



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 7.1
29 JANUARY 2020	PUBLIC REPORT

2020/21 BUDGET AND MEDIUM-TERM FINANCIAL PLAN 2020 TO 2024

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. The Combined Authority is required to set its annual budget by 31 January.
- 1.2. The process for the approval of the Mayoral budget is set out in 'The Combined Authorities (Finance) Order 2017' and is considered in another paper on this agenda. It is shown within this report to reflect the overall financial position of the Combined Authority.
- 1.3. This paper sets out the proposed Combined Authority Budget for 2020/21 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2020/21 to 2023/24.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Lead Member for Investment and Finance
Lead Officer:	Jon Alsop, Head of Finance (S73)
Forward Plan Ref: 2020/009	Key Decision: Yes
The Combined Authority Board is recommended to: a) Approve the revenue budget for 2020/21 and the Medium-Term Financial Plan 2020/21 to 2023/24. b) Approve the capital programme 2020/21 to 2023/24	Voting arrangements At least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members. This is a recorded vote

2. BACKGROUND

2.1. In November 2019 the Board received and approved a draft revenue budget, Medium Term Financial Plan and Capital Programme for consultation with the approved list of consultees. The final consultation version to include the decisions of the November Board.

2.2. The proposed budget in this paper has minor alterations from that which was included in the consultation – these are noted in paragraph 3.2 and in total reduce total expenditure across the MTFP period by £180k.

2.3. Budget Setting Objective

The overarching objective is to set an affordable and balanced budget, as required by law, that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority.

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

- The 2020/21 Budget preparation builds on the 2019/20 Budget and MTFP 'refresh' as approved by the Board in September 2019, incorporating any subsequent budget decisions taken up to the end of November 2019.
- Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2020/21 onwards to ensure that spending plans continue to be affordable.
- The 2020/21 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 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 identifies staffing costs and other contributions to 'overheads' associated with grant funded programmes.
- 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'.

2.3.2. 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.

2.3.3. All Revenue and Capital expenditure lines included within the 2020/21 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget.

2.3.4. There is no proposal to precept constituent authorities under Section 40 of the Local Government Finance Act 1992 for the 2020/21 financial year.

2.3.5. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (**Appendix 1**) and the Capital Programme (**Appendix 2**).

2.3.6. Items listed within the Revenue and Capital Leveraged Funded Schemes (**Appendix 3**) sit outside the budget and MTFP, as they would require external funding. Potential sources of external funding for these schemes will be identified and assessed as part of the development of Strategic and Outline Business Cases.

3. DRAFT BUDGET FOR 2020/21 AND MTFP FOR THE PERIOD 2020/21 TO 2023/24

3.1. This report presents the draft Revenue and Capital Budgets, reflecting decisions taken by the Combined Authority Board up to the end of November 2019, in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper refreshes presentation 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.

3.2. The changes to the budget and Medium-Term Financial Plan since the draft budget which was consulted on are as listed below. The relevant appendices, or tables, where this change can be identified are included in brackets.

- The £60m Affordable Housing fund has been marked as 'approved' rather than 'subject to approval' to enable the Housing Committee to award these funds as per their Terms of Reference (Appendix 2c).
- The £1m contribution of Local Growth Funding to Essex County Council's M11 Junction 8 project has been recognised as 'approved' funding. (Appendix 2b).
- The Rural Communities Energy Funding has been applied to the matching expenditure, this was previously shown as funded by Revenue Gainshare (Table 1).
- Changes to the Business and Skills revenue budgets to reflect the revised marketing strategy in the directorate per paragraph 7.10 (Appendix 1c).
- Virement of £10k from the Combined Authority's corporate Conferences, Seminars & Training Budget to create the Mayor's Conference Attendance budget line allowing the costs of Mayoral attendance at conferences to be separated from that of the Combined Authority generally (Appendices 1a and 1b).
- Movement of the A10 dualling and junctions from the capital programme to revenue. This reflects the decision made in 2019-20 to bring the delivery of this project in-house (Appendices 1d and 2b).

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 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 positive overall balance for Revenue at the end of each year and at the end of the MTFP period (2023/24 - £8,679.4k), and for Capital (2023/24 - £58,653.0k), indicate that the budget is balanced and affordable.

Table 1 CPCA Revenue Funding Summary

CPCA Revenue Funding Summary

	2020/21				2021/22				2022/23				2023/24			
Source of Funding	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	(18,220.7)	8,985.3	3,267.9	(5,967.5)	(13,967.5)	8,022.2	200.0	(5,745.3)	(13,485.3)	7,607.2	136.0	(5,742.1)	(13,482.1)	8,475.4	70.0	(4,936.7)
Earmarked Reserves	(3,342.1)	500.0	-	(2,842.1)	(2,842.1)	1,280.0	-	(1,562.1)	(1,822.1)	500.0	-	(1,322.1)	(1,582.1)	62.0	-	(1,520.1)
Enterprise Zone Receipts	(957.6)	638.2	-	(319.4)	(1,318.6)	687.2	-	(631.4)	(2,088.6)	948.6	-	(1,140.0)	(2,597.2)	530.6	-	(2,066.6)
Adult Education Budget	(11,513.1)	11,513.1	-	-	(11,513.1)	11,513.1	-	-	(11,513.1)	11,513.1	-	-	(11,513.1)	11,513.1	-	-
Transport Levy	(12,347.6)	12,347.6	-	-	(12,594.6)	12,594.6	-	-	(12,846.5)	12,846.5	-	-	(13,103.4)	13,103.4	-	-
Other Funding	(6,056.3)	4,490.8	-	(1,565.5)	(2,516.5)	2,360.4	-	(156.1)	(902.1)	746.0	-	(156.1)	(902.1)	746.0	-	(156.1)
Total	(52,437.4)	38,475.0	3,267.9	(10,694.5)	(44,752.4)	36,457.5	200.0	(8,094.9)	(42,657.7)	34,161.4	136.0	(8,360.3)	(43,180.0)	34,430.5	70.0	(8,679.5)

4.2. 'Earmarked Reserves' lines are made up of the following:

- The £1m Contingency reserve
- The election reserve
- The Growth Fund Top-Slice reserve

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

- EU Exit Funding
- Energy Hub Grant
- Health and Care Sector Work Academy Grant
- Commercial Support Grant
- Careers and Enterprise Company Funding
- Rural Community Energy Funding (RCEF)
- Growth Hub (BEIS)
- LEP Core Funding (BEIS)

