

## Draft Sustainable Growth Ambition Statement and 2022/23 draft budget and medium-term financial plan 2022 to 2026 – Consultation update

To: Overview and Scrutiny Committee

Meeting Date: 24 January 2021

From: Jon Alsop, Chief Finance Officer

Recommendations: The Committee is recommended to:

- a) Note the responses to the consultation of the draft Sustainable Growth Ambition Statement and the draft 2022-23 Budget and Medium-Term Financial Plan (MTFP).
- b) Note responses to questions asked and comments made on the draft SGAS and budget/MTFP by members of the Overview and Scrutiny Committee at their consultation meeting of 13 December 2021

Voting arrangements: A simple majority of all Members-

# 1. Purpose

- 1.1. To provide the Overview and Scrutiny Committee with an update to the consultation of the draft Sustainable Growth Ambition Statement and the draft 2022-23 Budget and Medium-Term Financial Plan (MTFP).
- 1.2. To provide the Committee with responses to questions asked and comments made on the draft SGAS and budget/MTFP by members of the Overview and Scrutiny Committee at their consultation meeting of 13 December 2021

# 2. Background

- 2.1. According to the Constitution, “The draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee.”
- 2.2. This year, alongside the statutory budget consultation, the Combined Authority approved consultation on its draft Sustainable Growth Ambition Statement.
- 2.3. The Overview and Scrutiny Committee is specifically designated as a consultee on the Combined Authority’s draft budget in the Combined Authority’s Constitution.
- 2.4. The Committee was given an opportunity to provide a formal response to the consultation at its meeting of 13 December 2021
- 2.5. A number of comments and questions were made and raised by Committee members during the meeting. An action was taken by the Chief Finance Officer to respond to these comments and questions at the next meeting.
- 2.6. Appendix 1 gives a summary of the questions raised and comments made by Members of the Committee, together with responses as provided by officers.
- 2.7. The draft budget for 2022/23 and the MTFP for the period to 2025/26 was published on the Combined Authority’s website alongside the Draft Sustainable Growth Ambition Statement for public consultation. The consultation ran for five weeks and closed on 31 December.
- 2.8. There were 30 responses to the online consultation. Of these, 27 were from Cambridgeshire and Peterborough residents; 8 from business owners; 5 from elected councillors and 3 from parish councillors or clerks.

## **Sustainable Growth Ambition Statement**

- 2.9. The responses agreed with the importance of the themes set out in the Sustainable Growth Ambition Statement as follows:

Theme	% rating “extremely important” or “very important”
Health & Skills	93%
Climate & Nature	90%
Infrastructure	67%
Innovation	53%
Reducing Inequalities	70%
Finance & Systems	47%

2.10. Free text comments on the statement and the six themes identified the following issues:

#### Health and skills

- Agreement on the CA’s role in skills; some questions about the role in health
- The relationship between building human capital and addressing inequality
- The need to work in partnership.

#### Climate and nature

- Mainly in agreement with the priority; some see it as vague; one suggested it’s a long-term priority after other issues are addressed
- Requests for more emphasis on biodiversity
- Some site-specific points
- Proposals for funding for natural environment projects.

#### Infrastructure

- A balance of views between support and opposition for more road connectivity
- A few comments supporting light rail and autonomous pods
- Some comments highlighting health and education as well as transport infrastructure
- Relationship between infrastructure and nature/biodiversity.

#### Innovation

- Several comments questioning the rationale for intervention
- Relationship with health and skills highlighted
- Calls for spreading innovation economy beyond Cambridge.

#### Reducing inequalities

- Generally supported; one comment suggesting meritocracy rather than inequality targets as the focus; others calling for measures/targets
- Links with other agendas (health/education/climate transition) highlighted.

#### Finance and systems

- Several calls for public service reform
- Several challenges to the CA to deliver and measure vfm and keep overheads down.

## General

- Support for the headline ambitions balanced by calls for greater specificity, targets and delivery plans to back them up
- Reminder not to forget the GVA objective
- More emphasis on social capital required
- Concerns that CA role in housing appears to be reducing.

