



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 14th February 2018

Time: 10.39a.m. – 11.07a.m.

Present: J Palmer (Mayor)

G Bull – Huntingdonshire District Council, J Clark – Fenland District Council,
S Count – Cambridgeshire County Council, L Herbert – Cambridge City Council,
J Holdich – Peterborough City Council, C Roberts – East Cambridgeshire District
Council and P Topping – South Cambridgeshire District Council

Observers: J Ablewhite, and Councillor J Peach substituting for K Reynolds (Chairman,
Cambridgeshire and Peterborough Fire Authority)

The Mayor announced that earlier in February he was advised that the Combined Authority had been successful in two bids that it endorsed for the Housing Investment Fund. As a result two successful bids would result in Peterborough receiving £4.5m to fund a new Yaxley Loop Road unlocking development of over 5,000 houses and £6.3m for the Soham Eastern Gateway to enable delivery of over 500 houses.

In addition he had also been advised of additional highways maintenance funding of £974k to deal with pothole repairs across Cambridgeshire and Peterborough. This was in addition to the £1.395m already paid to the Combined Authority.

137. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Councillor K Reynolds.

138. MINUTES – 31ST JANUARY 2018

The minutes of the meeting held on 31st January 2018 were agreed as a correct record and signed by the Mayor.

139. PETITIONS

No petitions were received.

140. PUBLIC QUESTIONS

No public questions were received.

141. BUDGET 2018/19

The Portfolio Holder for Fiscal Strategy reported that the draft 2018/19 Combined Authority budget had been approved for consultation by the Board at its last meeting, and considered by the Overview and Scrutiny Committee on 12 February 2018. He drew attention to the number of bodies which had been invited to take part in the consultation process in accordance with the Budget Framework. The budget proposals had also been published on the Authority's website with an invitation to residents and businesses to engage in the consultation process. The consultation document was attached at Appendix 1 to the report with a summary of the results set out in Appendix 3. The budget had been updated to reflect the revised anticipated cost of the mass rapid transport strategic options assessment, to be funded from the Transforming Cities Fund. In conclusion, he reminded the Board that there was no proposal to precept constituent authorities for the financial year 2018/19.

The Mayor invited the Chairman of the Overview and Scrutiny Committee to present the Committee's recommendation to the Board before the budget was debated.

The Chairman of Overview and Scrutiny Committee informed the Board that the Overview and Scrutiny Committee had met on 12 February to consider the Authority's budget. He summarised the following key areas of concern that the members of the Committee had raised during the discussion:

- The consultation, in future, should be more ambitious, more detailed and should include opportunities for public participation. He added that the response to the consultation had been poor. It had been sent out to a limited number of authorities and had only attracted three responses with two out of the three asking for more money.
- The budget papers did not include any of the new financial arrangements regarding the Local Enterprise Partnership (LEP). These should be added, if not available a note of explanation should be added. The Chairman felt that this significant matter should have been added for clarity and public interest, as a significant amount of funding was involved.
- The presentation of the Budget on a one-year basis was misleading as it gave no indication of forward commitments. In particular the reserve figure, £175 million, should be shown as the amount ring fenced for specific projects and actual reserves available for allocation.
- To give clarity the budget should be projected over a three-year period so that forward commitments could be clearly seen.

The Overview and Scrutiny Committee resolved to make the following recommendation to the Board:

"The Overview and Scrutiny Committee express their concern at the lack of detail made available in the budget papers as they are presented. The Committee expresses particular concern that the budget papers do not reflect the money committed to projects in future years, for example commitments made to Peterborough University.

We welcome the commitment to produce a medium term financial plan and ask that this be produced as a matter of serious urgency."

The Mayor then invited the Chief Executive to respond to the Overview and Scrutiny Committee recommendation. The Chief Executive explained that in some ways the Combined Authority operated on the same basic principles as local government particularly in relation to transparency and governance. However, the fluidity of its funding position made it significantly different to a local authority. He reminded the Board that the Authority had received additional sums of funding since November. The nature of its business meant that its financial position needed to be considered on an ongoing basis.

He acknowledged that as the Authority matured, its ability to provide confidence in forward funding projections would increase. He highlighted the Peterborough University project where the Authority was aware of the work needed to get to the next stage but at the moment there was no certainty regarding how the full cost of the project would be funded. He stressed the need to find the right balance to reflect in the budget, as it was important to feature the cost of future project areas but there needed to be markers regarding how the funding position would be resolved.

He welcomed the views of the Overview and Scrutiny Committee in relation to long term planning and reported that he expected to see financial arrangements which would reflect this. However, he felt that three years was not long enough and that it should capture five to seven years in order to cover the life cycle of projects. With reference to the LEP, he explained that the Authority had only received from Government a week and half ago the first round of assurance funding for the next two years. A week ago the Government had confirmed how the LEP's short and medium term liabilities would be met. It was noted that this information would be included in the next iteration of the budget. This drew attention to the importance of monthly monitoring reports, which would be considered by both the Board and the Overview and Scrutiny Committee.