Table 2 CPCA Capital Funding Summary

Source of Funding	2020/21				2021/22				2022/23				2023/24			
	Available	Approved	Subject to	Balance at	Available	Approved	Subject to	Balance at	Available	Approved	Subject to	Balance at	Available	Approved	Subject to	Balance at
	Funds in Year	Expenditure	Approval	Year End	Funds in Year	Expenditure	Approval	Year End	Funds in Year	Expenditure	Approval	Year End	Funds in Year	Expenditure	Approval	Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Gainshare	(53,029.9)	18,717.9	11,091.6	(23,220.4)	(35,220.4)	9,837.0	25,618.5	235.1	(11,764.9)	-	4,753.5	(7,011.4)	(19,011.4)	-	5,720.9	(13,290.5)
Transforming Cities Fund	(24,476.6)	7,612.0	16,864.6	-	(30,000.0)	13,103.5	16,896.5	-	(21,000.0)	896.8	20,103.2	-	-	-	-	-
Cambridge City £70m	(35,254.1)	27,954.0	-	(7,300.1)	(7,300.1)	7,300.1	-	0.0	-	-	-	-	-	-	-	-
Housing Infrastructure £60m	(50,362.8)	12,652.9	-	(37,709.9)	(37,709.9)	19,236.0	-	(18,473.9)	(18,473.9)	6,759.6	-	(11,714.3)	(11,714.3)	11,714.3	-	(0.0)
Housing Loans £40m	(34,395.0)	6,739.8	-	(27,655.2)	(33,425.2)	-	-	(33,425.2)	(33,425.2)	-	-	(33,425.2)	(33,425.2)	-	-	(33,425.2)
Local Growth Fund	(71,594.3)	62,892.6	-	(8,701.7)	(9,625.4)	-	-	(9,625.4)	(11,111.8)	-	-	(11,111.8)	(11,937.3)	-	-	(11,937.3)
Highways Maintenance Grant	(23,080.0)	23,080.0	-	-	(23,080.0)	23,080.0	-	-	(23,080.0)	23,080.0	-	-	(23,080.0)	23,080.0	-	-
Total	(292,192.7)	159,649.2	27,956.2	(104,587.3)	(176,361.0)	72,556.6	42,515.0	(61,289.4)	(118,855.8)	30,736.4	24,856.7	(63,262.7)	(99,168.2)	34,794.3	5,720.9	(58,653.0)

4.4. These tables indicate that all 'Revenue' and 'Capital' expenditure lines included within the 2020/21 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget.

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.
- Provision for Non-Transport project feasibility studies which is allocated with CA Board approval.
- Allowance for Mayoral Elections on a four-year cycle with the next election falling 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 project budget lines which are described as 'Approved' and 'Subject to Approval'.
- 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.

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.

Table 3 Summary Revenue Budget 2020/21 and MTFP

Financial Year	Total Directorate Expenditure	Revenue Single Pot	Earmarked Reserves	Enterprise Zone Receipts	Adult Education Budget (AEB)	Transport Levy	Other Funding	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
	Opening Bal @ 01/04/20		(9,480.7)	(2,367.3)	(468.5)	-	(3,858.3)	(16,174.8)
2020/21	Funds Received in Year		(9,000.0)	-	(489.1)	(11,513.1)	(12,347.6)	(35,547.8)
	Transfer Between Reserves		260.0	(974.8)	-	-	-	(714.8)
	Available Funds		(18,220.7)	(3,342.1)	(957.6)	(11,513.1)	(12,347.6)	(52,437.4)
	Mayor	466.8	466.8	-	-	-	-	466.8
	Corporate	6,872.6	6,714.4000	-	158.2000	-	-	6,872.6
	Business & Skills	17,099.3	115.5	500.0	480.0	11,513.1	4,490.8	17,099.4
	Delivery & Strategy	13,952.8	1,605.2	-	-	12,347.6	-	13,952.8
	Housing	83.4	83.4	-	-	-	-	83.4
	Subject to Approval	3,267.9	3,267.9	-	-	-	-	3,267.9
	Closing/Opening Balance		(5,967.5)	(2,842.1)	(319.4)	-	(1,565.5)	(10,694.5)
2021/22	Funds Received in Year		(8,000.0)	-	(999.2)	(11,513.1)	(12,594.6)	(34,057.9)
	Transfer Between Reserves		-	-	-	-	-	-
	Available Funds		(13,967.5)	(2,842.1)	(1,318.6)	(11,513.1)	(12,594.6)	(44,752.4)
	Mayor	482.5	482.5	-	-	-	-	482.5
	Corporate	8,445.0	7,506.8	780.0	158.2	-	-	8,445.0
	Business & Skills	14,785.4	(117.1)	500.0	529.0	11,513.1	2,360.4	14,785.4
	Delivery & Strategy	12,744.6	150.0	-	-	12,594.6	-	12,744.6
	Housing	-	-	-	-	-	-	-
	Subject to Approval	200.0	200.0	-	-	-	-	200.0
	Closing/Opening Balance		(5,745.3)	(1,562.1)	(631.4)	-	(156.1)	(8,094.9)
2022/23	Funds Received in Year		(8,000.0)	-	(1,457.2)	(11,513.1)	(12,846.5)	(34,562.8)
	Transfer Between Reserves		260.0	(260.0)	-	-	-	-
	Available Funds		(13,485.3)	(1,822.1)	(2,088.6)	(11,513.1)	(12,846.5)	(42,657.7)
	Mayor	489.6	489.6	-	-	-	-	489.6
	Corporate	7,564.3	7,283.7	-	280.6	-	-	7,564.3
	Business & Skills	13,227.0	(200.1)	500.0	668.0	11,513.1	746.0	13,227.0
	Delivery & Strategy	12,880.5	34.0	-	-	12,846.5	-	12,880.5
	Housing	-	-	-	-	-	-	-
	Subject to Approval	136.0	136.0	-	-	-	-	136.0
	Closing/Opening Balance		(5,742.1)	(1,322.1)	(1,140.0)	-	(156.1)	(8,360.3)
2023/24	Funds Received in Year		(8,000.0)	-	(1,457.2)	(11,513.1)	(13,103.4)	(34,819.7)
	Transfer Between Reserves		260.0	(260.0)	-	-	-	-
	Available Funds		(13,482.1)	(1,582.1)	(2,597.2)	(11,513.1)	(13,103.4)	(43,180.0)
	Mayor	496.9	496.9	-	-	-	-	496.9
	Corporate	8,021.2	7,740.6	-	280.6	-	-	8,021.2
	Business & Skills	12,809.0	237.9	62.0	250.0	11,513.1	746.0	12,809.0
	Delivery & Strategy	13,103.4	-	-	-	13,103.4	-	13,103.4
	Housing	-	-	-	-	-	-	-
	Subject to Approval	70.0	70.0	-	-	-	-	70.0
	Closing Balance		(4,936.7)	(1,520.1)	(2,066.6)	-	(156.1)	(8,679.5)

5.4. 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.

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'.

6.2. Salaries and Other Employee Costs

The last 12 months has seen the Combined Authority move towards its new approved establishment structure. This process identified significant savings which were reported in the 2019/20 Budget and MTFP Refresh.

This budget reflects refinement of the staff costs already reported, showing a stabilised position and some limited cost reduction over the life of the MTFP.

The Staffing budget reflects:

- An anticipated annual pay award of 2%.
- Changes approved by the Chief Executive required to appoint appropriate staff to the structure on a harmonised pay structure.
- Positions funded by specific funding streams e.g. Energy Hub and Rural Community Energy Funding. The staffing structure now aligns operational teams to funding.

The Corporate Services budget includes recharges of staff and overheads funded by specific funding streams to reflect the full cost of each programme within Directorate budgets.

6.3. Support Services

The CPCA continues to operate a lean structure. To enable that efficiency some support services are provided by constituent authorities such as democratic services from Cambridgeshire County Council, finance support from Peterborough City Council and procurement support from Cambridge City Council.

6.4. Corporate Overheads

Corporate Overheads includes the costs of running an office as well as the specific costs of being in business (e.g. audit). These costs are expected to remain stable in future years.

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. The budget provides for this and the drawdown of £1.04m in 2021/22 is to finance this cost.

