

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

To: Overview and Scrutiny Committee

Meeting Date: 13 December 2021

From: Jon Alsop, Chief Finance Officer

Recommendations: The Committee is recommended to:

- a) Note the Draft Sustainable Growth Ambition Statement for consultation.
- b) Note the CPCA's draft 2021-22 Budget and Medium-Term Financial Plan for consultation.
- c) Provide any feedback the Committee wishes to be formally included in the consultations

Voting arrangements: A simple majority of all Members-

1. Purpose

- 1.1. This paper sets out the Draft Sustainable Growth Ambition Statement and 2022/23 draft Budget for 2022/23 and Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2022/23 to 2025/26, as approved by the Board for consultation purposes on 24th November 2021.
- 1.2. The Overview and Scrutiny Committee is specifically designated as a consultee on the Combined Authority's draft budget in the Constitution and this report gives the Committee an opportunity to provide a formal response to the consultation.
- 1.3. This report also provides an opportunity to provide a formal response to the Draft Sustainable Growth Ambition Statement Consultation.

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. This sets out the Combined Authority's underpinning ethos for the strategic framework which is being developed, including the Local Transport and Connectivity Plan and the Economic Recovery Strategy.

Development Timetable

- 2.3. The approved timetable for agreeing the Statement, the budget and MTFP is as follows:

Proposed Statement and Budget Setting Timetable	Day	Date
CPCA Board Meeting (to receive and approve the draft Statement, Budget and MTFP for consultation)	Wed	24/11/21
Draft Statement and Budget Consultation Period Starts	Thu	25/11/21
Overview and Scrutiny Committee Meeting (Consultation)	Mon	13/12/21
Consultation Ends	Fri	31/12/21
Overview and Scrutiny Committee Meeting	Mon	24/01/22
CPCA Board Meeting to Approve the Statement, and 2022/23 Budget and MTFP	Wed	26/01/22

- 2.4. This is in accordance with the key dates and statutory deadlines as set out in the Constitution (Budget framework) and the Finance Order (where these fall on weekends the final working day has been substituted):

Date	Activity
Friday 31 st December 2021	Deadline for Draft CA budget to the CA for consideration and approval for consultation (Budget Framework).
Not less than 4 weeks Duration	Consultation period (Budget Framework)
Monday 31 st January 2022	Deadline for the Mayor to notify the CA of the Mayor's draft budget for 2022/23 (Finance Order)
Monday 31 st January 2022	Deadline for proposed CA budget to be submitted to the CA Board, including consultation responses and the Mayor's budget (Budget Framework)
Within five working days of above	CA Board shall meet to consider the budget and may agree a report (Budget Framework)
At least five working days of report published if amendments to the Mayor's Budget are proposed	CA Board shall meet to re-consider the budget (Budget Framework)
Monday 7 th February 2022	Deadline for CA to report on the Mayor's draft budget (Finance Order)
At least five days from receipt of report	Deadline for the Mayor to respond to the CA report (Finance Order)
5 Days after end of deadline period above	Deadline CA to veto or approve Mayor's draft budget (Finance Order)
Monday 14 th February 2021	Deadline for issuing the Transport Levy to Peterborough City Council and Cambridgeshire County Council

Consultees

The consultees on the draft budget and MTFP must, as a minimum, include the following organisations, and these parties will also be key consultees for the statement:

- Cambridge City Council
- Cambridgeshire County Council
- East Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- Peterborough City Council
- South Cambridgeshire District Council
- The Business Board
- CPCA Overview and Scrutiny Committee

The draft statement, budget and MTFP will also be set out on the Combined Authority

website and a communications campaign will be run to encourage public engagement and feedback.

