

2023/24 budget and medium-term financial plan 2023 to 2027

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 January 2023

Lead Member: Deputy Mayor Anna Smith

From: Jon Alsop, Chief Finance Officer

Key decision: Yes

Forward Plan ref: KD2022/63

Recommendations: The Combined Authority Board is recommended to:

a) Approve the amount and apportionment of the Transport Levy for the 2023-24 financial year, incorporating a 2% increase, as set out below:

Total Levy: £13,494,390

- i) Peterborough City Council £3,615,714
- ii) Cambridgeshire County Council £9,878,676

b) Approve the revenue budget for 2023/24 and the Medium-Term Financial Plan 2023/24 to 2026/27.

c) Approve the Capital Programme 2023/24 to 2026/27

d) Note the Section 73 Officer's statutory Section 25 Statement

Voting arrangements: a) A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

b) & c) A simple majority of the Combined Authority subject to the majority including the vote of the Mayor, or Deputy Mayor acting in place of the Mayor.

b) and c) are recorded votes

1. Purpose

- 1.1. According to the Constitution, functions reserved to the Combined Authority Board include the adoption of the non-mayoral Combined Authority budget, the Medium-Term Financial Plan and the Capital Programme. The Combined Authority is required to set its annual budget by 31st January.
- 1.2. To consider and approve the 2023-24 Transport Levy and apportionment between Cambridgeshire County Council and Peterborough City Council. The associated expenditure falls under the Passenger Transport revenue budgets within the Combined Authority's budget and reflects an increase of 2%, or £246k.
- 1.3. 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.
- 1.4. This paper sets out the proposed Combined Authority Budget for 2023/24, the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2023/24 to 2026/27.
- 1.5. The draft budget includes the Transport Levy for 2023-24, .

2. Background

- 2.1. In November 2022 the Board received and approved a draft revenue budget, Medium Term Financial Plan (MTFP) and Capital Programme for consultation including the option to use a Mayoral Precept to meet pressures in the passenger transport budget. The proposed budget in this paper has some alterations from that which was included in the consultation relating to new funding announcements, and reflecting the decisions of the November Combined Authority Board. More detail on these changes is in section 4, and the revised capital and revenue reserve positions can be seen in finance tables 1 and 2.

The responses from the budget consultation are summarised in Appendix 3.

Budget Setting Objectives

- 2.2. 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. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:
 - The funds currently paused by the Department for Levelling Up, Housing and Communities will be released and future allocations of gainshare funding will be received.
 - Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2023/24 onwards to ensure that spending plans continue to be affordable.

- The 2023/24 Budget and MTFP provides a clear presentation of capital and revenue budgets on a Directorate basis, strengthening the link between spending plans and funding sources.
- The staffing budgets will be delegated from the Chief Executive, as Head of Paid Service, to the Executive Directors for those within their Directorates with the Chief Exec's office staffing responsibility continuing with the Chief Executive.
- The Budget and MTFP shows net staffing costs, i.e. those chargeable to non-ringfenced funds, at the head of each directorate and recharged staff costs within the project budgets to ensure the total cost of projects can be clearly identified.
- 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'.
- In order to avoid pre-empting decisions the Combined Authority Board has yet to take, the proposed budget has not been updated for recommendations in other papers on this meeting's agenda. The budget and capital programme will be updated to reflect the Board's decisions following this meeting. None of the individual project decisions on the Board's agenda is expected to affect the financial stability of the organisation, and thus materially change the Chief Financial Officer's opinion as expressed in the Section 25 statement.

- 2.4. The arrangements around the approval of 'subject to approval' budgets within the MTFP and capital programme set by the Board are currently being reviewed; however, within the current 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. This will require the preparation of business cases which demonstrate that the expenditure represents value for money.
- 2.5. All Revenue and Capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget.
- 2.6. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

3. 2023-24 Transport Levy

- 3.1. 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:
 - I. Duty to produce a Local Transport Plan.
 - II. Production of a Bus Strategy.
 - III. Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
 - IV. Powers to enter into quality bus partnerships and enhanced partnerships.
 - V. Responsibility for the provision of bus information and the production of a bus information strategy.

VI. Role of Travel Concession Authority.

VII. Financial powers to enable the funding of community transport; and

VIII. Powers to support bus services.

- 3.2. The Transport Levying Bodies Regulations 1992 (as amended) sets out the power of the Combined Authority to set a Transport Levy, payable by the area's Local Highways Authorities (Peterborough City Council and Cambridgeshire County Council) to meet the costs of these functions where other funding has not been identified. A 2% increase in the levy that of 2022-23 results in the following levy for the 2023-24 financial year:

Authority	2022-23 levy	2%	Proposed 2023-24 levy
Cambridgeshire CC	9,684,976	193,700	9,878,676
Peterborough CC	3,544,817	70,896	3,615,714
Total	13,299,793	264,596	13,494,390

- 3.3. This funding, along with Combined Authority's core funding, ringfenced grants from government, and the precept proposed within the Mayor's budget, fund the staffing and project costs associated with being the area's Local Transport Authority.

4. Changes from the November Draft Budget

- 4.1. The Combined Authority approved a draft budget for consultation at their meeting in November, since that point there have been a number of updates due to both internal and external factors.
- 4.2. While Members may be used to seeing significant changes following the provisional local government finance settlement, which was announced on the 19th December 2022, the Combined Authority doesn't receive funding through the measures this announces as it doesn't have any 'core spending power' from the perspective of central government.
- 4.3. This means that, while most Local Authorities received a more generous settlement than was anticipated, providing the sector as a whole with a 3% increase in spending power before council tax decisions and up to a 9% increase with them taken into account, the Combined Authority has received no such uplift in its funding meaning it continues to manage all of its inflationary pressures, including pay awards and service costs, without additional assistance from central government. Outside of the unprecedented pressure on passenger transport the Combined Authority has met inflationary pressures across its portfolio without the need to rely on additional funding, representing an unacknowledged efficiency saving compared to maintaining real-terms spending power.
- 4.4. The most obvious change is the move from the historic Combined Authority's directorate structure to the new one which was approved at the Authority's October meeting. This change is presentational and aligns the delivery areas of the Authority under the new Tier 2 structure with a Chief Exec's office, and Executive Directors of Resources & Performance, Economy & Growth, and Place & Connectivity.

- 4.5. As responsibility for staffing within their Directorates falls to the Executive Directors, the staffing costs of the Authority are now shown within the relevant area rather than within a single 'corporate services' line.
- 4.6. The presentational change has no impact on the Authority's income and expenditure, but will improve accountability for project budgets and staffing costs as it clearly aligns with director responsibilities.
- 4.7. As highlighted in the paper to the November Board, there is a substantial pressure on passenger transport in 2023-24. Consistent with the draft Mayoral budget being proposed on this meeting's agenda the draft budget being proposed today includes £7m for supported bus services in 2023-24 and £900k for the continued development of bus franchising.
- 4.8. This is a £4.5m investment in services and is funded from £300k of grant from the Department for Transport toward the cost of developing either Enhanced Partnerships or Franchising arrangements, £600k utilisation of Combined Authority reserves, and a £3.6m contribution from the Mayoral budget, funded by the proposed Mayoral Precept.
- 4.9. The contribution from the Mayor's budget, of £3,624k, is matched by the increase on the passenger transport budget demonstrating that the mayoral precept is entirely ringfenced to support passenger transport services.
- 4.10. Other material changes since the November draft budget are summarised below:

Change	Reason
Capital programme updates	Updated budget to reflect Nov CA Board approvals – Transforming Cities Fund capital programme, Market Towns programme and approval of Growth Works Equity project.
Tier 2 structure	Staffing updated to reflect revised Tier 2 structure approved at Oct CA Board
Chief Exec's office	Staffing updated to reflect new Chief Exec's office structure including removal of Mayoral office staff budget
£2.9m Wave 4 skills bootcamps	Following announcement that the CA's bid for Wave 4 bootcamps was successful
£823k Active travel revenue funding	Following the funding announcement the expenditure will be split across the County, Peterborough, and Combined Authority.
Investment in skills staffing	Allowance has been made for 4 core non-AEB funded posts within the skills team (an increase of 2). This will allow long-term, sustainable resourcing of the CPCA's skills programme rather than relying on grant funded fixed term appointments.
December payroll reconciliation	Staffing reconciled to December payroll

5. Budget for 2023/24 and MTFP for the period 2023/24 to 2026/27

- 5.1. This report presents the proposed Revenue and Capital Budgets, reflecting the draft approved for consultation in November 2022 with amendments as set out above and in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper reflects the revised directorate structure to ensure the lines of accountability for income and expenditure to the Executive Directors are easily understood. The budget tables also differentiate 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.