In response, the Chairman of the Overview and Scrutiny Committee thanked the Chief Executive. He acknowledged the issues raised and highlighted the fact that the fluidity of the budget made scrutiny difficult. He suggested that the Board and the Overview and Scrutiny Committee needed to find new ways of working together in order to keep up to date and not waste time. He requested a meeting with the Mayor and Chief Executive, which was welcomed by the Mayor.

The Portfolio Holder for Fiscal Strategy informed the Board that the Budget 2018/19 encapsulated the financial position at this time. He felt that the Authority's decision to not precept constituent authorities for the financial year 2018/19 had impacted on the number of consultation responses. The Chairman of Overview and Scrutiny Committee highlighted the fact that the funding was still public money and that his committee should hold the Board to account, as the public had a right to know how it was being spent. The Portfolio Holder for Fiscal Strategy reported that he was in no way diminishing the role of Overview and Scrutiny. However, the lack of a precept could explain the low response to the consultation. He informed the Board that he was keen to increase the consultation in the future.

The Portfolio Holder for Fiscal Strategy reminded the Board that the purpose of the report was to set out individual plans in order to identify whether the Authority had sufficient funding, and where it was coming from. He informed the Board that a Medium Term Financial Strategy and Treasury Management Strategy would be produced. However, it was important to note that these documents were dependent on resource. He raised the fact that the position of the LEP was a prime example of the fluidity of the Authority's funding. He had already discussed this issue with the Section 151 officer. He felt that the consultation process with Overview and Scrutiny Committee had not been smooth with consultation taking place first and then a meeting. He therefore

welcomed opportunities to consider how the Board and the Overview and Scrutiny Committee could work together.

One Member commented that the budget did not include the funding allocated to Cambridge, as this would be considered in a report to the Board in March. He acknowledged the Chief Executive's comments regarding the difficulties around predicting the budget but highlighted the need to have a three year projection of known costs. He also drew attention to the need for openness surrounding the £1.78m staffing costs particularly in relation to the existing structure and the unification of the LEP staffing. The Chief Executive confirmed that he would provide all the detail behind the numbers. He commented that the numbers included in the budget were the same as the last budget allowing for inflation. He would add the detail so that it was clear to the public.

Another Member suggested that there must be models which would enable the Authority to set out a best estimate of its budget over the next three to five years. However, it was important that Overview and Scrutiny Committee took that endeavour into account. The Authority should have a forward looking best estimate budget rather than one which reflected year on year.

One Member commented that he was glad that the Mayor had honoured his decision not to precept. He queried whether it was possible to precept a single area only if spending related to a project which would not have any specific benefit to another area. He raised the need for caution in relation to incorporating the LEP budget within the Authority's budget. He explained that previous experience had taught him that it was best to keep both budgets separate so that the Government could clearly see how the funding was being spent. In response, the Mayor reported that he had no plans to introduce a precept or fund public transport through a precept. However, he could not, given the changing times, make any guarantee that he would not introduce a precept in the future. He also reported that he intended to keep the Authority and LEP budgets separate. The Legal Counsel and Monitoring Officer reported that she would investigate and provide written advice as to whether it was legal to set a site specific precept.

The Portfolio Holder for Fiscal Strategy, in summing up, reported that there would be a report on housing presented to the March meeting, which would include the funding for Cambridge. Three year projections would be developed to the Authority's best known ability. The budget would include what the Authority had agreed to do with indicative costs. However, consideration needed to be given as to how it could be best presented. He reported that the Authority was committed to openness in relation to staffing costs but would need to bear in mind legislative procedures regarding identifying individuals. In relation to a site specific precept, he was only aware of the ability to set up a Bid area specific to a single area, which might provide options. He welcomed the advice regarding keeping the Authority and the LEP budgets separate. He reported that the budgets would be maintained separately and an indication provided of where costs were shared.

It was resolved unanimously to:

approve the 2018/19 Combined Authority budget as set out in Appendix 2.

142. BUDGET 2018/19 (MAYOR'S BUDGET)

The Board was reminded that it had approved the Mayor's draft budget in its current form without making any recommendations at its December meeting.

It was resolved unanimously to:

note the Mayor's budget for 2018/19.

143. DATE OF NEXT MEETING

It was resolved to note the date of the next meeting – Wednesday, 28 February 2018 at 10.30 am in the Civic Suite, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN

The Mayor informed the Board that it was Councillor Clark's last meeting of the Combined Authority. Councillor Clark had been involved in establishing the Combined Authority and had fully supported the work the Authority was doing for the area. He highlighted Councillor Clark's exemplary commitment to the Combined Authority and thanked him for his hard work. He also thanked him for the support he had provided as the holder of two major portfolios particularly his wise, stoic and common sense approach.

Councillor Clark informed the Board that he supported the Combined Authority as the way forward to stream line work in the area. He commented that it had been a pleasure to be involved in setting up the Authority.

Mayor