Budget Setting Objectives

- 2.5. The overarching objective is to set an affordable and balanced budget that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority.
- 2.6. As the Combined Authority is in the process of refreshing its strategic vision for the area in light of changing circumstances since its inception the draft 2022/23 budget and medium-term financial plan have been set with a light touch approach – there are no changes to existing projects included in the Budget and MTFP – the focus has been on updating and rolling forward existing budgets and projects and incorporating the decisions of the Combined Authority Board to the end of October 2021.
- 2.7. Significantly it does not contain indicative substantial new investments across the area as has been the practice in previous years, and instead maintains a significant capital headroom across the MTFP period. This will enable the Combined Authority Board to have the flexibility to allocate funds, against a refreshed purpose and agreed priorities, to deliver the best interventions guided by the new strategic framework underpinned by the devolution deal commitment – to double GVA – and the Sustainable Growth Ambition Statement.
- 2.8. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:
 - Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2022/23 onwards to ensure that spending plans continue to be affordable.
 - The 2022/23 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 structure and budgets will continue to be managed at a corporate level by the Chief Executive as Head of Paid Service. As part of this, work is beginning on an organisational design, linked to organisational purpose and priorities to ensure the organisation continues to be appropriately resourced to best meet and support these.
 - The Budget and MTFP identifies staffing costs and other contributions to ‘overheads’ associated with grant funded programmes and these are recharged to the relevant directorate budget line.
 - 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’.
 - The Budget takes a prudent approach to funding – new funding sources are not recognised until funding agreements have been received from Government. This means that the draft budget does not include the recently announced Zero Emissions Bus Regional Area funding, nor the Community Renewal Fund. It is anticipated that documentation will be in place in time for their inclusion in the final version of the budget presented in January.

- 2.9. In accordance with the 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.
- 2.10. All Revenue and Capital expenditure lines included within the 2022/23 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget.
- 2.11. There is no proposal to precept constituent authorities or raise a Council Tax levy for the 2022/23 financial year.
- 2.12. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

3. The Sustainable Growth Ambition Statement

- 3.1. The Constitution and Assurance Framework require our funding to be allocated in line with the Combined Authority's strategic policy framework. A key element of that policy framework is the Growth Ambition Statement. This statement was adopted by the Combined Authority in November 2018 and now needs to be updated.
- 3.2. On 24th November 2021, the Board agreed the draft new Sustainable Growth Ambition Statement set out at Appendix 3 for consultation. This restates the Devolution Deal commitment to double the size of the Cambridgeshire and Peterborough economy over the 25 from the date of the Deal. It also describes the six themes which inform the Combined Authority's investment programme.
- 3.3. The draft Sustainable Growth Ambition Statement's investment themes will be supported by measurable outcomes. These will provide a more robust and consistent framework for prioritising future investments and developing business cases that are consistent with the principles of the HM Treasury Green Book.
- 3.4. As was the case with the previous Growth Ambition Statement, the Sustainable Growth Ambition Statement will provide the strategic policy anchor for future updates of the other key policy documents that make up the Authority's strategic framework.
- 3.5. The draft Sustainable Growth Ambition Statement is being consulted on alongside the draft Budget and MTFP with feedback provided to Leaders in January ahead of a paper proposing a final version of the Statement be adopted at the Combined Authority Board meeting at the end of January.

4. Draft budget for 2022/23 and MTFP for the period 2022/23 to 2025/26

- 4.1. This report presents draft Revenue and Capital Budgets, reflecting decisions taken by the

Combined Authority Board up to the end of October 2021, in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper maintains the presentation, established in the 2021-22 Budget, to clearly align Directorate Budgets with funding sources. 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.

