



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
28 NOVEMBER 2018	PUBLIC REPORT

2019/20 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN 2019 TO 2023

1. PURPOSE

- 1.1 The Combined Authority is required to consult on its budget ahead of finally determining it in February. This report sets out both the draft revenue and capital budgets for 2019/20 reflecting the current priorities and available resources and a medium term financial plan (MTFP). The budget and MTFP before Members includes all of the activities of the Combined Authority and those of the Business Board which carries out the functions of the Local Enterprise Partnership for the area. The report seeks Board approval to consult the wider community on its provisions.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Portfolio Holder for Investment and Finance
Lead Officer:	Karl Fenlon, Interim Chief Finance Officer
Forward Plan Ref: Not applicable	Key Decision: No
The Combined Authority Board is recommended to: (a) Agree the draft revenue budget for 2019/20 and the MTFP to 2023 to go forward for consultation with wider stakeholders; (b) Agree the draft capital programme to go forward for consultation with the wider community.	Voting arrangements Simple majority of all Members

2. BACKGROUND

- 2.1. Each year the CPCA is required to set a budget. As part of that process a draft budget is consulted upon to inform the eventual decision in February. If the Board approve this draft budget, then the consultation period would run until 31st December 2018. The responses will be considered and a budget will be proposed at the CPCA Board on 30th January 2019 to recommend to Budget Setting Board on 13th February 2019.
- 2.2. In February 2018, the CPCA set an initial budget for 2018/19 to meet the costs that it was aware of at that time. In May 2018, CPCA Board approved its 4 year Business Plan and the priorities for its work. An initial Medium Term Financial Plan was approved along-side this that allocated funding against the proposed activities. The CPCA has continued to develop these concepts and its resource profile and the forecast outturn is based upon the implementation of those decisions. This is reported in a separate paper but is included within this paper and the tables as a point of reference for future year plans.
- 2.3. This paper sets out the budget in terms of revenue and capital. Both reflect the financial impact of decisions taken to date by the CPCA and balance the 4 year plan objectives to the funding sources available. This will allow the wider understanding of our plans and challenges. The CPCA ambitions for the area are bold and stretching. The Budget and MTFP before the Board sets out what can be done within the resources currently available.
- 2.4. As stated the ambition for the CPCA area stretches beyond the current funding envelope. Whilst the budget and MTFP set out how existing resources will be used to develop the major infrastructure programmes, there will also be a focus of effort on developing and securing new funding sources to deliver those ambitions.
- 2.5. The Mayor's Office Budget is shown within this report to reflect the overall financial position. However, that element of the budget has a different route to approval. The Mayor determines what he would like to run his office, and this reflects his current view. He then seeks CPCA Board approval for this expenditure.
- 2.6. The paper has made some assumptions around the split of capital and revenue expenditure in line with its emerging capital accounting policy.

3. REVENUE BUDGET

- 3.1. The revenue budget is the plan for operational, day to day expenditure that the CPCA needs to function as an authority. It includes all of the Business Board (Local Enterprise Partnership) activity. A major change due next year is the devolution of the Adult Education Budget (AEB) for the area. This is revenue grant that will be managed by CPCA and is £12m in 2019/20. Another is the specific identification of revenue resources to deliver the initial feasibility work for the major priorities. The detailed budget and MTFP is shown in **Appendix A**. A summary is shown below with an associated narrative on the major elements of the budget:

Table 1 Summary Revenue Budget 2019/20 and MTFP

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
(11,250.5)	Income	(23,106.3)	(22,072.7)	(22,079.9)	(22,087.2)
349.4	Mayor's Office	352.2	355.1	357.9	360.9
5,864.4	Salaries	5,272.7	5,348.7	5,426.0	5,504.4
547.0	Externally Commissioned Support Services	525.0	525.0	525.0	525.0
687.8	Overheads	522.0	522.0	522.0	522.0
150.6	Governance Costs	237.9	228.8	250.6	50.0
260.0	Election Costs	260.0	260.0	260.0	260.0
100.0	Capacity Funding	250.0	250.0	250.0	250.0
(700.0)	Financing	490.0	1,615.0	1,743.8	1,925.0
	<u>Workstreams</u>				
868.1	Economic Strategy	519.9	568.8	567.8	316.8
395.0	Transport Feasibility non-capital	3,000.0	6,000.0	3,000.0	717.0
1,226.6	Other Transport Revenue	350.0	250.0	0.0	0.0
615.3	Business & Skills	11,760.1	11,793.1	11,710.6	11,656.1
416.0	Public Sector Reform	400.0	0.0	0.0	0.0
354.2	Other 2018/19 Workstreams	0.0	0.0	0.0	0.0
(116.3)	Net Position for year	833.5	5,643.9	2,533.9	0.0
(10,011.3)	Revenue balance @ 31st March	(9,177.8)	(3,533.9)	(1,000.0)	(1,000.0)

3.2. Income Sources

In 2019/20 CPCA will receive £23.1m of revenue funding. The largest income line is £12.1m for AEB funding. However, of this around 96% of this will be paid in grants direct to providers of those services. Therefore, the CPCA has £11m to deliver all of its other services. The largest element is Revenue Gainshare with £1m for Mayoral Capacity Building Fund (which ceases this year). The Authority also receives some core funding from Central Government for LEP activities. A detailed schedule of funding sources is provided at appendix 1.

3.3. **Mayor's Office**

The budget for the Mayor's Office is determined by the Mayor and he seeks approval from the CPCA Board. This is subject to specific consultation but also needs to be considered in the wider budget planning process. The numbers in this report reflect an initial view to support the wider planning exercise.

3.4. **Salaries**

The costs of paying staff is a key element of the revenue budget. Excluding AEB spend it represents 43% of the total budget. An organisational structure was approved by the CPCA Board in June. The interim CEOs are undertaking a review of the organisation structure in the light of their appointment, the planned recruitment of a permanent CEO and resource challenges. The proposed budget reflects the principles of that emerging structure.

3.5. **Externally Commissioned Support Services**

The Combined Authority continues to operate a lean structure. To promote that efficiency some support services are provided by constituent authorities such as Democratic Services by Cambridgeshire County Council and transactional financial services by Peterborough City Council. Others are procured from the private sector for specific expertise. The budget reflects the CPCA's anticipated needs in this regard but note that this is an evolving position as priorities emerge.

3.6. **Overheads**

This category covers overhead costs that are incurred by being an organisation. It includes items such as accommodation, office running costs and insurance.

3.7. **Governance**

This line covers specific costs that will be incurred in monitoring, evaluating and reporting the performance of the CPCA to central Government. It also includes cost to support the Business Board and independent panels.

3.8. **Election Costs**

This funding is to cover the Mayoral Election. Whilst the election is only held every 4 years, it is good practice to spread the cost across the period.

3.9. **Capacity Funding**

The CPCA will be required to develop emerging concepts that are not currently known. Allocating funding ensures the organisation has some flexibility to react to emerging ideas and central Government policy. As the planned expenditure is utilising most balances, it is sensible to identify some funding to enable the organisation to develop new ideas.

3.10. **Financing Costs**

The revenue budget assumes that the CPCA will be looking to draw down its borrowing capacity should that be required to fund any Investment Strategy. Therefore, the budget includes the interest element of that debt. Allocating this in the budget ensures that the CPCA retains this financing flexibility over the period of the MTFP.

3.11. **Workstreams**

The major delivery elements of the revenue budget are against key workstreams. A brief summary of each is outlined below.

3.11.1. **Economic Strategy**

This workstream focuses on the Growth Hub activity and the development of Market Town Strategies across the area. It specifically includes the revenue costs for the approve plan for St. Neots Market Town.