## **MTFP/Budget**

### **E-mail submissions**

- 2.11. 174 e-mail messages were received on behalf of 180 individuals (plus a further online response), requesting that the Strategic Outline Business Plan for Whittlesey Southern Relief Road be included in the Combined Authority's 2022/23 budget.

### **Microsite submissions**

- 2.12. Of the 29 unique responses from the microsite, 24 included an answer in response to the budget and MTFP. While most responses made points unique to each respondent, 7 of the respondents reflected on the lack of detail in the budget and MTFP or specifically commented that the budget does not make clear how the CPCA will be assigning funding against the 6 themes. The detail of the microsite responses are shown at appendix 2.

### **Business Board**

- 2.13. The Business Board's discussions focussed on the strategic aspects of the SGAS and how these may be interpreted by Business rather than queries or comments on the draft budget and MTFP. Given the Business Board's role as a key link between local business and local politics, and the ending of the Business Board's devolved Local Growth Funding, an opportunity for the Business Board and the Combined Authority Board to meet to exchange views around growth and skills is being discussed against the backdrop of the developing Economic Growth Strategy.

## **Significant Implications**

### **3. Financial Implications**

- 3.1. There are no financial implications other than those identified in the paper.

### **4. Legal Implications**

- 4.1. The budget setting process is as set out in the Combined Authority's Constitution

### **5. Appendices**

- 5.1. Appendix 1 – Summary of responses to O&S Committee questions and comments made at

the 13<sup>th</sup> December 2021 meeting.

5.2. Appendix 2 – Detail of responses through the micro-site

## 6. Background Papers

6.1. O&SC Draft SGAS and Budget/MTFP for consultation paper 13 December 2021

[O&SC SGAS and Budget consultation paper 13 Dec 2021](#)

[O&SC paper 13 Dec 21 App1 Draft Revenue](#)

[O&SC paper 13 Dec 21 App2 Draft Capital](#)

[O&SC paper 13 Dec 21 App3 Draft SGAS](#)

## Appendix 1

Question/Comment	Suggested Response
re AEB. Why is there is a level of detail shown in 2021/22, which isn't there in future years of the MTFP - see appendix 1c. What is the 'predictor' for AEB in future years? What plans have been made and what are the high value course costs likely to be?	Some of these additional AEB funding lines were for one-off initiatives which have now ended (e.g. High Value Courses and SWAPS). These budget lines are likely to be closed for future years. The main AEB grant is allocated by the DfE on a recurrent basis and we expect to receive the same level of funding c£12m per year. The DfE are consulting on the funding methodology for devolved areas and including a deprivation and rurality factor. The DfE have not issued an indicative settlement for future years.
Similarly for Digital Skills Bootcamp. There is budget provision in 2021/22, but what is the assumption for future activity?	The Combined Authority has submitted a proposal to DfE to extend the current contract for Digital Skills Bootcamps for another 12 months (April 22-March 23). The Combined Authority is also completing another submission to the DfE for grant funding to deliver further skills bootcamps across a wider range of sectors from April 2022.
Will staff need to be recruited or redeployed into the health area?	Staffing budgets have been rolled-forward according to the existing work programme. Any changes required to future resourcing will be informed by the development and approval of emerging strategies as they are considered and approved by the Board.
Why does the SGAS put 'skills' and 'health' together?	Health and Skills are placed together reflecting the academic work on 'Human Capital'. Human Capital consists of individual's capabilities, including knowledge, skills and experience, health and well-being.
The Sustainable Growth Ambition Statement is a significant improvement on what has previously been presented by the Combined Authority, although there is concern over the drift following the last Mayoral election.	This will be developed through the Combined Authority's Business Plan, which will be considered by the Combined Authority Board
ref 9.3 - funding for 30x zero emission electric buses. Making the area's bus network have zero emissions would be a difficult target to meet.	There is no doubt that the target set is extremely challenging but the funding awarded is the start that is needed to drive forward the ambition.
Not enough detail provided for good understanding of what money is to be spent on.	Noted
Would like to have seen this year's budget and previous years to see any pattern of spend.	Noted. We will look to provide greater detail and analysis of past spend in future budget reports
re SGAS lifebelt diagram - what is the link between 'Reducing inequalities' and 'Income per Area'?	The indicators currently included are a working draft and additional work is being undertaken including looking at striking discrepancies within districts.