6. Funding

- 6.1. Funding summaries for planned and projected 'Revenue' expenditure and 'Capital' expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 on the next page. These show the expected fund balances available in each year of the MTFP and are made up of reserves brought forward and expected in year funding. These tables show the movement against these funds for both 'approved' and 'subject to approval' expenditure profiles. The positive overall balance for non-ringfenced Revenue at the end of each year and at the end of the MTFP period (the top three lines in table 1 & top two in table 2, 2026/27 - £3.8m), and for Capital (2026/27 - £29.9m), indicate that the budget is balanced and affordable.
- 6.2. While the Combined Authority's budget and MTFP is balanced and affordable there are two key risks which it faces in the medium term both of which could significantly impact on the ability of the Authority to achieve its strategic aims: the absence of sustainable revenue funding and the decrease in devolved capital funding.
- 6.3. The Combined Authority's core operations are funded by the revenue gainshare grant – this was set at £8m a year for 30 years with no allowance for inflation built in. While the 'real term' value of this grant was always going to decrease overtime due to inflation, the recent double-digit inflation has significantly accelerated this effect and brought the timing at which the grant will become insufficient to support the organisation in its current form, much closer. Without a new source of revenue funding, the Combined Authority will struggle to support operations other than those funded by the Transport Levy and Adult Education Budgets in the long-term.
- 6.4. There is a marked decrease in capital income, particularly non-project specific income, across the current MTFP compared to that seen over the past 4– the non-project specific capital income has dropped from £38m in 22-23 to £12.5m in 23-24 alone.
- 6.5. This move away from multi-year devolved capital funds makes meaningful long-term capital planning for the area very difficult. Bidding into individual government funds means the quantity of funding which will be available is unknown, as is the areas which the Government will target investment.
- 6.6. The Combined Authority is seeking to mitigate these risks through workstream D of the improvement plan, which focusses on highlighting the position the Combined Authority is in

to help lobbying, and to identify ways to improve how bidding is handled within the area and maximise our ability to win funds until a long-term funding solution can be negotiated with Government.

- 6.7. In Table 1, the 'Earmarked Reserves' line is made up of the minimum revenue reserve, the election reserve and a top-slice funding reserve. The top-slice reserve is fully committed in 2023/24 so nil beyond that. The 'EU Funds' are a combination of both European Research Development Funding and European Social Funding grants. Other Transport and Other Business and Skills funds are made up of accumulated small grants in those areas.
- 6.8. The Business Board's revenue funds are a combination of locally retained enterprise zone receipts and interest on loans made from the recycled capital funding sources.
- 6.9. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds.
- 6.10. These tables indicate that all revenue and capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved' and 'subject to approval' expenditure, are affordable and provide a balanced budget.

Table 1 - CPCA Revenue Funding Summary

Source of Funding	2023/24					2024/5				2025/6				2026/27			
	Forecast balance at 1/4/23	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Revenue Single Pot	(10,034)	(7,740)	7,562	1,963	(8,249)	(7,740)	8,225	1,685	(6,079)	(8,000)	8,665	1,390	(4,024)	(7,740)	8,601	1,390	(1,773)
Earmarked Reserves	(2,288)	(260)	242	-	(2,306)	(260)	-	-	(2,566)	-	780	-	(1,786)	(260)	-	-	(2,046)
Mayoral Precept	-	(3,624)	3,624	-	-	(3,691)	3,691	-	-	(3,760)	3,760	-	-	(3,835)	3,835	-	-
Transport Levy	(748)	(13,495)	13,495	-	(748)	(13,770)	13,770	-	(748)	(14,051)	14,051	-	(748)	(14,332)	14,332	-	(748)
Business Board Revenue Funds	(552)	(1,033)	806	-	(779)	(1,004)	388	-	(1,395)	(986)	388	-	(1,993)	(986)	388	-	(2,591)
Other Business	(12)	(2,301)	779	1,522	(12)	(5,605)	739	4,866	(12)	(621)	621	-	(12)	(621)	621	-	(12)
EU funds	(96)	(635)	731	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Zero Hub	(643)	-	488	-	(155)	-	-	-	(155)	-	-	-	(155)	-	-	-	(155)
Adult Education Budget (AEB)	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)	(12,927)	12,927	-	(2,400)
Other Skills	(1,021)	(4,455)	5,477	-	1	(1,472)	1,472	-	1	-	-	-	1	-	-	-	1
Other transport	(1,454)	(411)	711	617	(537)	(411)	411	-	(537)	(411)	411	-	(537)	(411)	411	-	(537)
Total	(19,249)	(46,881)	46,842	4,102	(15,186)	(46,880)	41,623	6,551	(13,892)	(40,755)	41,603	1,390	(11,654)	(41,111)	41,114	1,390	(10,261)

Table 2 - CPCA Capital Funding Summary

Source of Funding	2023/24					2024/5				2025/6				2026/27			
	Forecast balance at 1/4/23	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	(57,249)	(12,000)	20,909	38,796	(9,544)	(12,000)	8,158	4,529	(8,857)	(12,000)	3,367	1,065	(16,425)	(12,000)	-	-	(28,425)
Capital contingency reserve	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)
Net Zero Retrofit Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	(7,863)	-	4,628	-	(3,235)	-	3,130	-	(105)	-	-	-	(105)	-	-	-	(105)
Recycled Growth Funds / Getting Building Fund	(15,033)	(522)	8,040	-	(7,515)	(522)	1,136	-	(6,901)	(184)	99	-	(6,986)	(184)	-	-	(7,170)
SPF Capital	-	(1,520)	-	1,520	-	(3,705)	-	3,705	-	-	-	-	-	-	-	-	-
DfT Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-
Total	(80,145)	(41,737)	61,272	40,316	(20,294)	(43,922)	40,119	8,234	(15,863)	(39,879)	31,161	1,065	(23,516)	(39,879)	27,695	-	(35,700)

7. The Combined Authority's Budget

- 7.1. 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)
 - Drawdown from the Mayoral Election Reserve to fund the costs of the election in 2025/26.
- 7.2. Overall affordability is a key principle in creating a lawful budget and for ensuring financial control over the period of the MTFP. The budget has also been presented to highlight the governance processes for budget lines which are described as 'Approved' and 'Subject to Approval' Schemes.
- An **Approved Budget** line is one that the Board has already approved. Spending against budget lines is permitted without further approval.
 - A **Subject to Approval** budget line is noted within the overall budget affordability envelope, but further approval will be required from the CA Board to approve the spending.
- 7.3. A highlight of the key projects and programmes for each of the Directorates is included below and a detailed breakdown of Directorate budgets and anticipated MTFP expenditure is shown in **Appendices 1 and 2**. Please note that where a budget line is not specified, this is deemed to be an Approved Budget line.

Staffing

- 7.4. Staffing budgets will be devolved from the Chief Executive to the Executive Directors, and this is reflected in the revised draft budget presented here. There is a significant inflationary pressure on staffing budgets due to the ongoing cost of living crisis, in response to this the Combined Authority has budgeted for a 5% increase in staffing costs in 2023-24 and 4% in each of the subsequent years, which is broadly in line with other Local Authorities.
- 7.5. The Combined Authority delivers relatively few services directly, and commissions the majority of its project work through delivery partners, including Constituent Councils. As the Authority's staff are therefore further removed from the construction of physical projects the majority of staff are not capitalised. This, along with the fixed costs which come with any Local Authority regardless of size, results in a higher proportion of staff costs within the revenue budget than is common in traditional Local Authorities.

Chief Executive's Office

- 7.6. The Mayor's Office budget envelope is included within the Chief Executive's Office (CXO) for completeness as it draws on, and contributes to, 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.

- 7.7. The CXO was formed as part of the Tier 2 restructure and wider improvement plan. It incorporates the Communications, Data, Policy and Executive Support teams. As such the budgets associated with those teams – monitoring and evaluation (data), comms and website development also sit here.
- 7.8. This combination of communications, policy and data teams ensures alignment in the Combined Authority's messaging, and a single voice, whether internally with staff, at the local level with constituent authorities, businesses and skills providers, and at the national level in contributing to priorities shared across the Combined Authorities nationally and discussions with Central Government.

Response funds

- 7.9. The Corporate Response Fund enables the organisation to react to emerging ideas, concepts, and central Government policy. Use of this funding requires the approval of the Chief Executive.
- 7.10. The "Programme Response Fund" allows flexibility to respond to emerging issues and opportunities. The Programme Response Fund is 'Subject to Approval' and so requires Board approval prior to allocation.
- 7.11. As the corporate and programme response funds are held centrally under the oversight of the Chief Executive, they are naturally located within the CXO where accountability is easily maintained. As these funds are called upon the budget will be vired to the relevant project budget line/s.