3.11.2. **Feasibility (non-capital)**

This discretionary element of the CPCA expenditure has a significant impact upon the revenue budget over the early years of the Combined Authority. Much of the early feasibility work around the major infrastructure priority projects such as Cambridge Automated Metro (CAM) and Huntingdon Third River Crossing require initial work to identify the appropriate solution. This early work is deemed revenue expenditure and requires large investment.

The funding identified is what is affordable within the revenue resources available. Six of the 12 key priorities are ready for delivery, are clearly capital and within the Direct Control element of the capital programme (section 4 below). The other 6, Cambridge Automated Metro (CAM), A10 corridor, A47, Huntingdon third river crossing, Market Towns and Wisbech, are still in early stages of development. They require revenue funding to progress and a prioritisation process to allocate this resource is underway to inform the final budget.

3.11.3. **Business & Skills**

By far the largest element of this budget is the funding that will be granted to providers of Adult Education for the area. This is a new area for the Combined Authority following further devolution. As such transitional funding has been allocated to ensure a smooth implementation in 2019 and provide a firm foundation for the future.

Other aspects include a pilot at Hamptons on Career Advice and Life Science Sector Investment. We note also the emerging ideas from both the Skills Strategy and Local Industrial Strategy. Our working assumption is that funding streams will be identified to support these activities as they start to crystallise.

3.11.4. **Public Sector Reform**

This spend in 2019/20 is the completion of the work on Health & Social Care reform. No further funds have been allocated to this area at this time as the CPCA activity plan starts to focus on the deliverables within its current portfolio.

3.12. **Balances**

- 3.12.1. All local authorities have a responsibility to set a balanced budget against the resources available to it. This paper before Members sets out the current priorities and the revenue implications of delivering them. This budget is balanced against the resources currently available to the Combined Authority. The operational costs of the CPCA have been reviewed and this budget reflects the agreed outline of a tightly focussed organisation commissioning work to deliver the agreed priorities.
- 3.12.2. Utilising brought forward reserves to accelerate the CPCA work programme is a sensible approach. However, committing all revenue balances by 31st March 2023 is not financially prudent. Good practice would indicate that a sensible policy is to budget to hold between 4% and 5% of gross expenditure as a revenue balance. Therefore, the minimum reserve level is set at £1m at any time.

3.13. **Conclusions**

- 3.13.1. The CPCA budget for 2019/20 onwards has doubled over that for 2018/19. This due to the devolution of Adult Education Budget (AEB). This significant increase therefore essentially represents one additional activity against which the additional resources will be fully deployed, primarily to third party suppliers, with an allowance for supporting overheads.
- 3.13.2. The potential larger strategic capital projects that the Combined Authority is reviewing require revenue funding to develop supporting business cases. These projects will naturally take longer to bring to delivery at which point they will also require additional capacity funding. The current stage of the Authority's work in this area is focused on the prioritisation and scheduling of this next set of works to bring forward. As part of its 2019/20 budget and Medium-Term Financial Plan (MTFP) the Authority has identified its capacity for revenue funding to develop such schemes over the medium term.
- 3.13.3. The revenue budget before Members balances current resources against priorities and allows work to continue to deliver the ambition plans of the Combined Authority. Work will continue to seek out additional funding and new financing models to help accelerate delivery of these priorities.
- 3.13.4. The Medium Term Financial Plan before Members extrapolates the Budget for 2019/20 to 2022/23. This includes inflation assumptions on pay (at 1.5% per annum) along with known changes such as the Mayoral Capacity Build Fund ceasing in 2020/21 and the scheduled completion of projects within the current work programme.