5. Funding

- 5.1. 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 Revenue at the end of each year and at the end of the MTFP period (2025/26 - £9.8m), and for Capital (2025/26 - £51.7m), indicate that the budget is balanced and affordable.
- 5.2. The significant capital headroom seen throughout the MTFP period reflects the current position of the Combined Authority in its vision and policy setting agenda. With a new focus on sustainable growth, as set out earlier in the report, the Combined Authority is refreshing its major strategies to align with this vision and maintaining the flexibility these capital reserves provide will enable meaningful investment into the policy areas and interventions that are driven from the new strategies.
- 5.3. That said, the Combined Authority is aware that it cannot achieve the scale of its ambition with its resources alone and so will seek to work collaboratively with its Constituent Authorities, Central Government, and local businesses to leverage other funding sources and ensure that the maximum impact, and value for money, can be delivered from the resources devolved to the area.
- 5.4. 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 2022/23. The 'EU Funds' are a combination of both European Research Development Funding and European Social Funding grants. Other Transport and other Business and Skills are made up of accumulated small grants in those areas.
- 5.5. 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.
- 5.6. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds.
- 5.7. These tables indicate that all revenue and capital expenditure lines included within the 2021/22 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	2022/23					2023/24					2024/5				2025/6			
	Forecast balance at 1/4/22	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	(4,982)	(8,376)	6,695	1,586	(5,078)	(7,975)	7,089	1,520	(4,444)	(7,675)	7,535	1,520	(3,063)	(7,611)	7,692	170	(2,813)	
Earmarked Reserves	(2,357)	(265)	993	-	(1,628)	(145)	454	-	(1,319)	(416)	466	-	(1,269)	(461)	1,244	-	(486)	
Business Board Revenue Funds	(206)	(972)	1,032	-	(146)	(1,009)	348	-	(807)	(1,009)	348	-	(1,468)	(1,009)	250	-	(2,227)	
Adult Education Budget (AEB)	(868)	(11,989)	11,338	-	(1,520)	(11,989)	11,338	-	(2,172)	(11,989)	11,338	-	(2,824)	(11,989)	11,338	-	(3,476)	
Transport Levy	-	(13,300)	13,300	-	-	(13,566)	13,566	-	-	(13,838)	13,838	-	-	(14,115)	14,115	-	-	
EU funds	-	(2,300)	2,300	-	-	(635)	635	-	-	-	-	-	-	-	-	-	-	
Other transport	(781)	-	-	-	(781)	-	-	-	(781)	-	-	-	(781)	-	-	-	(781)	
Energy Hub	(3,414)	-	3,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other B&S	(60)	(871)	871	-	(60)	(846)	846	-	(60)	(746)	746	-	(60)	(746)	746	-	(60)	
Total	(12,668)	(38,074)	39,943	1,586	(9,213)	(36,166)	34,277	1,520	(9,583)	(35,672)	34,271	1,520	(9,465)	(35,931)	35,384	170	(9,843)	

Table 2 - CPCA Capital Funding Summary

Source of Funding	2022/23					2023/24					2024/5				2025/6			
	Forecast balance at 1/4/22	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	(32,269)	(33,000)	6,157	31,769	(27,343)	(12,000)	2,001	9,200	(28,142)	(12,555)	42	5,300	(35,355)	(12,184)	-	-	(47,539)	
Housing	(735)	(37,588)	28,389	-	(9,934)	(6,000)	15,674	-	(260)	(3,705)	3,965	-	-	-	-	-	-	
Recycled Growth Funds / Getting Building Fund	(8,192)	(1,138)	5,250	-	(4,080)	(558)	500	-	(4,138)	-	-	-	(4,138)	-	-	-	(4,138)	
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	
Total	(41,196)	(99,421)	67,491	31,769	(41,356)	(46,253)	45,870	9,200	(32,539)	(43,954)	31,701	5,300	(39,492)	(39,879)	27,695	-	(51,676)	

6. The Combined Authority's Budget

- 6.1. The revenue budget covers the operational costs of the Combined Authority including staffing and staff related costs, corporate overheads and externally commissioned costs. Other 'revenue' costs include:
- Business Board funding and activities.
 - Ongoing devolution of the Adult Education Budget (AEB) which commenced in the 2019/20 academic year.
 - Drawdown from the Mayoral Election Reserve to fund the costs of the election in 2025/26.
 - Allowance for interest charged on (potential) capital borrowing.
- 6.2. 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.
- 6.3. 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.
- 6.4. The revenue budget position for 2022/23 and the MTFP, including both approved and subject to approval expenditure is affordable within the anticipated funding sources. Current spending plans leave uncommitted revenue single pot funding of £2,813k at the end of 2025/26 in addition to the minimum revenue reserve set at 2% of gross expenditure.
- 6.5. **Mayor's Budget**

The Mayor's Office budget is included within this report for completeness as it draws on CPCA funding sources. However, the mayoral budget has a different approval process to the non-Mayoral Combined Authority budget. The process for determining the mayoral budget is set out in the Combined Authorities (Finance) Order 2017.