Resources and Performance Directorate

- 7.12. Given the 'non-discretionary' nature of the majority of the costs within the Resources and Performance (R&P) directorate, which are driven by policy and operational requirements, all the funds are deemed as "Approved".
- 7.13. The R&P directorate contains the balance of those services which support the business of the organisation where not within the CXO. They comprise finance, legal, governance and audit, procurement, HR and the Project Management Office. Two of the three statutory officers, the Monitoring Officer and the Chief Finance Officer are based in this Directorate, with the latter being the Executive Director for the area. Together they provide the foundation that supports the business, skills, transport and housing teams to deliver to the people of Cambridgeshire and Peterborough. The R&P directorate comprises professionally qualified officers with specialised knowledge, exercising best practice to serve internal officers in the delivery of the corporate objectives.
- 7.14. The key functions of this Directorate are to ensure economy and efficiency in the delivery of services by providing a balanced budget which aligns with the business plan, regulate the good conduct of members and officers, ensure that projects and programmes are effectively managed throughout their lifecycle and provide advice to the various decision-making groups, such as the CPCA Board meeting, the Overview and Scrutiny Committee and the Audit & Governance Committee. The officers of this team are constantly assessing the

work of the CPCA to ensure that decisions make best use of public funds, are lawful and meet the policy goals of the members.

- 7.15. The previously provided allowance to service borrowing has been removed from the revenue budget as there are currently no projects funded by borrowing in the capital programme. Any projects which may require borrowing in future will need to demonstrate their ability to cover their borrowing costs to be considered prudential.
- 7.16. The forecast income from the Combined Authority's Treasury Management portfolio has been increased to reflect the rise in UK interest rates.
- 7.17. It holds responsibility for the programme management office (PMO), providing management, monitoring and evaluation across the Combined Authority's portfolios of projects. The PMO oversees the project delivery pipeline and provides valuable management support for specific Projects.
- 7.18. As a best value authority, the Combined Authority seeks to recover the total costs of its staff, including corporate overheads, when posts are funded from either specific grants, or recharged to subsidiary companies. As the majority of those services are within the R&P directorate, the income from those overhead recharged are shown within the directorate to allow an easy estimation of the net costs of corporate functions.

Economy and Growth Directorate

- 7.19. Our vision is to deliver the Board's goal of doubling our economy, under the devolution deal, in a way that is fairer, more inclusive, and would not happen without the activity and programmes of the Combined Authority. One that is greener for the planet, transforms life chances and healthier for our communities.
- 7.20. Our mission is to level-up the opportunity of access to both high-quality education and high-quality employment, in order to tackle persistent inequalities in economic, social and health outcomes across our communities.
- 7.21. The new Employment and Skills Strategy and Economic Growth Strategy, both approved by the CA Board in 2022 set out challenges and opportunities to deliver on the overarching vision defined in the devolution deal.
- 7.22. The Employment and Skills Strategy recognises that to address the systemic skills challenges is a long term project and therefore a number of longer term system change outcomes have been identified. This year we will work with partners to drive forward this ambition.
- 7.23. In terms of employment and skills this means:
 - **Inspiring more young people into careers that can transform their life chances**, raising social mobility across the Combined Authority, and especially in Peterborough and Fenland which are ranked 191st and 319th respectively, out of 324 local authority

districts, putting them in the bottom 40% and 2% respectively of places nationally.

- **Tackling the inequalities in access to further (FE) and higher education (HE)** that hold back life chances and progress to improve related health and social outcomes. Building FE and HE capacity to provide more adults, of all ages, with an education able to improve their access to better jobs and prosperity, raising the proportion of the population in the north from just 30% gaining a NVQ4 or above qualification to the 43% national average. Chief amongst our aspirations to raise life chances through education, is the establishment and development of a university for Peterborough and the Fens.

- 7.24. However, filling the higher-level skills gap in Peterborough and the Fens, will have limited impact on real lives, without effective measures to significantly grow the business demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones, more evenly across our places.
- 7.25. Green and inclusive business growth support is key to levelling-up, already well underway through an integrated and powerful array of support that accelerates our recovery by strengthening our businesses and workforce capacity for rebound and regrowth. The Growth Works Service is enabling this as it enters its third year of delivery in 2023, providing significant job growth from the programme and a legacy of job growth for the Business Board over the next 5 years. This service will continue to deliver during 2023 with evaluation and design to be undertaken to inform the next iteration of business support provision, working with the Business Board to bring forward proposals that deliver against the new Economic Growth Strategy.

The current programme will continue to provide for most of 2023:

- **A Growth Coaching Service** to engage and support our highest potential firms to speed their growth, build their capacity for growth, and sustain their period of growth.
 - **An Inward Investment Service** to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects.
 - **A Skills Brokerage Service** to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors.
 - **A Capital Growth Investment Fund** to help SMEs, grow through organic expansion, offering an integrated range of grants, loans and equity products unavailable commercially.
- 7.26. Contributing to delivery of Levelling Up across all of the Combined Authority will be the portfolio of projects being delivered via the UK Shared Prosperity Fund and Rural England Prosperity Fund, which during 2023-24 will comprise targeted interventions, outputs and outcomes in Communities and Place plus Local Business pillars of the programme.
- 7.27. **Place based innovation is key to levelling-up.** However, replicating the “Cambridge Phenomenon”, that has taken five decades to organically evolve and develop, requires a specifically designed and long-term programme of interventions that balance supply of

improved human capital with the demand for it, created by indigenous and inward business growth, that is higher value, requiring higher level skills. As demonstrated in Cambridge, research is fundamental to achieving this - it produces the new ideas and technologies that enable entrepreneurs to start up, existing businesses to scale-up; and for new tech-firms to spin-out of universities. Having won funding for, and started construction on, the first three buildings of the university campus in Peterborough, now is the time to deliver on the CPIER ambition to increase innovation-based business growth in the north by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation eco-system to promote inclusive growth. Future phases of the university project will realise this ambition.

Place and Connectivity Directorate

Transport

- 7.28. The Combined Authority is the area's Strategic Transport Authority, as such it has responsibility for creating and owning the statutory Local Transport and Connectivity Plan (LTCP) – this sets out the long-term strategy to improve transport for both the people and businesses of Cambridgeshire and Peterborough, with our constituent Council's Local Plans adhering to the LTCP. Reflecting the impact that internet connectivity has on transport needs, the Combined Authority has rolled Connectivity into the Plan forming the LTCP; following public engagement and a formal public consultation the final document will be presented to the Combined Authority Board in March 2023 (subject to the release of government guidance). Following this, next year the Combined Authority will be finalising its delivery plan that will illustrate a golden thread between the Plan's objective and the work programme and pipeline of schemes for the region. In addition, further work will be undertaken to develop child documents within the Plan's suite, such as modal and geographical specific strategies and policies.
- 7.29. Along with the LTCP the Combined Authority has responsibility for shaping the bus network across the region. This includes paying for concessionary fares as well as supporting bus services to ensure that remote areas of the County are not excluded. The Combined Authority with partners have revised our Bus Service Improvement Plan that was previously submitted to government following collaborative working with our local bus services, the Greater Cambridge Partnership and the Local Highways Authorities. The BSIP strongly aligns to the emerging Bus Strategy that sets out our vision for a bus network for the area that is fast, frequent, reliable, and ready to help drive a modal shift in transport.
- 7.30. The landscape for bus provision across the region has changed markedly over the last couple of years, giving a need to revisit the strategy for taking the bus network forward. There are significant challenges – lower patronage, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages. Meanwhile, the ambitions for what the bus network needs to achieve are growing, as set out in the Combined Authority's Local Transport and Connectivity Plan to dramatically boost bus provision and in parallel cut private vehicle travel by 15%. Achieving this will see bus patronage more than double, compared to 2019 levels, with some 60-75 million passenger journeys anticipated. Therefore, the Combined Authority will be restarting its consideration of different options,

including franchising, for the area.

- 7.31. The Transport team also programme manage a portfolio of large capital projects delivering journey improvements and public health benefits across the region to help deliver the Combined Authority's commitment to double GVA – these projects are predominantly funded by the Transforming Cities Fund, a £95m fund devolved to the area with the Combined Authority able to direct to where it will create the greatest impact.