4. CAPITAL PROGRAMME

Development of the Capital Programme

- 4.1. The Combined Authority's capital programme sets out how capital funding will be used to deliver projects that meet its ambitions. It has developed over the course of the previous two years and been shaped by the needs of the area's geography primarily through the devolution deal with Government and prioritisation of schemes brought forward by the constituent authorities. Thus, there is a significant emphasis on housing, transport and infrastructure schemes.
- 4.2. As the Combined Authority continues to mature as an organisation, the first group of a series of planned capital investments are now being made in areas such as the Ely Southern Bypass, Kings Dyke Rail Crossing, Fenland Rail improvement and support for the first phase of the CAM Metro. As part of this 2019/20 budget and MTFP, the Authority has identified further capital projects that, subject to the necessary approvals, funding and business cases, it anticipates bringing forward in the plan period to March 2023. These include new rail facilities at Soham and Cambridge South and the St Neots river crossing cycle bridge as well as investments towards a new University at Peterborough and improving Digital Connectivity.
- 4.3. The Combined Authority has several sources of funding available to deliver capital schemes. Each funding source has nuances on what it can be used for. The overall capital programme has been broken down into four categories of project based upon the key groups of funding sources currently available to the CPCA. The categories are based upon the level of control that the Authority has over the funding source and the projects that can be financed:
 - 4.3.1. Directly Controlled Expenditure

The projects in this category are funded by Gainshare Capital and Transforming Cities Grants. These funds have few restrictions placed on their use and thus the Board has a large degree of discretion over which projects to finance in this category. The projects included in this section are based on previous Board allocations and identified priority schemes.
 - 4.3.2. Potential Future Schemes

This category identifies indicative costs of potential future schemes. The detailed businesses cases, when completed, will determine the exact call of funding. The CPCA and Mayor have an ambitious strategic plan for Cambridgeshire and Peterborough, as set out in the 2030 Vision. To achieve this vision will require capital investment far in excess of the funds currently available to the Authority. In order to finance these strategic schemes, the Authority is looking at innovative funding mechanisms including Tax Increment Financing and Land Value Capture as well as leveraging both private and Government investment.

4.3.3. Passported Expenditure

This category includes capital highways maintenance funding, the National Priorities Infrastructure Funding and the two Housing Infrastructure Funds. These funding sources are ringfenced for particular uses and thus the Board has a less control over the projects in this category. The highways maintenance funding has controls imposed by the devolution agreement until March 2021.

4.3.4. Growth Funds Expenditure

As the Accountable Body for The Business Board (TBB, the region's Local Enterprise Partnership) the Authority holds, and is accountable to Government for, the Growth Fund allocated to TBB by Government. Prioritisation and financing of projects using these funds is decided by the Business Board and reviewed by the CPCA Board.

Summary of the Capital Programme

4.4. The table below sets out a high-level summary of the CPCA's capital programme and how the expenditure will be funded, a detailed project breakdown is included as **Appendix 2**.

Table 2 Summary Capital Budget

Capital Category	Earmarked Reserves	Expenditure (£m)			Future Years
		19-20	20-21	21-22	
<i>Directly Controlled Expenditure</i>					
Committed Schemes		23.74	13.56	21.57	
<i>Funded By</i>					
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	(21.00)
Available in-year funding		(5.26)	(20.44)	(20.43)	
Costed but not yet committed schemes		10.40	29.34	26.00	
Movement on reserves if schemes approved	(25.19)	5.13	8.90	5.57	
Potential Future Schemes			44.00	250.03	5,778.15
Passported Expenditure		90.26	86.52	40.10	23.21
<i>Funded By</i>					
DfT Capital Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(17.98)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment*		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
Growth Funds Expenditure		33.52	42.95	0.50	
<i>Funded By</i>					
Growth Fund Income	(25.32)	(15.88)	(35.74)		

*The repayment of this loan appears higher than the expenditure here as the expenditure on this project commenced in 2018-19 and is thus not captured in this table.