6.7. Capacity Funding

The Capacity fund was established in 2019/20 to enable 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. Financing Costs

CPCA currently has an agreed cap with the Treasury that enables it to borrow up to £84.61m to finance capital related schemes. Whilst there are no immediate plans to borrow, the revenue budget makes provision for financing interest on any potential future borrowing up to this limit. The total borrowing cost is offset by interest receivable on cash balances and investments held by the Combined Authority.

6.9. Workstream Budgets

6.9.1. 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.

6.9.2. **Non-Transport Feasibility Funding**

The CA Board approved an annual budget of £1m to fund 'non-transport feasibility projects when it set the 2019/20 budget. A Board decision is required to make allocations against this budget. The impact of Board decisions made to date leave £749.6k in this fund in 2020/21, £917k in 2021/22 and £1m in following years.

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. Following on from the previous year of devolution planning, the provision of service delivery began in August/September 2019. The budget is divided into two distinct areas:

- AEB Devolution Programme – the full allocation of the grant that is due for receipt, less the programme costs, as detailed below.

AEB Programme Costs – provision of staffing and services to ensure delivery of the programme. This is the 4.9% 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. **Careers & Enterprise Company (CEC)**

The Careers & Enterprise Company (CEC) is the national vehicle used to drive the Skills Agenda and deliver the National Careers Strategy within education. The programme is linked to the Skills Brokerage service and is key to the success of delivering the Skills Strategy.

As with the AEB budget all staffing relating costs are included here as a recharge from the Corporate staffing budget.

7.4. Energy Hub

The Board has agreed to transfer this activity out of the control of the Combined Authority. Until the transfer happens, related costs are included in the Combined Authority's MTFP. Expenditure has been profiled to match the revised spending profile which is fully funded by the grant.

7.5. Growth Hub including EU Exit Funding and Thomas Cook Task Force

The Growth Hub is a telephone based signposting service to local organisations providing advice and growth support. An Outline Business Case presented in November 2019 and Full Business Case in March 2020, will propose the outsourcing of this service from April 2020. The revenue from Business, Energy and Industrial Strategy (BEIS), the sponsors of the service, and the outflow of costs to a contractor 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 employees of Thomas Cook to secure new jobs. EU Exit activities are being supported by top-up funding within this financial year from MHCLG, which will carry forward into 2020/21. Thomas Cook employee support is funded through a budget allocated from BEIS, for LEP Capacity Building.

7.6. 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.

7.7. Local Industrial Strategy (LIS) Implementation

The LIS Implementation budget is a cost provision for the development and launch of business support interventions, defined in the LIS as being required to meet the CPCA's economic growth ambitions. The Local Economic Commission has been included within this expenditure line.

7.8. 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.

7.9. Market Town Implementation of Strategies

This budget line supports growth in our 11 market towns through the production of a Masterplan for each and funding to co-invest in the implementation of those plans. All masterplans will be completed by March 2020. The St. Neots plan is shown separately in Section 7.14 of this report .

7.10. 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 line was revised to reflect the emerging strategy presented to the Skills Committee in January 2020.

7.11. Regional Community Energy Fund (RCEF)

As with the Energy Hub, this activity has been agreed to be transferred out of the Combined Authority. Until this happens, related costs are included in the MTFP. Expenditure is in line with the funding received for the project.

7.12. Skills Brokerage, including Apprenticeship Levy

The CPCA currently funds several pilot projects to establish the feasibility of a levy marketplace and skills brokerage to recover and scale apprenticeship levels to better meet business needs. The funding and provision of this service is under review with an enhanced proposal currently in development. To enable this review to be conducted with adequate depth and scope, part of the current contract will need to be extended to cover the 2019-20 academic year. The additional costs of this are £98k, which will require additional funding.

An Outline Business Case in November 2019 and Full Business Case (FBC) in March 2020, will propose the outsourcing of these separate place-specific interventions into a single integrated, whole economy Business Growth Service from April 2020.

7.13. Skills Strategy Implementation

The Skills Strategy Implementation budget is a provision for the development and launch of skills support interventions, defined in the Skills Strategy and carried into the LIS as being required to meet the CPCA's economic growth ambitions.

7.14. St. Neots Masterplan

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

7.15. Trade and Investment Programme

This is a pilot programme to test the ideas developed in the LIS for a larger scale inward investment service. An Outline Business Case in November 2019 and FBC in March 2020, will propose the outsourcing of these separate place-specific interventions into a single integrated, whole economy Business Growth Service from April 2020.

7.16. Enterprise Zone contribution to Growth Company

This line reflects the November Combined Authority Board's decision, based on the recommendation from the Business Board, to allocate funding from Enterprise Zone receipts to the proposed Business Growth Service.

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. A10 Dualling SOBC

The Combined Authority has procured a Strategic Outline Business Case for the dualling of the A10. This supports bids to the government's Large Local Majors and Major Route Network funds for the cost of dualling and junction improvements between Ely and Cambridge.

8.3. Bus Review Implementation.

This project is taking forward the Mayor's Strategic Bus Review under the guidance of the Bus Reform Task Force. It will recommend 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.

8.4. Cambridgeshire Autonomous Metro (CAM).

The budget identified here will fund the development of an Outline Business Case for the CAM metro, building on the work reported in the Strategic Outline Business Case.

8.5. Cambridge South

This budget makes provision for a Combined Authority contribution to constructing an accelerated new station at Cambridge South to serve the Cambridge Biomedical Campus.

8.6. Climate Change

This budget will fund research and other support for an Independent Commission on Climate Change

8.7. Huntingdon Third River Crossing

Growth to the north of Huntingdon will challenge the capacity of roads in the area. This budget funds a study of options for increasing capacity.

8.8. Local Transport Plan

The new Local Transport Plan (LTP) is due to be approved in the 2019-20 financial year. A number of councils' local plans will be updated in the early part of the MTFP period so it is prudent to make provision for a possible need to refresh the LTP in 2021/22.

8.9. 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.

8.10. Public Service Reform

The Board agreed to support the costs of the Independent Commission on Public Service Reform, which intends to report on health and care integration during 2020-21.

8.11. Schemes and Studies

The Combined Authority has supported Peterborough City Council in developing a package of minor schemes during 2019-20 and it is anticipated that it will do so again in 2020-21.

8.12. Strategic Planning

The Combined Authority is developing a strategic spatial framework for the area. Funding is required for external expertise and research to support that activity.

8.13. Sustainable travel

The Combined Authority has supported Peterborough City Council in developing sustainable travel options during 2019-20 and it is anticipated that it will do so again in 2020-21.

8.14. Transport Levy

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 by them under delegation from the Combined Authority.

9. HOUSING DIRECTORATE

9.1. Community Land Trusts (CLT) / <£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 will be 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.

Work is underway to develop the policy framework and business case for <£100k Homes.

9.2. Community Land Trusts 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. Garden Villages

This provision is for the negotiation and exchange of two major land option deals on the proposed CAM metro network in order to enable a land value capture strategy to deliver a minimum of two garden villages.

10. REVENUE BUDGET CONCLUSIONS

- 10.1. The Revenue Budget position for 2020/21 and MTFP for Approved and Subject to Approval budget lines is affordable within known funding sources. Current spending plans leaves uncommitted Revenue Single Pot funding of £4.9367m at the end of 2023/24 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 2020/21 and projected drawdown across the lifetime of the MTFP. 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 within expected funding streams.