Climate Change and Spatial Planning

- 7.32. This area leads on strategic planning with responsibility for an overall spatial framework for the area and development in 2023 of a statutory local nature recovery strategy. It supports implementation of the Climate Action Plan, taking forward the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate, with wide ranging implications for both the public and private sectors in the Combined Authority area.
- 7.33. This area also manages specific projects including the digital connectivity programme, covering broadband, mobile and public access Wifi. This is to ensure that Cambridgeshire and Peterborough have leading-edge digital connectivity infrastructure needed for local businesses to thrive, make it easier to access public services, and that no communities are left behind.

Affordable Housing programme

- 7.34. The CPCA Board paper on the future of Housing (June 2022) recognised that there is a need to deliver genuinely affordable housing across the Combined Authority Area, however with no further financial support from DLUHC beyond the end of the current programme the CPCA does not have the financial support to deliver anything significant and regional housing support will have to come through Homes England.
- 7.35. The Combined Authority's Affordable Housing programme ran to 31 March 2022 and is delivering 1,457 housing units utilising £55.4m of capital.
- 7.36. As at the end of October 2022, 499 homes have been completed with the remainder at various stages of development and construction. 2 loans with ECTC at Haddenham and MOD Ely are due for re-payment on 31st March 2023.

Community Led Housing

- 7.37. CPCA is offering grants to genuine community led affordable housing schemes that deliver legitimate community engagement, transparency and democracy, Support is offered through respected independent Community homes consultants Eastern Community Homes, with both start up and development preparation grants.

Prospects for housing programmes beyond March 2023

- 7.38. There is no expectation of there being any additional DLUHC money available that could

provide a funding source.

- 7.39. CPCA will continue to support community led housing schemes as referred above.
- 7.40. The CPCA should retain some basic capability to bid for any future Housing grant or funding opportunities that may arise and this is reflected in the revised Tier 2 structure as the housing programme shifts from it's own directorate to be incorporated in Place and Connectivity.
- 7.41. The programme to March 2023 needs to be managed to completion with phased grant payments being required as developments pass through construction stages to practical completion. The balance of the final housing loan with Laragh homes at Histon Road Cambridge is due for re-payment in May 2023 and needs to be monitored.

8. Section 25 Statement

- 8.1. Section 25 of the Local Government Act 2003 places requirements on the 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 current pause on funding from the Department of Levelling-Up, Housing and Communities ceasing, 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.
- 8.2. In response to the increased level of inflation, volatility seen in markets over 2022, and action taken in-year by service providers which has resulted in a substantial unanticipated overspend on passenger transport, the level of reserves has been revisited since the setting of the 2022-23 budget.
- 8.3. The previous budget included a minimum revenue reserve of 2% of gross expenditure, with some elements of the budget excluded where risk of overspend is accounted for by other means, in light of the Authority's current operating environment this has been increased to 4.5% (£1.8m in 23-24) which is considered sufficient to enable the Authority to meet unanticipated in-year overspends.
- 8.4. The increase in materials costs for construction has outstripped average inflation over the last 12 months, this is causing many Local Authorities to revisit the phasing and affordability of their capital programmes. While capital project budgets all include a level of risk within them many of these will have been arrived at before the unanticipated disruption and price escalation caused by COVID and the invasion of Ukraine. In order to increase the Combined Authority's flexibility to meet pressures above the risk allowances the minimum capital reserve level has been increased to £1.5m and is held at this level over the MTFP.
- 8.5. The reserve is not being reduced over the MTFP, despite reduced forecast capital expenditure, because the Combined Authority's future capital spend will likely be significantly higher than the MTFP suggests as further funding is won through bidding on as-yet unknown funding opportunities from Government. As Government grants place risk

for overspends on the recipient it is prudent for the Combined Authority to maintain a reasonable level of capital reserve to account for this.

- 8.6. While this does create a provision for overspend, £1.5m against a £94m 4-year capital programme is still relatively small so the Authority should continue to maintain its primary role as a funding body, with risk remaining with project sponsors who apply for the funding and control the delivery of projects, rather than allowing risk to be transferred to the Authority.
- 8.7. 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 allocations to progress the major priorities of the Combined Authority. There are multiple, and sometimes unpredictable, calls on the Combined Authority's limited revenue funding streams, so the use and balance of these funds will be monitored very closely throughout the financial year. 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.
- 8.8. There is uncertainty over the medium-term funding of Combined Authorities nationally. Looking ahead to the next four years most of the major devolved capital funds which the Combined Authority has had access to – Transforming Cities Fund, Devolved Affordable Housing Funds and Local Growth Funds – have come to an end. This will leave the Combined Authority with significantly reduced funding to deliver its aims; in the absence of replacement funding it will be more reliant on bidding into central government funding pots for specific projects. While the Levelling Up white paper, and reports of what is being discussed for 'trailblazer' devolution deals with Manchester and West Midlands' Combined Authorities, give hope that there may be more devolved funding arrangements in the future it is prudent for the Combined Authority to plan assuming the current approach will continue and that we will be more dependent on bidding to deliver the strategic projects, and sustainable growth ambitions, of the area. In practical terms this means maintaining the ability to react to government calls for projects, and deliver nationally competitive business cases, to maximise the funding that the area can call down from Government – this is being developed as part of the improvement plan.
- 8.9. 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, to continue the 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 Recycled Growth Fund to stimulate job creation in the local economy. The programme also includes the balance of the dedicated funding for affordable housing in the region from DLUHC. The estimates for the programmes are based upon reasonable estimates across the organisation. Importantly the committed expenditure can be controlled across the years.
- 8.10. The overall budget and Medium-Term Financial Plan allows development of the Combined Authority's ambition within existing resources. While there is no specific funding capacity built into the budget to support borrowing, the Combined Authority has the power to borrow to deliver projects should an appropriate, revenue generating, project be brought forward.

- 8.11. A separate report on this Agenda describes the Business Plan for 2023/24 in more detail. The proposed budget has been developed alongside that plan

Conclusion

- 8.12. The Section 73 Officer considers that the Authority's budget for the forthcoming financial year is based on robust estimates made for the purposes of the calculations and that the proposed financial reserves are adequate to support the budget and Medium-Term Financial Plan.

Significant Implications

9. Financial Implications

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

10. Legal Implications

- 10.1. The budget setting process is as set out in Chapter 7 of the Combined Authority's Constitution

11. Appendices

- 11.1. Appendix 1 – 2023/24 Revenue Budget and Medium-Term Financial Plan
- 11.2. Appendix 2 – Capital Programme 2023/24 to 2026/27
- 11.3. Appendix 3 – Summary of Budget and MTFP Consultation Feedback and Responses

12. Background Papers

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

Appendix 1a – Draft Chief Executive Office Revenue Budget, including the Mayor's draft budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Mayor's Budget</u>				
96	Mayor's Allowance	102	106	110	114
15	Mayor's Conference Attendance	10	10	10	10
40	Mayor's Office Expenses	18	18	18	18
77	Mayor's Office Accommodation	24	24	24	24
260	Mayor's Office Staff				
-	Election Costs	-	-	1,040	-
-	Precept funded contribution to operational budgets	3,624	3,691	3,760	3,835
392	Total Mayoral Office costs	3,778	3,849	4,962	4,001
	<u>Chief Exec Office Net Staffing</u>				
276	CEO	290	301	313	326
209	Executive Assistants	284	300	316	333
422	Communications Team	441	464	487	511
122	Data Team	179	190	200	211
-	Policy Team	399	433	468	494
-	Mayoral Advisors	100	107	113	117
1,028	Total CX Officer Staffing	1,692	1,796	1,897	1,993
	<u>Comms and Engagement</u>				
40	Communications	35	35	35	35
10	Website Development	10	10	10	10
50	Total Comms and Engagement Costs	45	45	45	45
	<u>Monitoring and Evaluation Costs</u>				
102	Monitoring and Evaluation Framework	70	70	70	70
102	Total Monitoring and Evaluation Costs	70	70	70	70
	<u>Response Funds</u>				
145	Corporate Response Fund	145	145	145	145
	Programme Response Fund				
750	<i>Approved</i>	-	-	-	
440	<i>Subject to Approval</i>	1,290	1,290	1,290	1,290
1,335	Total Response Funds	1,435	1,435	1,435	1,435
2,563	Total Chief Exec Office Approved Budgets	5,730	5,905	7,119	6,254
440	Total Chief Exec Office Subject to Approval Budgets	1,290	1,290	1,290	1,290
3,003	Total Chief Exec Office Revenue Expenditure	7,020	7,195	8,409	7,544