Directly Controlled Expenditure

- 4.5. Projects within the direct control category fall into three main areas; Committed Schemes that have Board approval to progress, costed schemes that have yet to have funding approved to progress including Transport Schemes previously identified in a CPCA Board report in March 2018 that were noted but not approved or funded, and Potential Future Schemes. The schemes in the latter category have early indicative costs that require considerable feasibility work to establish the actual programme.
- 4.6. There are ten strategic transport priorities identified by the Combined Authority. Capital funding has been allocated to those programmes where the spending meets the definition of capital. Cambridge South, Kings Dyke and Soham are costed and a delivery programme established. These have been included in the committed programme.
- 4.7. Accounting regulations restricts which elements of early feasibility work and options appraisal, such as that undertaken on these projects, can be capitalised and thus the total expenditure is split across both the revenue and capital programmes. As work progresses and specific preferred options are developed these projects will have these future costs capitalised. These strategic projects are a vital part of the Combined Authority and Mayor's long-term vision for the area underpinning the themes of access to a good job within easy reach of home, having a high-quality sustainable environment and becoming the UK's capital of innovation and productivity.
- 4.8. Other committed schemes that are included under direct control are the development of Peterborough University and the Digital Connectivity Infrastructure Programme. The University of Peterborough is a key feature of the devolution deal agreed with government and is critical for delivering on the Combined Authority's skills agenda. The funding in the medium-term capital plan will deliver an interim solution providing co-location of accommodation for 2,000 students and the teaching facilities providing the best possible start for the university as later phases of the project are developed.
- 4.9. Funding has been allocated to meet all of the committed schemes. Some funding for each year remains to be allocated against prioritised capital projects. The next element of the programme covers priorities that have been costed but have not had specific Board approval to progress and funding allocated. The table shows that if all of these schemes were approved, a draw down on capital reserves would be required each year reducing the projected level of capital reserves from £25.19m to £5.60m by 31st March 2022. Investment now may accelerate the identified schemes but could impact on the deliverability of future projects.

4.10. The Potential Future Schemes have early indicative costs that require considerable feasibility work to establish the actual programme. They represent the ambition of the CPCA but will need to be prioritised and programmed in terms of funding, logistics, materials and labour availability. As stated above in paragraph 4.3.2 efforts will be focussed on exploring innovative funding mechanisms including Tax Increment Financing and Land Value Capture as well as leveraging both private and Government investment.

Passported Expenditure

4.11. The main elements of this category are the devolved Housing programmes and the Local Highways Capital grants.

4.12. The Combined Authority became the area's local Transport Authority from April 2017, as such capital grants from the Department for Transport (DfT), for use on maintaining the public highways, are awarded to it. This is done in recognition that the Authority's strategic view across the area will, in the long term, allow for more efficient use of these funds. Cambridgeshire County Council and Peterborough City Council are the region's Highways authorities and hold responsibility for the maintenance of the roads in the area (excluding the strategic road network which is managed by Highways England). In order to ensure continuation of service, and so as not to disrupt pre-existing capital programmes, the devolution deal stated that these grants would continue to be awarded to the Highways authorities in the shares set out in DfT's published allocations to 2020-21.

4.13. Affordable housing is a fundamental element of the devolution deal, as evidenced by the £170m of funding awarded to the Combined Authority to accelerate, and increase, the delivery of affordable homes across the area by 2021. These funds are split between £70m ringfenced for use in the Cambridge City area to deliver 500 units and £100m for the rest of the area to deliver 2,000 units. These funds are key in achieving the themes of; access to a good job within easy reach of home and having healthy, thriving and prosperous communities. Whilst the programme for the £100m is governed by the Combined Authority's strategy and review process, the expenditure profile is significantly influenced by the opportunities that come forward and, as such, the forward phasing of housing commitments should be taken as indicative.

4.14. The Housing Strategy, adopted by Board in September 2018, identified the key deliverable of 2,500 affordable homes from the total of £170m; this will be a mix of shared ownership, affordable rent and social rent either completed or started on site by March 2022.

4.15. This strategy sets out our desire to deliver through a range of mechanisms including direct grant funding, joint ventures, the creation of a new housing development company, infrastructure investment to unlock housing, and supporting Community Land Trusts.