Appendix 2 shows the detailed Directorate Capital budget for 2020/21 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 CA Board to allow spending to commence.

Table 4 Summary Capital Budget 2020/21 and MTFP

Financial Year		Total Directorate Expenditure	Capital Gainshare	Transforming Cities Fund	Cambridge City £70m	Housing Infrastructure £60m	Housing Loans £40m	Local Growth Fund	Highways Maintenance Capital Grant	Total
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
	Opening Bal @ 01/04/20		(41,029.9)	(2,476.6)	(20,254.1)	(32,362.8)	875.0	(35,698.8)	-	(130,947.2)
2020/21	Funds Received in Year		(12,000.0)	(22,000.0)	(15,000.0)	(18,000.0)	(35,270.0)	(36,610.3)	(23,080.0)	(161,960.3)
	Top Slice of Capital Funds		-	-	-	-	-	714.8	-	714.8
	Available Funds		(53,029.9)	(24,476.6)	(35,254.1)	(50,362.8)	(34,395.0)	(71,594.3)	(23,080.0)	(292,192.7)
	Business & Skills	63,542.6	11,150.0	-	-	-	-	52,392.6	-	63,542.6
	Delivery & Strategy	48,009.9	6,817.9	7,612.0	-	-	-	10,500.0	23,080.0	48,009.9
	Housing	48,096.7	750.0	-	27,954.0	12,652.9	6,739.8	-	-	48,096.7
	Subject to Approval	27,956.2	11,091.6	16,864.6	-	-	-	-	-	27,956.2
	Closing/Opening Balance		(23,220.4)	-	(7,300.1)	(37,709.9)	(27,655.2)	(8,701.7)	-	(104,587.3)
2021/22	Funds Received in Year		(12,000.0)	(30,000.0)	-	-	(5,770.0)	(923.7)	(23,080.0)	(71,773.7)
	Top Slice of Capital Funds		-	-	-	-	-	-	-	-
	Available Funds		(35,220.4)	(30,000.0)	(7,300.1)	(37,709.9)	(33,425.2)	(9,625.4)	(23,080.0)	(176,361.0)
	Business & Skills	-	-	-	-	-	-	-	-	-
	Delivery & Strategy	45,270.5	9,087.0	13,103.5	-	-	-	-	23,080.0	45,270.5
	Housing	27,286.1	750.0	-	7,300.1	19,236.0	-	-	-	27,286.1
	Subject to Approval	42,515.0	25,618.5	16,896.5	-	-	-	-	-	42,515.0
	Closing/Opening Balance		235.1	-	-	(18,473.9)	(33,425.2)	(9,625.4)	-	(61,289.4)
2022/23	Funds Received in Year		(12,000.0)	(21,000.0)	-	-	-	(1,486.4)	(23,080.0)	(57,566.4)
	Top Slice of Capital Funds		-	-	-	-	-	-	-	-
	Available Funds		(11,764.9)	(21,000.0)	-	(18,473.9)	(33,425.2)	(11,111.8)	(23,080.0)	(118,855.8)
	Business & Skills	-	-	-	-	-	-	-	-	-
	Delivery & Strategy	23,976.8	-	896.8	-	-	-	-	23,080.0	23,976.8
	Housing	6,759.6	-	-	-	6,759.6	-	-	-	6,759.6
	Subject to Approval	24,856.7	4,753.5	20,103.2	-	-	-	-	-	24,856.7
	Closing/Opening Balance		(7,011.4)	-	-	(11,714.3)	(33,425.2)	(11,111.8)	-	(63,262.7)
2023/24	Funds Received in Year		(12,000.0)	-	-	-	-	(825.5)	(23,080.0)	(35,905.5)
	Top Slice of Capital Funds		-	-	-	-	-	-	-	-
	Available Funds		(19,011.4)	-	-	(11,714.3)	(33,425.2)	(11,937.3)	(23,080.0)	(99,168.2)
	Business & Skills	-	-	-	-	-	-	-	-	-
	Delivery & Strategy	23,080.0	-	-	-	-	-	-	23,080.0	23,080.0
	Housing	11,714.3	-	-	-	11,714.3	-	-	-	11,714.3
	Subject to Approval	5,720.9	5,720.9	-	-	-	-	-	-	5,720.9
	Closing Balance		(13,290.5)	-	-	(0.0)	(33,425.2)	(11,937.3)	-	(58,653.0)

12. BUSINESS AND SKILLS DIRECTORATE

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

1. **CPCA Funded Projects** – directly funded by CPCA (section 12.1).
2. **Local Growth Fund Projects** – directly funded through the grant award received from BEIS (section 12.2).

12.1. CPCA Funded Projects

12.1.1. University of Peterborough

The University project is proceeding with an Outline Business Case due to be presented to the Board in January 2020. A Joint Venture (JV) proposal with Peterborough City Council is being developed to build and manage the new university premises.

12.1.2. Market Town Master Plan Pump Priming

The Combined Authority will consider bids against the agreed list of interventions and investment priorities specified within the Master Plans during 2020/21.

12.2. Local Growth Fund Projects

12.2.1. Capital Growth Grant Scheme

The Capital Growth Grant Scheme is a new project approved by the Board in September 2019 and funded by the Local Growth Fund for the sum of £3m in 2020/21. This is a Small Business Capital Growth Investment Fund to help Small and Medium sized enterprises (SMEs), grow through organic expansion, paying for equipment and expanded premises.

This Grant Scheme also includes an Innovation and Re-Location Grant to co-invest with small firms towards the cost of contracting experts to help:

- a) Access Research and Development funding from UK and EU agencies for new product development and increased productivity
- b) Access fast-track planning, partners, and investment for new employment space.

12.2.2. Eastern Agritech Initiative

The Eastern Agri-Tech Growth Initiative is designed to support the development of new and innovate ideas within the Agri-Tech sector. The Initiative has two main funds that can help support local businesses:

- Agri-Tech Growth Fund - offers grant funding of between £10k and £150k to support product development and improve agricultural productivity.
- Research, Development and Prototyping Fund - helps to support the research and development of new products or processes with grants of between £10k and £60k.

12.2.3. Future Pipeline Projects

Local Growth Fund provides capital funding from the Government to CPCA to invest in local projects which help overcome strategic barriers to growth and contribute towards delivery of ambitions set out in the Local Industrial Strategy (LIS) - from Business Growth Programmes, Inward Investment, Business Growth space, Launchpads and incubator space, through to new skills facilities and space for innovation. The funding for this project is time-limited and will need to be concluded by the end of 2020/21.

12.2.4. Illumina Accelerator

This is a Genomics Accelerator coaching programme for Start-ups and SMEs with Equity invested into the SME's in £100k convertible notes for 5+ SME businesses selected for the accelerator coaching programme in cohorts every six months. Future return of funding would be the eventual realisation of the 2% shareholding.

12.2.5. Lancaster Way Phase 2

This project funds Roundabout improvements on the A142 to support access to the Enterprise Zone site and reduce traffic impacts of the site on the main route. This project is also being aligned with County Highways improvements to the A10/A142 roundabout.

12.2.6. Sci-Tech Container Village

This project provides a loan for infrastructure costs to bring forward a key employment site for Cambridge unlocking 2 acres of a poor quality brownfield site to develop Sci-Tech container village business space. Delivery of this parcel of land will help accelerate wider regeneration of the overall site, for which £200M Housing Infrastructure Funding has been secured.