Appendix 1b – Resources and Performance Revenue Budget

2022/23 £000's		2023/24 £000's	2024/25 £000's	2025/6 £000's	2026/27 £000's
	R&P Staffing				
188	Exec Director	169	186	204	222
636	Legal & Governance	770	830	878	922
155	Procurement	163	173	183	194
663	Finance	740	819	857	897
262	Human Resources & Organisational Development	237	265	282	301
204	PMO	217	230	243	257
-					
2,107	Total Combined Authority Staffing Costs	2,297	2,503	2,647	2,793
	Other Employee Costs and Corporate Overheads				
300	Accommodation Costs	212	212	212	212
31	Office running costs	32	32	32	32
80	Travel and professional memberships	88	88	88	88
88	Training	61	52	52	52
56	Corporate Subscriptions	56	56	56	56
162	Change Management Reserve	158	160	160	160
717	Total Other Employee Costs	609	601	601	601
	Legal, Governance and Member Services				
70	External Legal Counsel	70	70	70	70
95	Democratic Services	95	95	95	95
144	Committee/Business Board Allowances	144	144	144	144
309	Total Legal, Governance and Member Services Costs	309	309	309	309
	Finance and Procurement				
65	Finance Service	66	67	68	69
8	Procurement	8	8	8	8
100	Finance System	-	-	-	-
39	Insurance	39	39	39	39
140	Audit Costs	140	140	140	140
352	Total Finance and Procurement Costs	253	254	255	256
	Financing Income				
- 1,791	Interest Receivable on Investments	- 736	- 150	- 100	- 100
-	Interest on Borrowing	-	-	-	-
- 1,791	Net Financing Income	- 736	- 150	- 100	- 100
	Human Resources & Organisational Development				
12	HR systems	12	12	12	12
10	Payroll	10	10	10	10
100	Recruitment Costs	100	100	100	100
122	Total Human Resources costs	122	122	122	122
	Digital Services and Support				
221	ICT external support	221	221	221	221
113	Software Licences, Mobile Phones cost	113	113	113	113
335	Total Digital Services and Support costs	335	335	335	335

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Workstream Budget</u>				
61	Contribution to A14 Upgrade (DfT)	72	72	72	72
61	Total Feasibility Budget	72	72	72	72
	<u>Overhead Recharges</u>				
-	Internally Recharged Grant Funded Staff				
- 473	Overheads recharged to projects	- 377	- 346	- 360	- 375
-	Externally Recharged Staff				
- 473	Total Recharges to Grant Funded Projects	- 377	- 346	- 360	- 375
1,738	Total Resources and Performance Approved Budgets	2,884	3,699	3,880	4,013
-	Total Resources and Performance Subject to Approval	-	-	-	-
1,738	Total Resources and Performance Budgets	2,884	3,699	3,880	4,013

Appendix 1c – Economy and Growth Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>E&G Net Staffing</u>				
228	Exec Director	272	322	351	383
68	Business & Growth	286	341	358	374
-	Growth Hub	-	-	-	-
65	Skills	201	331	360	388
20	University of Peterborough	53	171	183	197
-	Adult Education Budget	-	-	-	-
382	Total E&G net staffing	812	1,165	1,252	1,343
	<u>Business Engagement and Growth</u>				
930	CRF Start and Grow Project	-	-	-	-
53	CRF Programme Management	-	-	-	-
41	Economic Rapid Response	-	-	-	-
4,947	Growth Co Services	1,429	-	-	-
-	Growth Hub	41	246	246	246
-	Growth Works Additional Equity Fund (rev)				
61	<i>Approved Expenditure</i>	156	156	127	-
-	<i>Subject to Approval</i>	-	-	-	-
75	Insight & Evaluation Programme	75	75	75	75
426	Local Growth Fund Costs	242	-	-	-
35	Market Towns & Cities Strategies	-	-	-	-
45	Marketing and Promotion of Services	38	35	33	30
77	Shared Prosperity Fund Evidence Base & Pilot Fund	-	-	-	-
	UK Shared Prosperity Fund - Revenue				
-	<i>Approved Expenditure</i>	-	-	-	-
810	<i>Subject to Approval</i>	1,522	4,866	-	-
118	UK Shared Prosperity Fund - Management Costs	158	118	-	-
7,618	Total Business Engagement and Growth Costs	3,661	5,496	481	351

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>Skills</u>				
10,977	AEB Devolution Programme	11,081	11,081	11,081	11,081
629	AEB Innovation Fund - Revenue	500	500	500	500
954	AEB Level 3 Courses	954	954	954	954
367	AEB Programme Costs	367	367	367	367
156	AEB Provider Capacity Building	-	-	-	-
196	AEB Strategic Partnership Development	-	-	-	-
75	Careers and Enterprise Company (CEC)	151	77	-	-
60	Changing Futures	60	60		
307	CRF Turning Point Project	-	-	-	-
28	CRF Turning Point CPCA Programme Management	-	-	-	-
1,785	Digital Skills Bootcamp	-	-	-	-
-	FE Cold Spots (rev)				
225	<i>Approved Expenditure</i>	-	-	-	-
-	<i>Subject to Approval</i>	-	-	-	-
2,467	Health and Care Sector Work Academy	-	-	-	-
1,209	Multiply Programme	1,395	1,395	-	-
40	Skills Advisory Panel (SAP) (DfE)	-	-	-	-
3,914	Skills Bootcamp Wave 3	978	-	-	-
	Skills Bootcamp Wave 4	2,878			
27	Skills Rapid Response	-	-		
	Total Skills and Human Capital Costs	18,364	14,434	12,902	12,902
	<u>University of Peterborough</u>				
100	Peterborough University Quarter Masterplan	-	-	-	-
100	Total University of Peterborough Costs	-	-	-	-
6,808	Total Economy and Growth Approved Budgets	21,315	16,229	14,635	14,596
810	Total Economy and Growth Subject to Approval	1,522	4,866	-	-
7,618	Total Economy and Growth Revenue Expenditure	22,837	21,095	14,635	14,596

Appendix 1d – Place and Connectivity Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>P&C Net Staffing</u>				
187.5	Exec Director	169	186	204	222
694.1	Strategic Transport	709	750	781	812
-	Passenger Transport	-	-	-	-
345.3	Housing	167	175	182	190
-	Net Zero Hub	-	-	-	-
305.6	Climate Change & Spatial Strategy	245	257	271	285
1,533	Total P&C staffing	1,290	1,370	1,438	1,509
	<u>Climate Action and Spatial Planning</u>				
-	City of Cambridge Culture - Revenue				
-	Approved Project Costs	-	-	-	-
43	Subject to Approval	113	75	-	-
-	Climate Change				
100	Approved Project Costs	50	-	-	-
50	Subject to Approval	50	100	100	100
-	Doubling Nature Metrics				
25	Approved Project Costs	50	50	-	-
-	Subject to Approval	-	-	-	-
-	Greater Cambridge Chalk Stream Project - Revenue				
-	Approved Project Costs	-	-	-	-
40	Subject to Approval	40	40	-	-
-	Huntingdonshire Biodiversity for all - Revenue				
50	Approved Project Costs	50	50	-	-
-	Subject to Approval	-	-	-	-
-	Lifebelt City Portrait				
40	Approved Project Costs	40	-	-	-
-	Subject to Approval	-	-	-	-
-	Meanwhile at Core Site, North East Cambridge - Revenue				
-	Approved Project Costs	-	-	-	-
10	Subject to Approval	55	55	-	-
-	Natural Cambridgeshire				
70	Approved Project Costs	70	70	-	-
-	Subject to Approval	-	-	-	-
-	Non-Statutory Spatial Framework (Phase 2)				
55	Approved Project Costs	-	-	-	-
50	Subject to Approval	190	50	-	-
-	Rewilding Programme				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	75	75	-	-
533	Total Climate Action and Spatial Planning Costs	783	565	100	100
	<u>Energy Hub</u>				
2,186	GSE Net Zero Hub	266	-	-	-
23	GSE COP 26	-	-	-	-
699	GSE Green Homes Grant Sourcing Activity	-	-	-	-
10,601	GSE Green Homes Grant Ph 3 (LAD 3)	-	-	-	-
4,443	GSE Home Improvement Grant	-	-	-	-
1,500	GSE Net Zero Investment Design	-	-	-	-
1,150	GSE Public Sector Decarbonisation	222	-	-	-
1,975	GSE Rural Community Energy Fund (RCEF)	-	-	-	-
22,577	Total Energy Hub Costs	488	-	-	-