Growth Funds

- 4.16. The area's Local Enterprise Partnership secured capital grants from Government totalling over £150m including both Growth Deal funding and Growing Places Fund. Of these funds around £100m has already been allocated or spent on projects promoting jobs and housing growth in the area, leaving £50m to be awarded.
- 4.17. The Business Board (TBB) has recently issued a Growth Prospectus calling on businesses in the area to come forward with proposals for the remaining funding. The prospectus outlined five programmes offering funding for loans, equity or grant funding up to £3m ensuring we capture the best value projects across all businesses from SMEs to multinationals. The profiled expenditure of these funds is indicative and will evolve as projects are brought forward for TBB to consider and approve. However, the majority of the funding available must be spent by the end of March 2021 thus the profiles assume no expenditure after that date.

5. FINANCIAL IMPLICATIONS

- 5.1. The whole of this report is about 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. Subject to Member approval, consultation on the MTFP will commence immediately.
- 5.2. Consultation responses will be considered by Members at the January Board in determining the final recommended budget for Budget Board on 13th February 2019.
- 5.3. Work will continue to explore new funding arrangements. Access to any new source will impact on future years and the refresh of the MTFP next year.

6. LEGAL IMPLICATIONS

- 6.1. At this stage the Board is considering a draft report to consult upon. This is in line with the Combined Authority's Constitution. The programme outlined allows Members to consider the responses from stakeholders and determine the budget in line with the legislative timeframe.

7. SIGNIFICANT IMPLICATIONS

- 7.1. The budget, MTFP and capital programme of Combined Authority set out in financial terms how it will deliver for its programmes over the next 4 years. Therefore, it will have significant implications for the community of the area and beyond. However, at this stage the Board is considering its draft budget and plan for consultation.

8. APPENDICES

8.1. Appendix 1 – Detailed Revenue Budget for the Cambridgeshire and Peterborough Combined Authority

8.2. Appendix 2 – Detailed Breakdown of the Capital Programme

<u>Source Documents</u>	<u>Location</u>
None	Cambridgeshire and Peterborough Combined Authority, Incubator 2, First Floor, Alconbury Weald, PE28 4WX

APPENDIX 1

Detailed Revenue Budget and Medium Term Financial Plan for Cambridgeshire and Peterborough Combined Authority

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Revenue Funding Sources					
(8,000.0)	Revenue Gainshare	(8,000.0)	(8,000.0)	(8,000.0)	(8,000.0)
(1,000.0)	Mayoral Capacity Building Fund	(1,000.0)	0.0	0.0	0.0
(246.0)	Growth Hub BEIS	(246.0)	(246.0)	(246.0)	(246.0)
(500.0)	LEP Core Funding from BEIS	(500.0)	(500.0)	(500.0)	(500.0)
(291.7)	Energy Hub Contribution (Staff Costs)	(470.7)	(477.7)	(484.9)	(492.2)
(250.0)	EZ contribution to LEP activity	(250.0)	(250.0)	(250.0)	(250.0)
(162.8)	AEB Funding	(12,139.6)	(12,099.0)	(12,099.0)	(12,099.0)
(300.0)	CEC Skills Funding (quarterly claims)				
(500.0)	Growth Fund Contribution	(500.0)	(500.0)	(500.0)	(500.0)
(11,250.5)	Total Revenue Funding	(23,106.3)	(22,072.7)	(22,079.9)	(22,087.2)
Mayor's Office					
85.0	Mayor's Allowance	85.0	85.0	85.0	85.0
33.5	Mayor's Office Expenses	25.0	25.0	25.0	25.0
43.9	Mayor's Office Accommodation	52.4	52.4	52.4	52.4
187.0	Mayor's Office Staff	189.8	192.7	195.5	198.5
349.4	Total Mayor Costs	352.2	355.1	357.9	360.9
Combined Authority Staffing Costs (inc NI 'er and Pen 'er)					
5,664.4	Salaries	5,072.7	5,148.7	5,226.0	5,304.4
100.0	Travel	100.0	100.0	100.0	100.0
100.0	Conferences, Seminars & Training	100.0	100.0	100.0	100.0
5,864.4	Total Combined Authority Staffing Costs	5,272.7	5,348.7	5,426.0	5,504.4
Externally Commissioned Support Services					
250.0	External Legal Counsel (via PCC)	250.0	250.0	250.0	250.0
65.0	Finance Service (PCC)	75.0	75.0	75.0	75.0
137.0	Payments to OLA's for services	135.0	135.0	135.0	135.0
15.0	Procurement	15.0	15.0	15.0	15.0
30.0	Finance System (PCC/Serco)				
50.0	ICT external support (3C)	50.0	50.0	50.0	50.0
547.0	Total Externally Commissioned Support Services	525.0	525.0	525.0	525.0