12.2.7. Small Grants Programme

A Board decision has been made to close the programme with any remaining funds being reutilised.

13. DELIVERY AND STRATEGY DIRECTORATE

The proposed capital provision for the coming years of the MTFP period are as follows:

13.1. A47 Dualling

This line makes provision for collaborative funding with Highways England to prepare the business case documents to support delivery of dualling the A47 within the RIS2 (Road Investment Strategy 2) period.

13.2. King's Dyke

The Combined Authority has committed to fund Cambridgeshire County Council's scheme to provide a new road replacement for the King's Dyke level crossing. This line reflects existing commitments made by the Board.

13.3. Cambridge South Station

This budget makes provision for a Combined Authority contribution to constructing an accelerated new station at Cambridge South to serve the Cambridge Biomedical Campus.

13.4. Regeneration of Fenland Railway Stations

The Combined Authority has agreed to fund a package of improvements to stations at Manea, Whittlesea and March.

13.5. Soham Station

A rail station will be reinstated at Soham after a 75 year gap, supporting growth in the market town. The Board agreed in September 2019 to fund the construction phase of the project.

13.6. 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 3b) stage.

13.7. A16 Norwood Dualling

Proposed housing development at the Norwood site in Peterborough will be unlocked by dualling a short stretch of the A16.

13.8. A141 Capacity Enhancements

This line provides for continued study work on increasing road capacity to the North of Huntingdon in anticipation of growing demand driven by future development.

13.9. A505 Corridor

This line funds a study of road capacity in this high-growth area between Cambridge and Royston.

13.10. A605 Oundle Road Widening

This line provides for the construction of an additional lane on the A605 between the village of Alwalton and the Lynchwood Business Park to relieve anticipated congestion. The scheme is estimated to support the creation of an extra 2,000 jobs.

13.11. 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.

13.12. A1260 Nene Parkway Junctions 32-3

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

13.13. Coldhams Lane Roundabout Improvements

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

13.14. 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.

13.15. Ely Area Capacity Enhancements

This is the Combined Authority's contribution to Network Rail's project to address capacity constraints at this crucial junction on the region's rail network, enabling significant growth, more freight diversion from the road network, and better journeys for residents across the Cambridgeshire and Peterborough area.

13.16. Fengate Access Studies

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

13.17. Highways Maintenance

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

13.18. M11 Junction 8

This is the Combined Authority's contribution to a joint project with Essex County Council aimed at improving capacity at this important junction that gives access to Stansted Airport.

13.19. March Junction Improvements

A package of measures to improve traffic flow and enable growth in March is being studied. This line provides funding for that work.

13.20. St Neots Masterplan Capital

The St Neots market town masterplan proposed a new cycle bridge for the town which this line funds.

13.21. Wisbech Access Strategy

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

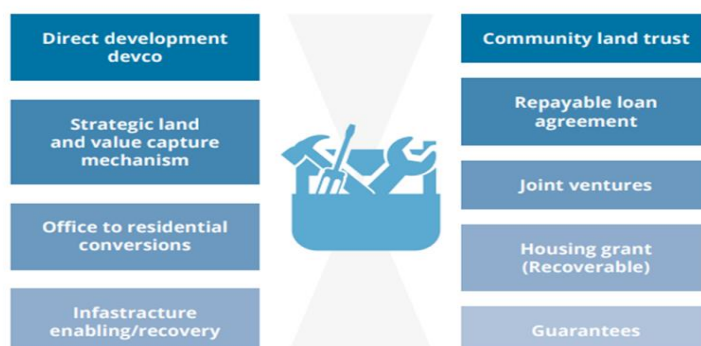
14. HOUSING DIRECTORATE

- 14.1. 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.
- 14.2. 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.
- 14.3. 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.
- 14.4. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the diagram below:



- 14.5. 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



- 14.6. 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 direct delivery.

14.7. Wisbech Garden Town

Progress on this project is pending confirmation and timing for the delivery of the A47 improvement works. Those works will act as the trigger to progress to the next stage of this project.

14.8. 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 June 2019 there were 134 starts on site which represents 26.8% of the delivery target against a 20% spend of the available funding.

14.9. Affordable Housing Grant Programme

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.

14.10. Housing Investment Fund – Contracted

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

15. SECTION 25 STATEMENT

- 15.1. Section 25 of the Local Government Act 2003 places requirements on a Section 73 Officer in determining the Authority's budget for the forthcoming financial year to report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves. This assessment is based upon the Combined Authority continuing to operate on an on-going basis and with a minimum £20m gainshare (£8m revenue and £12m capital) to be funded from Central Government. This section sets out the Section 73 Officer's view of the budget and medium-term financial plan.

- 15.2. The level of reserves has been set in the context of the way this organisation operates. The level of revenue reserves has been kept in line with the £1m set in the 2019-20 budget. This is considered a prudent level taking into account that the majority of the CPCA's budgets are not demand led, and thus the level of control the Combined Authority has over its expenditure is significant. The projected level of capital balances is described in the capital programme and paragraph 4.3. This represents a reasonable level based upon the current and expected commitments to be made.
- 15.3. This report focuses on the budget and financing of the Authority over the next 4 years. The paper identifies a sustainable budget and MTFP for the period within the resources available to the Combined Authority. The revenue budget identifies clear budgets to progress the major priorities of the Combined Authority. The wider Medium-Term Financial Plan provides a clear financial plan that allows the Board to manage and monitor its financial performance as well as deliver its objectives. Resources are clearly identified against priorities. The assumptions and numbers are a fair reflection of the commitments of the Combined Authority.
- 15.4. The Capital Programme identifies funding to deliver specific schemes over the period. It will utilise Gainshare Capital to deliver on devolution aspirations such as Digital Connectivity, Peterborough University, regeneration of Market Towns and some transport priorities. It also looks to maximise the benefit of the Transforming Cities Fund towards major Transport priorities and the Local Growth Fund to stimulate job creation in the local economy. The programme also includes the plan to deliver housing from the devolved capital funding to accelerate delivery across the Combined Authority area. The estimates for the programmes are based upon reasonable estimates across the organisation. Importantly the committed expenditure can be controlled across the years.
- 15.5. The overall budget and Medium-Term Financial Plan allow development of the Devolution and Mayoral ambition within existing resources. Capacity has been built into the plan to potentially utilise borrowing to progress some of the investment programme. Equally resources have been identified to progress Business Cases for major strategic projects which will consider innovative funding mechanisms such as Land Value Capture, Tax Incremental Financing (TIF) and other potential new funding. Funding this capacity is essential to creating the financing packages to deliver the major strategic changes within the ambition.
- 15.6. A separate report on this Agenda describes the Business Plan for 2020/21 in more detail. The proposed budget has been developed alongside that plan

16. LEGAL IMPLICATIONS

The budget setting process is as set out in the CPCA Constitution.

17. SIGNIFICANT IMPLICATIONS

The budget, MTFP and capital programme form the CPCA's financial planning for delivery of projects and programmes over the next 4 years. Therefore, it will have significant implications for the community of the area and beyond.