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
	<u>Housing</u>				
	CLT				
70	Approved Project Costs	70	70	70	
50	Subject to Approval	50	-		
120	Total Housing Costs	120	70	70	-
	<u>Passenger Transport</u>				
1,008	Bus Review Implementation	-	-	-	
-	Develoment of Bus Franchising	900	-	-	-
337	Local Transport Fund	-	-	-	
411	Public Transport: Bus Service Operator Grant	411	411	411	411
8,845	Public Transport: Concessionary fares	8,915	9,093	9,275	9,460
286	Public Transport: Contact Centre	292	298	304	310
-	Public Transport: ENCTS rationalisation	-	-	-	-
221	Public Transport: RTPI, Infrastructure & Information	325	332	339	345
-	Public Transport: S106 supported bus costs	-	-	-	-
3,422	Public Transport: Supported Bus Services	7,015	7,155	7,298	7,444
	Contribution to Passenger Transport services from Mayoral bus	- 3,624	- 3,691	- 3,760	- 3,835
456	Public Transport: Team and Overheads	572	584	595	607
	Total Passenger Transport approved costs	14,806	14,181	14,462	14,743
-	<u>Strategic Transport</u>				
-	A142 Chatteris to Snailwell				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
	Active Travel Capability Funding				
-	Approved Project Costs	-	-	-	-
206	Subject to Approval	617	-	-	-
-	Active Travel Funding (rev)				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	100	-	-	
-	Development of Key Route Network				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Harston Capacity Study				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Local Transport Plan				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	-	-	-	
-	P'boro electric busses business case				
40	Approved Project Costs	-	-	-	
110	Subject to Approval	-	-	-	
-	P'boro Station Quarter SOBC				
175	Approved Project Costs	-	-	-	
16	Subject to Approval	-	-	-	
-	Segregated Cycling Holme to Sawtry				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	-	-	-	
	Total Strategic Transport Costs	717	-	-	-
40,059	Total Place and Connectivity Approved Costs	16,914	15,790	15,969	16,252
1,325	Total Place and Connectivity Subject to Approval Costs	1,290	395	100	100
41,383	Total Place and Connectivity Revenue Expenditure	18,204	16,185	16,069	16,352

Appendix 2a – Chief Executive’s Office and Resources and Performance Capital Programmes

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Monitoring and Evaluation Costs</u>				
	Transport Modelling		-		
740	Approved Project Costs	-	-	-	-
1,136	Subject to Approval	585	215	215	-
1,876	Total Monitoring and Evaluation Costs	585	215	215	-
740	Total Chief Exec Approved Capital Projects	-	-	-	-
1,136	Total Chief Exec Costs Subject to Approval	585	215	215	-
1,876	Total Chief Exec Capital Projects	585	215	215	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Accommodation</u>				
	Office Fit-out costs				
200	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
200	Total Accommodation Costs	-	-	-	-
	<u>Digital Services and Support</u>				
	ICT Capital				
42	Approved Project Costs	42	42	42	-
-	Subject to Approval				
42	Total Digital Services and Support Costs	42	42	42	-
242	Total Resources and Performance Approved Capital Projects	42	42	42	-
-	Total Resources and Performance Costs Subject to Approval	-	-	-	-
242	Total Resources and Performance Capital Projects	42	42	42	-

Appendix 2b – Economy and Growth Capital Programme

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Business Board</u>				
	Barn4 specialist growing facilities				
400	Approved Project Costs	-	-	-	-
	Business Rebound & Growth Service - Capital Grant and Equity Fund				
1,822	Approved Project Costs	7,160	-	-	-
	Cambridge Biomedical MO Building				
185	Approved Project Costs	-	-	-	-
	Cambridge City Centre				
481	Approved Project Costs	-	-	-	-
	Expansion of Growth Co Inward Investment				
400	Approved Project Costs	-	-	-	-
	Fenland High-tech Futures				
400	Approved Project Costs	-	-	-	-
	Growth Works Additional Equity Fund (cap)				
-	Approved Project Costs	2,850	3,325	3,325	-
-	Subject to Approval	-	-	-	-
	Illumina Accelerator				
1,700	Approved Project Costs	-	-	-	-
	Metalcraft (Advanced Manufacturing)				
487	Approved Project Costs	-	-	-	-
	College of West Anglia - Net Zero				
274	Approved Project Costs	850	876	-	-
	IEG Student Space				
7	Approved Project Costs	30	260	99	-
	South Fen Business Park				
946	Approved Project Costs	-	-	-	-
	Start Codon (Equity)				
1,475	Approved Project Costs	-	-	-	-
8,577	Total Business Board Costs	10,890	4,461	3,424	-

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	<u>Business Engagement and Growth</u>				
	Rural England Fund				
-	Approved Project Costs				
-	Subject to Approval	804	2,411	-	-
	UK SPF Core (cap)				
-	Approved Project Costs	-	-	-	-
270	Subject to Approval	716	1,294	-	-
	Market Towns and Villages				
-	Approved Project Costs	-	-	-	-
1,250	Subject to Approval	1,250	-	-	-
	Market Town Master Plan Implementation				
8,723	Approved Project Costs	1,959	-	-	-
1,802	Subject to Approval	195	-	-	-
	St Neots Masterplan Capital				
215	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
12,260	Total Business Engagement and Growth Costs	4,924	3,705	-	-
	<u>Skills</u>				
	FE Cold Spots (cap)				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	2,400	2,175	-	-
-	Total Skills and Human Capital Costs	2,400	2,175	-	-
17,515	Total Approved Business and Skills Capital Projects	12,849	4,461	3,424	-
3,322	Total Business and Skills Project Costs Subject to Approval	5,365	5,880	-	-
20,837	Total Business and Skills Capital Projects	18,214	10,341	3,424	-

Appendix 2c – Place and Connectivity Capital Programme

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Climate Action and Spatial Planning</u>				
	Care Home Retrofit Programme				
500	Approved Project Costs	1,500	-	-	-
-	Subject to Approval	-	-	-	-
	City of Cambridge Culture - Capital				
-	Approved Project Costs	-	-	-	-
183	Subject to Approval	153	30	-	-
	Greater Cambridge Chalk Stream Project - Capital				
-	Approved Project Costs	-	-	-	-
100	Subject to Approval	100	100	-	-
	Huntingdonshire Biodiversity for all - Capital				
300	Approved Project Costs	400	500	-	-
-	Subject to Approval	-	-	-	-
	Logan's Meadow Local Nature Reserve wetland extension				
250	Approved Project Costs	30	-	-	-
-	Subject to Approval	-	-	-	-
	Meanwhile at Core Site, North East Cambridge				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	1,000	-	-	-
	Nature and Environment Investment Fund				
-	Approved Project Costs	250	750	-	-
-	Subject to Approval	-	-	-	-
	Net Zero Villages Programme				
750	Approved Project Costs	250	-	-	-
-	Subject to Approval	-	-	-	-
	Waterbeach Depot Solar PV Smart-grid Project for electric Refuse Collection Vehicles				
-	Approved Project Costs	-	-	-	-
2,000	Subject to Approval	700	-	-	-
4,083	Total Climate Action and Spatial Planning Costs	4,383	1,380	-	-
	<u>Energy Hub</u>				
	Green Home Grant Capital Programme - LAD 2				
16,634	Approved Project Costs	-	-	-	-
	Green Home Grant Capital Programme - LAD 3				
28,965	Approved Project Costs	-	-	-	-
	Green Home Grant Capital Programme - HUG 1				
11,701	Approved Project Costs	-	-	-	-
57,300	Total Energy Hub Costs	-	-	-	-
	<u>Housing</u>				
	Affordable Housing Grant Programme				
8,719	Approved Project Costs	11,359	3,130	-	-
-	Subject to Approval	-	-	-	-
	Housing Investment (revolving) Fund				
(26,860)	Approved Project Costs	(6,731)	-	-	-
-	Subject to Approval	-	-	-	-
(18,141)	Total Housing Costs	4,628	3,130	-	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Passenger Transport</u>				
	ZEBRA				
6,258	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
6,258	Total Passenger Transport Costs	-	-	-	-
	<u>Strategic Transport</u>				
	A10 Upgrade				
3,993	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 15				
7,111	Approved Project Costs	900	-	-	-
-	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 32-3				
711	Approved Project Costs	-	-	-	-
-	Subject to Approval	5,850	-	-	-
	A141 & St Ives				
1,737	Approved Project Costs	5,715	-	-	-
-	Subject to Approval	-	-	-	-
	A16 Norwood Dualling				
227	Approved Project Costs	1,200	-	-	-
-	Subject to Approval	-	-	-	-
	A505 Corridor				
134	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	A603 Barton Road				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	400	-	-	-
	Active Travel Funding (cap)				
-	Approved Project Costs	-	-	-	-
830	Subject to Approval	1,500	1,779	850	-
	Addenbrookes Roundabout				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	200	-	-	-
	Brook Crossing - Sutton				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	225	-	-	-
	CAM Devlivery to OBC				
150	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Carlisle Road Crossing				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	225	-	-	-
	Centre for Green Technology				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	2,500	-	-	-
	County-wide speed reduction				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	800	-	-	-
	Ely Area Capacity Enhancements				
124	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Fengate Access Studies Phase 1				
155	Approved Project Costs	819	-	-	-
-	Subject to Approval	10,187	-	-	-