7. Corporate Services Directorate

- 7.1. Given the 'non-discretionary' nature of the majority of Corporate costs, which are driven by policy and operational requirements, all but the capacity funds are deemed as "Approved".
- 7.2. Corporate Services are those services which support the business of the organisation. They comprise finance, legal, governance and audit, procurement, HR and communications. Two of the three statutory officers, the Monitoring Officer and the Chief Finance Officer are based in this Directorate. Together they provide the foundation that supports the business, skills, transport and housing teams to deliver to the people of Cambridgeshire and Peterborough. The Corporate Services Directorate comprises professionally qualified officers with specialised knowledge, exercising best practice to serve internal officers in the delivery of the corporate objectives.
- 7.3. 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 the work of the organisation is communicated to the public 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.

Response Funds

- 7.4. 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.
The directorate response funds from prior years have been centralised to create the "Programme Response Fund". This allows for maximum flexibility and removes silo working from the Combined Authority's ability to respond to emerging issues and opportunities. As with the directorate response funds the Programme Response Fund is 'Subject to Approval' and so requires Board approval prior to allocation.

8. Business and Skills Directorate

- 8.1. **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.
- 8.2. **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.
- 8.3. In terms of education and skills this means:
 - **Inspiring more young people in school to continue their education**, with the

aspiration to double the proportion of school leavers in full time education from just 17% locally in the north, closer to the 33% national average.

- **Inspiring more young people into careers that can transform their life chances**, raising social mobility across the county, 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 and especial higher education** 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 32.1% 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.

8.4. 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.

8.5. Green and inclusive business growth support is key to levelling-up, achieved through an integrated and powerful array of support that accelerates our recovery by strengthening our businesses and workforce capacity for rebound and regrowth. Our key intervention vehicle to enable this, and potentially providing around half of all job growth generated by the Business Board over the next 6 years, will be the Growth Works Service. This will continue to grow and develop to provide:

- **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.

8.6. **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.

9. Delivery and Strategy Directorate

Transport

- 9.1. The Combined Authority is the area's Local Transport Authority, as such it has responsibility for creating and owning the statutory Local Transport Plan (LTP) – this sets out the long-term strategy to improve transport in Cambridgeshire and Peterborough and Local Plans must show how they adhere to the LTP. Reflecting the impact that internet connectivity has on transport needs, the Combined Authority has rolled Connectivity into the Plan forming the Local Transport and Connectivity Plan (LTCP); the current phase of public engagement comes to an end on the 28th November and a formal public consultation is taking place in January 2022 to shape the final Plan being presented in March.
- 9.2. 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 aren't excluded. More recently Government has asked us to develop a Bus Service Improvement Plan in collaboration with local bus services, the Greater Cambridge Partnership and the Local Highways Authorities, which sets out our vision for a bus network for the area that is fast, reliable and ready to help drive a modal shift in transport. The first version of this Plan was submitted to the Department for Transport in October and we await a response to understand what the area's share of the £3bn announced for a bus revolution looks like.
- 9.3. The Combined Authority co-ordinated and submitted a bid into the Zero Emissions Bus Regional Area fund which successfully gained Government funding to enable 30 new zero-emission electric busses within the next 12 months, which kick-starts one of the aims of the Bus Service Improvement Plan – to make the area's bus network zero emissions by 2030.
- 9.4. 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.

Strategy and Climate Change

- 9.5. This area leads on strategic planning by developing an overall spatial framework for the area and as well as holding responsibility for the project management office and therefore monitoring and evaluation across the Combined Authority's portfolios of projects. This includes ensuring the provision of high quality, up to-date data to decisionmakers to enable

policy to be based on the best available evidence. The team also supports the Board in developing its policies and priorities and ensuring the strategic policy framework is up to date and supports the Assurance Framework.