18. **APPENDICES**

Appendix 1 – 2020/21 Revenue Budget and Medium-Term Financial Plan

Appendix 2 – 2020/21 Capital Budget and Medium-Term Financial Plan

Appendix 3 – Leveraged Future Schemes

Appendix 4 – Summary of Consultation and Responses

<u>Source Documents</u>	<u>Location</u>
CPCA Constitution	https://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Constitution-2019-10-24.pdf

2020/21 Revenue Budget and Medium-Term Financial Plan – Mayor's Office

Report Section Reference	2019/20 MTFP £000's		2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
	85.0	Mayor's Allowance	85.0	95.6	97.5	99.5
	-	Mayor's Conference Attendance	10.0	10.0	10.0	10.0
	25.0	Mayor's Office Expenses	40.0	40.0	40.0	40.0
	52.4	Mayor's Office Accommodation	77.4	77.4	77.4	77.4
	217.5	Mayor's Office Staff	254.4	259.5	264.7	270.0
5.4	379.9	Total Mayor's Costs	466.8	482.5	489.6	496.9
	379.9	Total Mayor's Budgets	466.8	482.5	489.6	496.9

Report Section Reference	2019/20 MTFP £000's		2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
6.2		Combined Authority Staffing Costs (inc NI & Pen 'e				
	269.0	Chief Executive	274.2	306.4	312.5	318.8
		Housing Directorate				
	362.0	Housing	379.5	387.1	394.8	402.7
		Business and Skills Directorate				
	746.8	Business and Skills	827.7	844.2	861.1	878.3
	153.8	Growth Hub	146.8	149.7	152.7	155.8
	384.5	Energy	404.6	412.7	-	-
	50.0	Energy - RCEF Staffing	-	-	-	-
	320.1	AEB	242.5	247.4	252.3	257.3
		Delivery & Strategy Directorate				
	1,217.6	Delivery & Strategy	1132.1	1154.7	1177.8	1201.4
		Corporate Services Directorate				
	614.3	Legal and Governance	503.8	583.2	594.9	606.8
	515.1	Finance	454.1	463.2	472.4	481.9
	98.4	HR	105.6	107.7	109.9	112.1
	180.5	Communications	231.1	235.7	240.4	245.2
	4,912.1	Total Combined Authority Staffing Costs	4,702.0	4,892.0	4,568.9	4,660.3
		Other Employee Costs				
	100.0	Travel	100.0	100.0	100.0	100.0
	10.0	Apprenticeship Levy	17.9	18.7	17.4	17.8
	100.0	Conferences, Seminars & Training	90.0	90.0	90.0	90.0
	210.0	Total Other Employee Costs	207.9	208.7	207.4	207.8
6.3		Externally Commissioned Support Services				
	200.0	External Legal Counsel	200.0	150.0	100.0	100.0
	90.0	Finance Service	91.0	92.0	93.0	94.0
	90.0	Democratic Services	90.0	90.0	90.0	90.0
	10.0	Payroll	8.0	8.0	8.0	8.0
	25.0	HR	25.0	25.0	25.0	25.0
	25.0	Procurement	25.0	25.0	25.0	25.0
	15.0	Finance System	-	-	-	-
	50.0	ICT external support	50.0	50.0	50.0	50.0
	505.0	Total Externally Commissioned Support Services	489.0	440.0	391.0	392.0
6.4		Corporate Overheads				
	339.2	Accommodation Costs	340.0	340.0	340.0	340.0
	20.0	Software Licences, Mobile Phones cost	20.0	20.0	20.0	20.0
	50.0	Communications	40.0	40.0	40.0	40.0
	29.5	Website Development	10.0	10.0	10.0	10.0
	160.0	Recruitment Costs	-	-	-	-
	30.0	Insurance	30.0	30.0	30.0	30.0
	85.0	Audit Costs	85.0	85.0	85.0	85.0
	25.0	Office running costs	25.0	25.0	25.0	25.0
	10.0	Corporate Subscriptions	10.0	10.0	10.0	10.0
	748.7	Total Corporate Overheads	560.0	560.0	560.0	560.0
6.5		Governance Costs				
	185.0	Committee/Business Board Allowances	144.0	144.0	144.0	144.0
	20.0	Miscellaneous	20.0	20.0	20.0	20.0
	205.0	Total Governance Costs	164.0	164.0	164.0	164.0
6.6		Election Costs				
	260.0	Total Election Costs	-	1,040.0	-	-
6.7		Capacity Funding				
	125.0	Total Capacity Funding	125.0	125.0	125.0	125.0
6.8		Financing Costs				
	(1,480.0)	Interest Receivable on Investments	(1,020.0)	(762.4)	(400.0)	
	-	Interest on Borrowing	2,555.2	2,555.2	2,555.2	2,555.2
	(1,480.0)	Net Financing Costs	1535.2	1792.8	2155.2	2555.2
	5,485.8	Total Operational Budget	7,783.1	9,222.5	8,171.6	8,664.3
		Feasibility Budgets				
6.9.1	-	Contribution to A14 Upgrade (DfT)	61.2	61.2	183.6	183.6
6.9.2	445.4	Non-Transport Feasibility (unallocated)	749.6	917.0	1000.0	1000.0
	445.4	Total Feasibility Budget	810.8	978.2	1,183.6	1,183.6
6.2		Recharges to Grant Funded Projects				
	-	Directly Grant Funded Staff	(1,472.4)	(1,501.9)	(1,531.9)	(1,562.5)
	-	Directly Grant Funded Overheads	(248.9)	(253.9)	(259.0)	(264.2)
	-	Total Recharges to Grant Funded Projects	(1,721.3)	(1,755.7)	(1,790.9)	(1,826.7)
	5,931.2	Total Corporate Services Approved Budgets	6,872.6	8,445.0	7,564.3	8,021.2

2020/21 Revenue Budget and Medium-Term Financial Plan – Business and Skills

Report Section	2019/20 MTFP		2020/21	2021/22	2022/23	2023/24
Reference	£000's		£000's	£000's	£000's	£000's
7.2	6,858.6	AEB Devolution Programme	10,948.9	10,948.9	10,948.9	10,948.9
7.2	115.4	AEB Programme Costs	564.1	564.1	564.1	564.1
7.3	-	Marketing and Promotion of Services	75.0	-	-	-
7.4	94.2	Careers and Enterprise Company (CEC)	80.5	-	-	-
7.5	615.4	Energy Hub	697.8	-	-	-
7.6	90.9	EU Exit Funding	181.8	-	-	-
7.6	63.0	Growth Company Development	-	-	-	-
7.6	92.2	Growth Hub	246.0	246.0	246.0	246.0
	110.0	HAT Work Readiness Programme	-	-	-	-
7.7	1,500.0	Health and Care Sector Work Academy	1,100.0	1,300.0	-	-
	400.0	LEP Capacity Funding	-	-	-	-
7.8	200.0	LIS Implementation	195.0	200.0	200.0	200.0
7.9	-	Local Growth Fund Costs	480.0	480.0	480.0	480.0
7.10	353.0	Market Town Implementation of Strategies	175.0	200.0	200.0	200.0
7.11	-	Marketing	20.0	20.0	20.0	20.0
7.12	1,052.5	Rural Community Energy Fund (RCEF)	1,713.2	314.4	-	-
	75.0	Skills Advisory Panel (SAP) (DfE)	-	-	-	-
7.13		Skills Brokerage				
	250.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	98.0	-	-	-
7.14	150.0	Skills Strategy Implementation	125.0	150.0	150.0	150.0
7.15	18.9	St Neots Masterplan	167.0	83.0	-	-
7.16	100.0	Trade and Investment Programme	100.0	-	-	-
7.17	-	EZ Funded Growth Company Contribution	230.0	279.0	418.0	-
	235.0	University of Peterborough	-	-	-	-
	12,374.1	Total Business & Skills Approved Budgets	17,099.3	14,785.4	13,227.0	12,809.0
	-	Total Business & Skills Subject to Approval	98.0	-	-	-
	12,374.1	Total Business & Skills Revenue Expenditure	17,197.3	14,785.4	13,227.0	12,809.0