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	<u>Passenger Transport</u>				
	ZEBRA				
6,258	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
6,258	Total Passenger Transport Costs	-	-	-	-
	<u>Strategic Transport Cont</u>				
	Fengate Access Studies Phase 2 (University Access)				
1,322	Approved Project Costs	448	20	-	-
-	Subject to Approval	-	230	-	-
	Fletten Quays Footbridge				
465	Approved Project Costs	942	2,021	-	-
	Highways Maintenance and Pothole funding (with PCC and CCC)				
27,695	Approved Project Costs	27,695	27,695	27,695	27,695
	King's Dyke				
1,700	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	March Junction Improvements				
2,114	Approved Project Costs	1,604	-	-	-
-	Subject to Approval	3,969	-	-	-
	East Park Street Crossings				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	260	-	-	-
	Northstow P&R Link				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	500	-	-	-
	Peterborough Green Wheel				
250	Approved Project Costs	500	-	-	-
	Regeneration of Fenland Railway Stations				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	267	-	-	-
	Smaller Road Safety Measures				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	100	-	-	-
	Snailwell Loop				
150	Approved Project Costs	-	-	-	-
-	Subject to Approval	350	-	-	-
	Soham Station				
175	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Wisbech Access Strategy				
1,573	Approved Project Costs	-	-	-	-
-	Subject to Approval	-	-	-	-
	Wisbech Rail				
241	Approved Project Costs	-	-	-	-
-	Subject to Approval	5,080	-	-	-
50,857	Total Strategic Transport Costs	72,236	31,745	28,545	27,695
	<u>Digital Connectivity</u>				
	Digital Connectivity Infrastructure Programme				
2,118	Approved Project Costs	1,500	1,500	-	-
-	Subject to Approval	-	-	-	-
2,118	Total Digital Connectivity Costs	1,500	1,500	-	-
99,362	Total Place and Connectivity Approved Capital Projects	48,381	35,616	27,695	27,695
3,113	Total Place and Connectivity Projects Subject to Approval	34,366	2,139	850	-
102,475	Total Place and Connectivity Capital Projects	82,747	37,755	28,545	27,695

Appendix 3 – Budget 23/24 and MTFP Consultation Summary

The Combined Authority Board approved the draft budget for 2023/24 and Medium-Term Financial Plan (MTFP) for consultation purposes at its November meeting. The Board also agreed the consultees and the timetable for consultation. The consultation period lasted for six weeks from 1st December 2022 ending on 13th January 2023. Consultation documents together with links to the draft budget and MTFP were set out on the Combined Authority's website and a communications campaign was run to encourage public engagement and feedback.

As well as the consultation being accessible on the Spotlight section of the Combined Authority homepage, a public relations campaign was carried out which was picked up by some local newspapers, together with a social media promotion on social channels throughout December and into the New Year, and direct emails were sent to all constituent authority and parish councillors and shared with our Neighbourhood Watch partners.

The Combined Authority received a total of 690 responses through the website by the final response date of Friday 13th January, together with a number of e-mailed responses and a collective response from the Overview and Scrutiny Committee following their meeting to discuss the consultation held on 10th January 2023.

The number of responses received as at Monday 9th January 2023 was 232. The vast majority (78%) of the increase in responses between that date and the consultation coming to an end, were from Fenland – 359 from a total increase of 458.

The proportion of responses from Fenland of the total on 9th January was 24.57% which rose to 60.29% at the end of the consultation.

During this period the numbers of responses saying 'No' to Question 9 "To keep public transport services at current levels and not have to reduce them, would you support a mayoral precept if other funding cannot be achieved?" rose from 107 (46.12% of the total) on 9th Jan to 497 (72.03% of the total on 9th January. The numbers of respondents answering "Yes" to this question rose by 39 from 92 (39.66% of the total) to 131 (18.99%).

69.19% of the total (476 respondents) said "No" to Question 10 "Would you support a mayoral precept that would be used to deliver better services?"

The consultation was an opportunity to highlight projects and programmes within the draft budget/MTFP that align to the four areas of priority within the Combined Authority's draft strategic vision. These are:

1. Achieving Good Growth;
2. Increased Connectivity;
3. Ambitious Skills and Employment Opportunities; and
4. Enabling Resilient Communities.

All four priority areas were supported by over 60% of respondents, with the strongest support for "Better Connectivity" with 196 out of 690 (28.41%) respondents expressing "Strong Support" for this priority area. 68.26% of respondents either voiced "Strong Support" or "Support" for Creating Skills and Employment Opportunities projects.

There were 151 comments responses to the Question “Is there anything you think we’ve missed?”, which included a broad range of comments and suggestions covering topics such as ‘Transport’, ‘action on the green agenda’, ‘doubling nature’, ‘internal efficiencies’ ‘connectivity’, ‘support for market towns’, ‘greater support for young people’, ‘connectivity to rural communities’, ‘collaboration and partnership across the region’, ‘health and wellbeing’, support for active travel including for those with disabilities’, ‘improving energy efficiency’ and ‘Council Tax’.

All of these comments will be shared with the Board and will be considered by Officer Groups where a full evaluation of the responses will be analysed and reported on.

Tables providing details of questions asked and summaries of responses given are set out below.

Q1



Customise

Are you 18 years or older?

Add chart

Answer Choices

Responses

Yes		100.00%	690
No		0.00%	0
Answered: 690 Skipped: 0		Response Total:	690

Q2








Customise

Which part of our region do you live/work in?

Add chart

Answer Choices

Responses

Cambridge City		9.13%	63
East Cambridgeshire		6.81%	47
Fenland		60.29%	416
Huntingdonshire		12.90%	89
Peterborough City		5.94%	41
South Cambridgeshire		7.10%	49
Other (please specify): Show		2.32%	16
Answered: 690 Skipped: 0		Response Total:	690

Q3






Customise

What relationship do you have to Cambridgeshire and Peterborough? (You can select more than one option)

Add chart

Answer Choices

Responses







I live here		94.93%	655
I work here		37.39%	258
I own a business in Cambridgeshire and Peterborough		7.54%	52
I am an elected member in Cambridgeshire and Peterborough		5.07%	35
Other (please specify): Show		1.74%	12
Answered: 690 Skipped: 0		Response Total:	690

Q4

Customise

ACHIEVING GOOD GROWTHWe will make investments to ensure that the economy of the area continues to grow.Focusing on increasing the value of our economy more equitably across our region increasing productivity and innovation, and attracting more businesses to bring higher wage and sustainable employment. Investment will be targeted towards those areas that need it most such as parts of the Fens, Peterborough, and Market Towns.The annual budget for this year includes continuation of the Market Towns programme, the Growth Service and Growth Hub, further use of the UK Shared Prosperity Fund, and enabling the delivery of specific sector improvements in Agri-Tech, Life Sciences and Advanced Materials and Manufacturing.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		16.96%	117
Support		43.77%	302
Neither support nor oppose		26.67%	184
Oppose		3.77%	26
Strongly oppose		5.36%	37
Not sure		3.48%	24
Answered: 690 Skipped: 0		Response Total:	690

Q5

Customise

BETTER CONNECTIVITYWe will work to make it easier to move around the region or to work or do business online.Delivering a sustainable, modern, resilient, integrated, and affordable transport system for the people and businesses of Cambridgeshire and Peterborough. Investing in digital connectivity so more people and businesses can benefit from technology.In the current annual budget this means digital connectivity infrastructure, supported bus services, active travel, our capital transport programme and more.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		28.41%	196
Support		37.39%	258
Neither support nor oppose		15.22%	105
Oppose		7.68%	53
Strongly oppose		8.26%	57
Not sure		3.04%	21
Answered: 690 Skipped: 0		Response Total:	690

Q6

Customise

CREATING SKILLS AND EMPLOYMENT OPPORTUNITIESWe will work to create an inclusive and world-class local skills system.It will raise ambitions and match the needs of our employers, learners and communities to enable a successful, globally competitive economy offering high-skilled, well-paid and good quality jobs to deliver increased productivity and prosperity for our communities.In the current annual budget this means the adult education budget, careers hubs, information and advice, skills bootcamps, the Multiply programme and more.How far do you support this priority?

