBLIC REPORT

2021/22 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL PLAN 2021 TO 2025

1.0 PURPOSE

- 1.1. This paper presents the principles and approach behind the development of the Combined Authority's draft Budget for 2021/22 and Medium-Term Financial Plan (MTFP) for the period 2021/22 to 2024/25. The paper also sets out the proposed timetable for the consultation and approval for the budget and MTFP.

<u>RECOMMENDATION</u>	
Lead Officer:	Jon Alsop – Head of Finance (S73)
The Overview and Scrutiny Committee are recommended to:	
(a) Note the principles and approach behind the development of the draft budget for 2021/22 and the Medium-Term Financial Plan for the period 2021/22 to 2024/25	

2.0 BACKGROUND

- 2.1. 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.
- 2.2. The process of the approval of the Mayoral budget is set out in the 'The Combined Authorities (Finance) Order 2017'

Budget Preparation Principles

- 2.3. 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.

2.4. 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.
- To engage with Committees at an early stage to ensure their feedback is incorporated into the draft budget ahead of it being brought to the Board
- Budget preparation has been managed as an inclusive process, involving engagement with Directors, Project teams and the Finance team to promote accuracy, ownership and accountability.
- 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 will provide a clear presentation of capital and revenue budgets on a Directorate basis, strengthening the link between spending plans and funding sources.
- The CA 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 will provide a clear presentation of those projects where budget lines have already been approved by the Board, and of those projects which are 'Subject to Approval'. 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.
- The Budget and MTFP will identify staffing costs and other contributions to 'overheads' associated with grant funded programmes.

Budget Development Timetable

2.5. 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 Business Board (as the Local Enterprise Partnership) and the Overview and Scrutiny Committee."

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

Key Dates and Statutory Deadlines

Proposed Budget Setting Timetable Draft 2021/22 Budget and MTFP	Day	Date
Leaders Strategy Meeting – 2021/22 Budget and MTFP Draft Paper	Wed	11/11/20
Overview and Scrutiny Committee Meeting	Mon	23/11/20
CPCA Board Meeting (to review and approve Draft 2021/22 Budget and MTFP)	Wed	25/11/20
Budget Consultation Period Starts (period must be minimum 4 weeks, we are planning for 5)	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

Date	Activity
Thursday 31 st 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 th January 2021	Deadline for the Mayor to notify the CA of the Mayor's draft budget for 2020/21 (Finance Order)
Friday 29 th 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 th 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 for CA to veto or approve Mayor's draft budget (Finance Order)
Friday 12 th February 2021	Deadline for issuing the Transport Levy to Peterborough City Council and Cambridgeshire County Council

3.0 FINANCIAL IMPLICATIONS

3.1. There are no financial implications other than those referred to in the main body of the paper

4.0 LEGAL IMPLICATIONS

4.1. The Budget Framework Procedure Rules are set out within the CPCA Constitution.

5.0 APPENDICES

5.1. There are no appendices

<u>Source Documents</u>	<u>Location</u>
CPCA Constitution	CPCA Constitution