2020/21 Revenue Budget and Medium-Term Financial Plan – Delivery and Strategy

Report Section Reference	2019/20 MTFP £000's		2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
	-	A10 Dualling SOBC				
		Approved Project Costs	250.0	-	-	-
		A14 Revenue Feasibility				
8.2	150.0	Approved Project Costs	-	-	-	-
		Bus Review Implementation				
	800.0	Approved Project Costs	-	-	-	-
8.3	-	Subject to Approval	1,200.0	-	-	-
		CAM Metro				
8.4	1,907.0	Approved Project Costs	965.0	-	-	-
		Cambridge South				
	100.0	Approved Project Costs	-	-	-	-
8.5	-	Subject to Approval	1,500.0	-	-	-
		Climate Change				
		Approved Project Costs	125.0	-	-	-
8.6		Huntingdon 3rd River Crossing				
	300.0	Approved Project Costs	96.5	-	-	-
		Land Commission				
	105.0	Approved Project Costs	-	-	-	-
8.7		Local Transport Plan				
	376.7	Approved Project Costs	-	-	-	-
	-	Subject to Approval	-	100.0	-	-
8.8		Monitoring and Evaluation Framework				
	163.0	Approved Project Costs	168.7	150.0	34.0	-
	-	Subject to Approval	-	-	36.0	70.0
8.9		Public Service Reform				
	100.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	75.0	-	-	-
8.10		Schemes and Studies				
	100.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	100.0	-	-	-
8.11		Strategic Planning				
	130.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	144.9	100.0	100.0	-
8.12		Sustainable Travel				
	150.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	150.0	-	-	-
8.13		Transport Levy CCC				
	8,738.0	Approved Project Costs	8,497.7	8,667.7	8,841.1	9,017.9
8.13		Transport Levy PCC				
	3,631.0	Approved Project Costs	3,849.9	3,926.9	4,005.4	4,085.5
	16,750.7	Total Delivery & Strategy Approved Projects	13,952.8	12,744.6	12,880.5	13,103.4
	-	Total Delivery & Strategy Projects Subject to Approval	3,169.9	200.0	136.0	70.0
	16,750.7	Total Delivery & Strategy Revenue Expenditure	17,122.7	12,944.6	13,016.5	13,173.4
	-	Net Revenue Cost Subject to Approval	3,169.9	200.0	136.0	70.0

2020/21 Revenue Budget and Medium-Term Financial Plan – Housin

Report Section	2019/20 MTFP		2020/21	2021/22	2022/23	2023/24
Reference	£000's		£000's	£000's	£000's	£000's
	90.9	War Veterans Homelessness Support Grant	-	-	-	
9.1/9.2	166.6	CLT / £100k Housing	83.4	-	-	
9.3	700.0	Garden Villages	-	-	-	
	957.5	Total Housing Approved Budgets	83.4	0.0	0.0	0.0
	957.5	Total Housing Revenue Expenditure	83.4	-	-	-

2020/21 Capital Budget and Medium-Term Financial Plan – Business and Skills

Report Section Referenc	2019/20 MTFP £000's		2020/21 £,000	2021/22 £,000	2022/23 £,000	2023/24 £,000
12.1.1		University of Peterborough - Business Case/Phase 1				
	1,515.00	Approved Project Costs	11,150.0	-	-	-
12.2.1		Capital Growth Grant Scheme Pilot				
	-	Approved Project Costs	3,000.0	-	-	-
12.2.2		Eastern Agritech Initiative				
	3,690.0	Approved Project Costs	2,189.0	-	-	-
12.2.3		Future Pipeline Projects				
	8,528.0	Approved Project Costs	38,313.1	-	-	-
		Haverhill Epicentre (Loan)				
	1,350.0	Approved Project Costs	1,350.0	-	-	-
12.2.4		Illumina Accelerator (Loan)				
	1,000.0	Approved Project Costs	2,000.0	-	-	-
		Imet Phase 3				
	300.0	Approved Project Costs	-	-	-	-
		In_Collusion (Digital Sector Skills)				
	20.0	Approved Project Costs	-	-	-	-
12.2.5		Lancaster Way Phase 2				
	150.0	Approved Project Costs	713.5	-	-	-
		Living Cell				
	1,350.0	Approved Project Costs	-	-	-	-
12.1.2		Market Town Master Plan Pump Priming				
	500.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	3,500.0	1,000.0	-	-
		Revenue Recharge to Growth Funds				
	500.0	Approved Project Costs	-	-	-	-
12.2.6		Sci-Tech Container Village (Loan)				
	-	Approved Project Costs	697.0	-	-	-
12.2.7		Small Grants Programme				
	100.0	Approved Project Costs	100.0	-	-	-
		Teraview Cambridge (Loan)				
	120.0	Approved Project Costs	-	-	-	-
12.2.8		Ascendal New Technology Accelerator (Equity)				
	465.0	Approved Project Costs	500.0	-	-	-
12.2.9		Hauxton House Redevelopment (Grant)				
	292.0	Approved Project Costs	-	-	-	-
12.2.9		Hauxton House Redevelopment (Loan)				
	146.0	Approved Project Costs	-	-	-	-
12.2.10		NIAB - Agri-Tech Start Up Incubator (Grant)				
	300.0	Approved Project Costs	2,000.0	-	-	-
12.2.11		NIAB - Hasse Fend (Grant)				
	295.0	Approved Project Costs	300.0	-	-	-
12.2.12		TWI - Innovation Ecosystem (Grant)				
	-	Approved Project Costs	1,230.0	-	-	-
12.2.13		The Growth Serevice Company (Equity)				
	5,407.0	Approved Project Costs	-	-	-	-
		Use of Loan Receipts Received - Recycle				
	33.0	Subject to Approval	-	-	-	-
	26,028.0	Total Approved Business and Skills Capital Projects	63,542.6	-	-	-
	33.0	Total Business and Skills Project Costs Subject to Approva	3,500.0	1,000.0	-	-
	26,061.0	Total Business and Skills Capital Projects	67,042.6	1,000.0	-	-