<p>The Combined Authority Board agreed the recommendations from the Independent Commission on Climate Change in November, but this is not included in the budget statement.</p>	<p>The Climate Working Group will be presenting an Action Plan to the Combined Authority Board in March 2022. Budget implications will be considered at that time.</p>
<p>Constituent Councils are not flush with funds. The CA appears to be sitting on £40m of capital which should be released.</p>	<p>Noted</p>
<p>It is difficult to see how the areas in the SGAS are going to be measured, and there are key metrics missing currently. How will the KPIs be measured against the HM Treasury Green Book?</p>	<p>There are ongoing conversations with the HM Treasury Green Book Unit. The revised version of the Green Book places a priority on the policy framework and by having the right policy framework the Combined Authority will be complying with the Green Book</p>
<p>Timing of distribution of 'head room' balances is inappropriate. Need to reflect on how the public will be consulted on with the lack of detail provided in the allocation of available balances.</p>	<p>Potential to consult with the public when the budget is refreshed mid-year</p>
<p>Could the budget timetable be adapted to enable further consultation?</p>	<p>The Combined Authority Board needs to approve the 2021/22 budget by the end of January 2022. It is likely that there will need to be a mid-year refresh of budget and MTFP once a number of key strategies have been developed and approved by the Board, which will inform future investment. The Board will need to consider whether a mid-year refresh should be subject to consultation, who the consultees should be, and the timing of any consultation.</p>
<p>ref 8.3 Education and Skills - there is an aspiration to double the proportion of school leavers in full time education from 17% locally in the north, closer to the 33% national average. We need clarification on how this is to be done.</p>	<p>The pathways to achieving this will be laid out in the Skills Strategy which is going to the CA board in January.</p>
<p>Similarly with other Business and Skills aspirations (see paras 8.3 to 8.5), we need pathways for dealing with the points made. The narrative doesn't go into detail, and there needs to be more actions.</p>	<p>The pathways to achieving 8.3 are laid out in the skills strategy, and additionally the university FBC - both being presented to CA board in January. The pathways to achieving 8.4 are laid out in a Programme business Case for the University five phase programme - phase 4 of which deals with this issue. This will come to the CA board in march. The pathways to achieving 8.5 are laid out in the FBC for the Business growth service approved by the CA Board in 2020. All FBCs and the draft PBC can be supplied to Members on request</p>
<p>Connectivity is included in the Statement, but should there be a specific reference to mobile telephone connectivity as well as internet connectivity?</p>	<p>There is a digital strategy being developed and these future documents will include this detail</p>

