



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

Agenda Item No: 2.4

## Transport Levy 2021-22

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 27 January 2021

Lead Member: Mayor James Palmer

From: Jon Alsop, Chief Finance Officer

Key decision: Yes

Forward Plan reference: KD2020/089

Recommendations: The Combined Authority Board is recommended to:

Approve the amount and apportionment of the Transport Levy for the 2021-22 financial year as set out below:

Total Levy: £13,039,675

Peterborough City Council: £3,793,659

Cambridgeshire County Council: £9,246,016

Voting arrangements: A vote in favour, by 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

## 1. Purpose

- 1.1 To consider and approve the 2021-22 Transport Levy and apportionment between Cambridgeshire County Council and Peterborough City Council.

## 2. Setting the Levy

- 2.1 The Cambridgeshire and Peterborough Combined Authority is the area's statutory Transport Authority. Transport Authority functions primarily relate to transport planning, bus services and transport operations. These powers and duties include powers and duties contained within Parts 3 and 4 of the Transport Act 1985 that can be summarised as
- a. Duty to produce a Local Transport Plan;
  - b. Production of a Bus Strategy;
  - c. Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
  - d. Powers to enter into quality bus partnerships and enhanced partnerships;
  - e. Responsibility for the provision of bus information and the production of a bus information strategy;
  - f. Role of Travel Concession Authority;
  - g. Financial powers to enable the funding of community transport; and
  - h. Powers to support bus services.
- 2.2 Since 2017 the Combined Authority has delegated elements (e) to (h). (per above) to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC). It was agreed at the January 2020 Transport and Infrastructure Committee that, from April 1<sup>st</sup> 2021 these powers be exercised directly by the Combined Authority.
- 2.3 Where there are other sources of funding for services, in particular the Bus Service Operator Grant and developer contributions via S106 agreements, these will be excluded from the final Levy calculation as the expectation is that these funding sources will be directly payable to the Combined Authority going forward.
- 2.4 The Transport Levying Bodies Regulations 1992 (as amended) sets out the power of the Combined Authority to set a Transport Levy, and that the amount of the Levy should be set to meet expenditure "*attributable to the exercise of its transport functions for which provision is not otherwise made*". The forecast costs attributable to the Combined Authority's transport functions for 2021-22 are shown in the table below:

<b>Cost element</b>	<b>Forecast 2021-22 budget (£'000)</b>
Concessionary fares	9,129
Supported Bus Services	3,003
Staffing costs, including internal support and on-costs	1,397
Transport Modelling	750
Public contact centre	234
Real-time passenger information and timetables	209

<b>Cost element</b>	<b>Forecast 2021-22 budget (£'000)</b>
Section 106 funded bus support*	259
Bus Service Operator Grant funded payments*	411
Communication Campaign to publicise the transition	50
<b>Total cost of Transport Act powers</b>	<b>15,442</b>

\* there is income from grants, or from contracts with local developers, which pay for these expenditure lines.

- 2.5 The regulations quoted above allow other provision to be made by the Combined Authority to reduce the Levy it charges. In previous years, the Combined Authority has met the costs for the elements of the powers which it did not delegate from its own budget and so did not include them in the Levy. It is proposed that this treatment is continued for the 2021-22 financial year which, along with the income associated from the Section 106 contracts and the Bus Service Operator Grant, reduces the proposed Levy for the year as follows:

<b>Total cost of Transport Act powers</b>	<b>£15,442</b>
Less income from Section 106 contracts	-£259
Less income from the Bus Service Operator Grant	-£411
Less staffing costs associated with elements a-d	-£932
Less transport modelling costs	-£750
Less one-off communications costs	-£50
<b>Proposed Levy for 2021-22</b>	<b>£13,040</b>

### 3. Apportionment of the Levy

- 3.1 The Transport Levying Bodies (Amendment) Regulations 2018 sets out how the Combined Authority's transport Levy should be apportioned, which gives the preferred approach as by agreement of CCC and PCC.
- 3.2 As the services were delivered by CCC and PCC separately in 2020-21 the apportionment method agreed by both CCC and PCC's S151 officers was to base it on the forecast costs for each area separately i.e. costs associated from services and contracts being transferred from one authority are apportioned to that authority. This results in the levies set out below:

<b>Authority</b>	<b>% split</b>	<b>2021-22 Levy Amount</b>
Cambridgeshire County Council	70.91	£9,246,016
Peterborough City Council	29.09	£3,793,659
<b>Total Levy</b>	<b>100.00</b>	<b>£13,039,675</b>

## Significant Implications

### 4. Financial Implications

- 4.1 The Medium-Term Financial Plan being considered at this Board meeting assumes the levy at the proposed level.

### 5. Legal Implications

- 5.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

### 6. Other Significant Implications

- 6.1 There are no other significant implications

### 7. Appendices

- 7.1 [Statutory instrument](#)