2020/21 Capital Budget and Medium-Term Financial Plan – Delivery and Strategy

Report Section Referenc	2019/20 MTFP £,000		2020/21 £,000	2021/22 £,000	2022/23 £,000	2023/24 £,000
13.1		A10 Dualling				
	250.0	Approved Project Costs	-	-	-	-
13.2		A47 Dualling				
	410.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	218.5	218.5	576.7	720.9
13.3		King's Dyke				
	3,280.0	Approved Project Costs	5,922.9	9,087.0	-	-
	3,850.0	A47 Junction 18 Improvements				
		Approved Project Costs	-	-	-	-
13.4		Cambridge South Station				
	750.0	Subject to Approval	750.0	7,000.0	8,000.0	-
13.5		Regeneration of Fenland Railway Stations				
	1,000.0	Approved Project Costs	1,500.0	-	-	-
	-	Subject to Approval	874.0	5,559.0	-	-
13.6		Soham Station				
	1,950.0	Approved Project Costs	6,000.0	13,103.5	896.8	-
13.7		Wisbech Rail				
	1,480.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	987.6	2,000.0	3,000.0	5,000.0
13.8		A16 Norwood Dualling				
	50.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	400.0	730.0	12,000.0	-
13.9		A141 capacity enhancements				
	1,270.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	500.0	1,000.0	-	-
13.10		A505 Corridor				
	1,000.0	Approved Project Costs	-	-	-	-
13.11		A605 Oundle Rd Widening - Alwalton-Lynch Wood				
	510.0	Approved Project Costs	795.0	-	-	-
13.12		A1260 Nene Parkway Junction 15				
	355.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	224.6	8,000.0	-	-
13.13		A1260 Nene Parkway Junction 32-3				
	320.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	4,530.1	3,500.0	-	-
13.14		Coldhams Lane roundabout improvements				
	530.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	700.0	1,500.0	-	-
13.15		Digital Connectivity Infrastructure Programme				
	840.5	Approved Project Costs	-	-	-	-
	-	Subject to Approval	2,682.0	1,867.5	-	-
13.16		Ely Area Capacity Enhancements				
	3,320.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	4,141.4	-	-	-
13.17		Fengate Access Study - Eastern Industries Access - Phase 1				
	430.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	1,000.0	4,890.0	-	-
13.17		Fengate Access Study - Eastern Industries Access - Phase 2				
	100.0	Approved Project Costs	100.0	-	-	-
	-	Subject to Approval	120.0	700.0	1,280.0	-
13.18		Highways Maintenance (with PCC and CCC)				
	23,080.0	Approved Project Costs	23,080.0	23,080.0	23,080.0	23,080.0
13.19		M11 Junction 8				
	-	Approved Project Costs	1,000.0	-	-	-
13.20		March Junction Improvements				
	1,080.0	Approved Project Costs	112.0	-	-	-
	-	Subject to Approval	3,198.0	1,550.0	-	-
13.21		St Neots Masterplan Capital				
	750.0	Approved Project Costs	-	-	-	-
	-	Subject to Approval	3,200.0	-	-	-
13.22		Wisbech Access Strategy				
	1,300.0	Approved Project Costs	9,500.0	-	-	-
	-	Subject to Approval	930.0	3,000.0	-	-
	2,830.0	A605 Stanground - Whittlesea				
		Approved Project Costs	-	-	-	-
	49,985.5	Total Delivery and Strategy Approved Capital Projects	48,009.9	45,270.5	23,976.8	23,080.0
	750.0	Total Delivery and Strategy Projects Subject to Approval	24,456.2	41,515.0	24,856.7	5,720.9
	50,735.5	Total Delivery and Strategy Capital Projects	72,466.1	86,785.5	48,833.5	28,800.9

2020/21 Capital Budget and Medium-Term Financial Plan – Housing

Report Section Reference	2019/20 MTFP £,000		2020/21 £,000	2021/22 £,000	2022/23 £,000	2023/24 £,000
14.7		Wisbech Garden Town				
	1,750.0	Approved Project Costs	750.0	750.0	-	-
14.8		Cambridge City Housing Programme				
	20,610.0	Approved Project Costs	27,954.0	7,300.1	-	-
		Subject to Approval				
14.9		Affordable Housing Grant Programme				
	7,000.0	Approved Project Costs	12,652.9	19,236.0	6,759.6	11,714.3
14.10		Housing Investment Fund - contracted				
	34,180.0	Approved Project Costs	6,739.8	-	-	
		Subject to Approval				
	63,540.0	Total Housing Approved Capital Projects	48,096.7	27,286.1	6,759.6	11,714.3
	-	Total Housing Project Costs Subject to Approval	-	-	-	-
	63,540.00	Total Housing Capital Projects	48,096.7	27,286.1	6,759.6	11,714.3

Revenue Leveraged Future Schemes

	2020/21 £,000	2021/22 £,000	2022/23 £,000	2023/24 £,000	2024/25 £,000	25/26 > 29/30 £,000	
Delivery & Strategy							
Cambridge Autonomous Metro	2,866.1	2,806.0	6,716.0	3,910.0	-	-	16,298.1
Total Revenue Delivery & Strategy Schemes	2,866.1	2,806.0	6,716.0	3,910.0	-	-	16,298.1

Capital Leveraged Future Schemes

	2020/21 £,000	2021/22 £,000	2022/23 £,000	2023/24 £,000	2024/25 £,000	25/26 > 29/30 £,000	Total £,000
Business & Skills							
University of Peterborough - Phase 2	-	-	-	30,000.0	-	-	30,000.0
University of Peterborough - Phase 3	-	-	-	-	-	100,000.0	100,000.0
Total Business & Skills Capital Schemes	-	-	-	30,000.0	-	100,000.0	130,000.0
Delivery & Strategy							
A10 Upgrade	1,000.0	3,000.0	30,000.0	35,000.0	100,000.0	132,700.0	301,700.0
A47 Duelling Study	-	-	-	-	10,000.0	208,000.0	218,000.0
A505 Corridor	-	1,500.0	5,000.0	241,000.0	-	-	247,500.0
Bus Reform Task Force - Capital	-	5,000.0	10,000.0	20,000.0	-	-	35,000.0
Cambridge Autonomous Metro 1	509.9	6,117.3	2,727.8	924.6	-	-	10,279.6
Cambridge Autonomous Metro 2	10,000.0	40,000.0	-	1,960,000.0	-	-	2,010,000.0
Cambridge South Station	-	10,000.0	50,000.0	-	-	-	60,000.0
Ely Area Capacity Enhancements	600.0	600.0	150,000.0	150,000.0	-	-	301,200.0
Fengate Access Study - Eastern Industries Access - Phase 1	-	2,000.0	2,000.0	4,030.0	-	-	8,030.0
Fengate Access Study - Eastern Industries Access - Phase 2	-	-	-	6,550.0	-	-	6,550.0
Huntingdon Third River Crossing	-	-	-	200,000.0	-	-	200,000.0
Wisbech Rail	1,500.0	1,500.0	30,000.0	30,000.0	-	-	63,000.0
Total Delivery & Strategy Capital Schemes	13,609.9	69,717.3	279,727.8	2,647,504.6	110,000.0	340,700.0	3,461,259.6
Grand Total Capital Leveraged Future Schemes	13,609.9	69,717.3	279,727.8	2,677,504.6	110,000.0	440,700.0	3,591,259.6

Summary of Consultation and Responses

Consultation Response	Combined Authority Officer Response
<p>Why does the Mayoral allowance go up by £10.6k between 20/21 and 21/22?</p>	<p>The draft budget and MTFP for 2021/22 reflects the recommendation of the Independent Remuneration Panel as reported to the CA Board on the 29th May 2019, plus indexation and oncosts.</p> <p>The budget for the Mayoral allowance is lower in 2020/21 due to the Mayor choosing not to take the recommended increase during the current Mayoral term.</p>
<p>Why does the Chief Executive staffing costs go up by £32.2k between 20/21 and 21/22?</p>	<p>The current co-Chief Executive arrangements are due to cease at the end of the current Mayoral term (May 2021).</p> <p>The increase in staffing costs at this point reflects the reversal of the saving that the co-Chief Executive arrangement achieves.</p>