<p>The £500k p.a. for Housing team staff costs needs looking at.</p>	<p>The Combined Authority will be looking at it's future resourcing requirements. The Housing team will be considered within that review.</p>
<p>There is still £500,000 in the budget for the housing team is this going to take us much of the budget as this?</p>	<p>When the Combined Authority receives greater clarity it will be looking at resourcing and this will be reflected in the staffing establishment to ensure it aligns with the future of the Authority</p>
<p>There is a lack of infrastructure projects in the budget in rural areas.</p>	<p>The Combined Authority is consulting constituent authority members and the responses will be considered when a number of key strategies have been developed, including the Local Transport and Connectivity Plan. A prioritisation process will then take place on suggested 'pipeline' projects.</p>
<p>A Member stated the budget is devoid of substance and lacks detail of any projects. Three projects in particular: Ely area enhancement scheme; A10 dualling; and the March area strategy are not included. Staffing costs have increased yet schemes and projects are static or have gone down.</p>	<p>Whilst these three projects do all have funding ('approved' and 'subject to approval') in 2021/22... Ely Area Capacity Enhancement is no longer funded by the Combined Authority. It is a DfT funded scheme but the CA does have representation on the Project Board. Whilst the Head of Transport is the Chair of the Task Force Group, it is no longer formally a combined authority project.</p> <p>A10 Outline Business Case has a paper being presented at Transport and Infrastructure committee in January to enable CPCA and CCC officers with DfT to develop the scope for onward supplier procurement.</p> <p>March Area Strategy project recently obtained funding approval to progress the full business case and fund some quick wins aligned with the Future High Street Fund activity and is therefore progressing well.</p>
<p>It is disappointing to go out to public consultation with an incomplete budget and the Mayor should be made aware of the Committee's concern</p>	<p>An attempt has been made in the narrative to make it clear this is a holding budget until full strategies have been developed. As strategies are developed the Combined Authority needs to keep some capacity in the budget to be able to invest in projects selected that best fit with these emerging strategies.</p>
<p>Ref paragraph 2.7, states the devolution deal commitment to double GVA. This is not the <b>only</b> devolution deal commitment</p>	<p>Noted. The prioritisation mechanism suggested in SGAS looks at scoring projects against the six capitals as well as GVA.</p>



## Appendix 2

### **Individual microsite responses**

<p>Respondent agreed with the need for more housing in the March area but identified that the public services including schools, roads, doctors and dentists need to be improved to facilitate this.</p>
<p>You need to engage with local Councils and CO2 reduction better</p>
<p>Respondent highlighted that there is insufficient investment in existing public services in Ramsey across infrastructure, health, transport and connectivity and that the latter impacts on people's ability to work from home.</p>
<p>I support strategies that address</p> <ul style="list-style-type: none"><li>* reducing inequalities in living, access to education &amp; employment and housing.</li><li>*improving the public transport network - achieving an effective and affordable network</li><li>* addressing Climate Change</li></ul> <p>I think public funds should be spent with measurable impact. In C&amp;P alignment and accountability across local authorities and the Greater Cambridge Partnership must be improved. There is too much overlap.</p>
<p>Re the Adult Education Budget, worth planning to put in a bid for funding from the Department for Education for a new Adult Education College on the edge of Cambridge by a transport interchange that also has its own playing fields &amp; sports centre.</p> <p>That or move Hills Road Sixth Form College out to Cambourne by the new railway station, and convert the existing buildings into an adult education college there, reducing the pressure of so many 16-19 year olds in such a small part of the county.</p>
<p>Overall I would support the budget and medium term financial plan, but I wonder whether there's scope to be more ambitious in joining up activities across the six capitals.</p> <p>For example, a key theme is shifting from a narrow focus on doubling GVA to a focus on good growth. Given this focus could we look at projects - at the detailed level - and seek integration across them. In the region we need more sustainable and affordable housing. Could we be asking the Business Board to support initiatives and/or run programmes that will develop the local supply chain to support the creation of sustainable, affordable housing. Can we look at whether we are supporting education programmes to ensure people have the right skills, etc.</p> <p>The high level vision works, but the detailed budget allocated to projects does</p>

not easily map onto the high level vision.

Respondent commented that the climate assessment is too weak and does not believe it is sufficient to deliver net zero.

Responding on behalf of a housing developer the respondent supported progressing the strategies in the following areas:

- Business and Skills: in particular, skills, education (e.g. university at Peterborough), innovation and the economic review by CPIER;
- The LTCP on quick, reliable and cheap public transport and active travel modes;
- Spatial and Climate Change Framework that enables its partner councils to approve new homes quicker;
- Developing a new housing strategy for beyond March 2022 that is focused on delivering new affordable housing through a community housing approach working with a range of new providers including themselves.

They proposed that some of the CPCA's capital funding is used to fund social housing for local families and the creation of a Community Fund to progress stewardship projects that help communities fund the future maintenance of public realm and buildings.

They recognised that CPCA does not have sufficient capital resources to be able to support the level of new affordable house building that the area needs alone but believes that the CPCA had a role to play as a facilitator between developers and Homes England alongside any responsibilities for future funding sources.