- 9.6. Alongside its programme responsibilities it also manages the digital connectivity programme, which is working to provide fast reliable internet to all corners of the Combined Authority area to ensure that no area is digitally left behind.
- 9.7. Finally it supports initiatives that take forward the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate which issued its final report in Summer 2021 with wide ranging implications for both the public and private sectors in the Combined Authority area.

10. Housing Directorate

Affordable Housing Programme to March 2022

- 10.1. The CPCA Housing Strategy (September 2018) recognises that there is a need to deliver genuinely affordable housing across the Combined Authority Area. It further recognises that there is a gap in the market for those who do not qualify for traditional affordable housing and for whom open market housing is out of reach
- 10.2. The Combined Authority's Affordable Housing programme runs to 31 March 2022 with the original ambition under the devolution deal to deliver 2,000 new affordable homes with £100m of Capital funding being provided.
- 10.3. DLUHC determined that the programme in its previous form ended with effect from 31st March 2021. DLUHC offered a new programme of support for additional affordable housing for the period April 2021 to March 2022 with conditions that CPCA accepted. CPCA provided a proposed scheme programme in May 2021 that would deliver in excess of 2,000 units which DLUHC responded to in September 2021 being prepared to support 15 of the 19 schemes proposed. Effectively this has given CPCA 6 months to implement the programme that was approved.
- 10.4. The anticipated additional affordable housing unit numbers being delivered is now expected to be between 1,600 -1,800 units, depending upon levels of schemes that cannot start in time and our ability to substitute with replacement schemes as permitted by DLUHC, as time to March 2022 runs out.
- 10.5. To deliver this, the total capital funding being offered by government is now a maximum of £73.7m. Of this £55m has already been received. Approximately £40m of this was initially committed in loans supporting local SME Housing developers. To support a 2021/22 programme DLUHC has conditioned CPCA to use this loan money when re-paid to support the affordable housing programme's grant led schemes and will supply the additional £18.7m when CPCA can evidence the additional schemes as starting on site.

Community Housing

- 10.6. CPCA aspires to support and still offer grants to genuine community led affordable housing schemes that engage legitimate community engagement, transparency and democracy, The previous 'in house' team has now left CPCA and support for Community Housing groups within the CPCA area (excluding East Cambridgeshire) is proposed to be provided for CPCA by an experienced and respected independent Community homes consultant.

Prospects beyond March 2022

- 10.7. DLUHC advised that in connection with any prospect for the Combined Authority having a further dedicated affordable housing programme beyond March 2022 there is no expectation of there being any additional DLUHC money available that could provide a funding source. CPCA was also advised that DLUHC had no other current Affordable Housing funding support planned for Combined Authorities.
- 10.8. CPCA was referred to a Continuous Market Engagement process and to engage in a discussion with Homes England as they still have £2.9 billion unallocated money in their 2021/26 housing programme. This would be on a scheme specific basis, unlike the recent announcement of strategic partners.
- 10.9. In light of the DLUHC response, it is intended to put current work on the proposed CA Affordable Housing Principles on hold and to look to develop a CA affordable housing strategy in the first half of 2022 taking into account views of our constituent councils and working closely with Homes England.
- 10.10. Recognising that the affordable housing challenge remains severe in all CA districts, once the core of the remaining 2021/22 delivery is underway, the CA housing team will engage with local Registered Providers (RPs). This will focus on those who were not big enough to secure part of the Homes England strategic partner allocation and will depend upon the role and extent to which the CA can provide additional impact in discussion with Homes England.

Significant Implications

11. Financial Implications

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

12. Legal Implications

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

13. Appendices

- 13.1. Appendix 1 – Draft 2021/22 Revenue Budget and Medium-Term Financial Plan
- 13.2. Appendix 2 – Draft Capital Programme 2021/22 to 2024/25

13.3. Appendix 3 – Draft Sustainable Growth Ambition Statement

14. Background Papers

14.1. Cambridgeshire and Peterborough Combined Authority Constitution

[Link to document on Combined Authority Website](#)

14.2. Current Growth Ambition Statement

[Link to Growth Ambition Statement on Combined Authority Website](#)

14.3. Consultation Document

[Link to Consultation document](#)