 Add chart







Answer Choices	Responses		
Strongly support		21.74%	150
Support		46.52%	321
Neither support nor oppose		20.87%	144
Oppose		4.49%	31
Strongly oppose		4.49%	31
Not sure		1.88%	13
Answered: 690 Skipped: 0		Response Total:	690

Q7

Customise

ENABLING RESILIENT COMMUNITIESWe will make a range of investments to tackle future climate change as well as supporting communities to adapt.We will address the decline in biodiversity and enable communities to respond to financial and social crises, looking to extend cultural opportunities for Cambridgeshire and Peterborough to be a great place to live and work.In this year's budget this means the climate change action plan, chalk stream project for water sufficiency, the rewilding programme, care home retrofitting, renewable energy smart grids (Waterbeach Depot), city of culture activities and more.How far do you support this priority?

 Add chart




Answer Choices	Responses		
Strongly support		21.16%	146
Support		39.42%	272
Neither support nor oppose		21.45%	148
Oppose		7.83%	54
Strongly oppose		7.54%	52
Not sure		2.61%	18
Answered: 690 Skipped: 0		Response Total:	690

Q9

Customise

At present there is an anticipated pressure of £3.5million for supported bus services in 2023/24. We are currently exploring ways to meet this. Potential options to address the pressure are:1. Successfully lobby for more funding from central Government2. Reduce the subsidised bus services provided3. Levy a Mayoral precept - this is an additional amount of council tax that would be paid by everyone in the Cambridgeshire and Peterborough area who currently pays council tax. A Mayoral precept usually is a small sum, other mayoral combined authorities nationally charge £10-£30 total per household per year, added to your council tax charge that is ringfenced specifically for the mayor's approved priority. In our region, each £1 annually on the council tax bill will result in nearly £300k of income to support services.To keep public transport services at current levels and not have to reduce them, would you support a mayoral precept if other funding cannot be achieved?

 Add chart



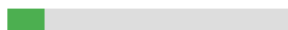
Answer Choices	Responses		
Yes		18.99%	131
No		72.03%	497
Perhaps		8.99%	62
Answered: 690 Skipped: 0		Response Total:	690

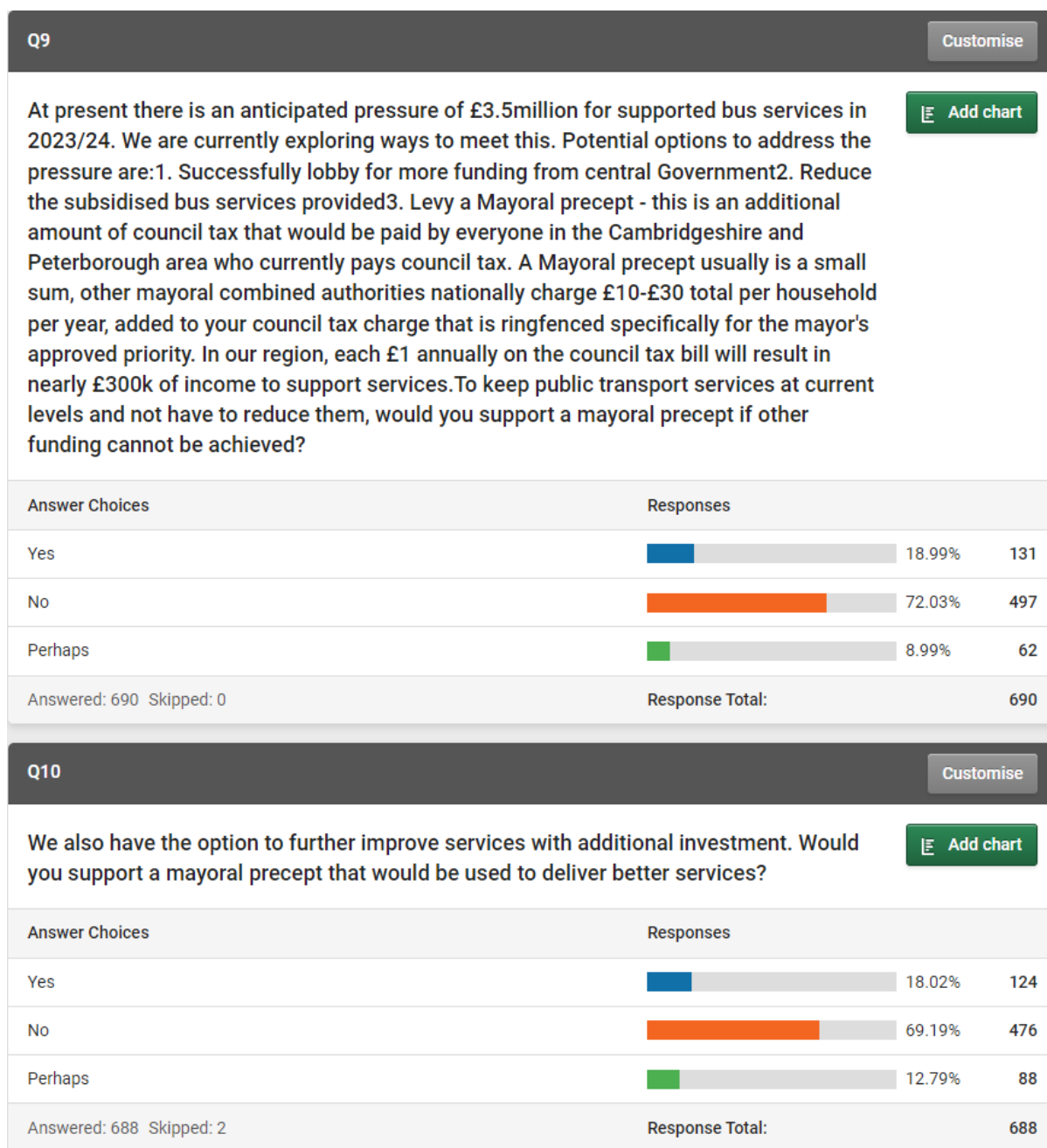
Q10

Customise

We also have the option to further improve services with additional investment. Would you support a mayoral precept that would be used to deliver better services?

 Add chart

Answer Choices	Responses		
Yes		18.02%	124
No		69.19%	476
Perhaps		12.79%	88
Answered: 688 Skipped: 2		Response Total:	688



Other consultation questions included “If you preferred reducing services, please tell us which services you would like to reduce.” There were 219 responses to this question. The majority of which reflected a range of views on bus services, and “Do you have any further comments on the Budget and MTFP?”, which prompted 228 responses highlighting views on the proposed precept, and where in the region investment is/should be made.

We have also received direct submissions including from Cambridgeshire and Peterborough Parks Partnership. Their consultation response highlighted how the partnership delivers on mayoral priorities and the benefits being delivered through the County’s parks and accessible open spaces and included an invitation for the Combined Authority to become a funding partner

Overview and Scrutiny Committee

The following recommendations to Board were agreed as the Overview and Scrutiny Committee’s response to the consultation following their meeting of 10th January 2023.

- 1. The CPCA Board should commit to maintaining at least the current level of spending on bus services for the next two years.**

The Board is best placed to decide how to source this funding which would be c£14m. This commitment would give some assurance to residents that they can continue to travel to work and school, and to access services, and that the CPCA had a credible, fit for purpose transport system on which residents could depend. This guarantee on funding should be given whilst longer term solutions for delivering services, such as franchising, are explored.

The Board should be mindful however that in the current climate bus operators could expect to be further supported by CPCA subsidy and therefore maintaining the current level of spending would not necessarily guarantee the same level of services.

- 2. The Board should keep a particularly close eye on the risk of slippage on capital projects and review the work of Internal Audit so that where issues are identified they can establish how best to address and overcome them.**
- 3. The Overview and Scrutiny Committee review in advance the process and methodology of any future proposed MTFP consultation.** Oversight by the Committee will ensure that the questions asked are focussed and prioritise the CPCA's vision and strategy and will also allow Members to make recommendations to encourage greater engagement by the public.
- 4. If the organisation aspires to delivering more ambitious projects that will be reliant on government funding, then the budget for securing this funding needs to be increased.**
- 5. The impact on social inequalities and the Environment should be evident in all CPCA funding decisions.**
- 6. If the Board decide that a Mayoral Precept is the best option to raise funds then it should identify and guarantee what the money raised will be spent on.** E.g. It has been identified that a precept of £12 per household at Band D council tax (with corresponding amounts for higher and lower bands) would raise the £3.5 million that it is estimated will be needed to maintain the current level of bus services.