<u>Corporate Overheads</u>					
258.8	Accommodation Costs	337.0	337.0	337.0	337.0
20.0	Software Licences, Mobile Phones cost etc.	20.0	20.0	20.0	20.0
39.0	Website Development	10.0	10.0	10.0	10.0
200.0	Recruitment Costs				
25.0	Insurance	25.0	25.0	25.0	25.0
70.0	Audit Costs	70.0	70.0	70.0	70.0
20.0	Office running costs	20.0	20.0	20.0	20.0
55.0	Communications	40.0	40.0	40.0	40.0
687.8	Total Corporate Overheads	522.0	522.0	522.0	522.0
<u>Governance Costs</u>					
47.0	Remuneration for Independent Board Members	47.0	47.0	47.0	30.0
10.0	Meeting Costs	10.0	10.0	10.0	10.0
83.7	Monitoring and Evaluation Framework	170.9	161.8	183.6	
10.0	Miscellaneous	10.0	10.0	10.0	10.0
150.6	Total Governance Costs	237.9	228.8	250.6	50.0
<u>Election Costs</u>					
260.0	Total Election Costs	260.0	260.0	260.0	260.0
<u>Capacity Funding</u>					
100.0	Total Capacity Funding	250.0	250.0	250.0	250.0
<u>Financing Costs</u>					
(700.0)	Interest Receivable on Investments	(510.0)	(510.0)	(381.2)	(200.0)
0.0	Interest on Borrowing	1,000.0	2,125.0	2,125.0	2,125.0
(700.0)	Total Corporate Income	490.0	1,615.0	1,743.8	1,925.0
7,259.1	Total Operational Budget	7,909.8	9,104.6	9,335.3	9,397.2
<u>Economic Strategy</u>					
75.4	Growth Hub	69.9	68.8	67.8	66.8
250.0	Development of a Market Towns Strategy	200.0	200.0	200.0	200.0
	Develop and execute an International				
50.0	Trade Programme	50.0	50.0	50.0	50.0
100.0	St Neots Revenue Funds	200.0	250.0	250.0	
392.7	Independent Economic Commission: Developing Economic Strategy				
868.1	Total Economic Strategy	519.9	568.8	567.8	316.8

<u>Transport and Infrastructure</u>					
395.0	Transport Feasibility Studies non-capital	3,000.0	6,000.0	3,000.0	717.0
400.0	Local Transport Plan	100.0			
148.6	Strategic Bus Review				
50.0	Cambridgeshire Rail Capacity Study				
250.0	A47 Junction 18 Pedestrian Footbridge				
100.0	Smart Cities Network				
150.0	Sustainable Travel	150.0	150.0	0.0	0.0
100.0	Schemes, Studies and Monitoring	100.0	100.0	0.0	0.0
28.0	St Neots' Bus Plan				
1,621.6	Total Transport and Infrastructure	3,350.0	6,250.0	3,000.0	717.0
<u>Business, Employment & Skills</u>					
54.5	Career Advice and Progression (Hamptons)	104.0	137.0	54.5	
231.0	Skills Hub	0.0	0.0	0.0	0.0
0.0	New - Skills Hub Proposal	0.0	0.0	0.0	
75.0	New - Life Sciences Sector Investment	150.0	150.0	150.0	150.0
254.8	AEB Devolution Programme	11,506.1	11,506.1	11,506.1	11,506.1
615.3	Total Employment & Skills	11,760.1	11,793.1	11,710.6	11,656.1
<u>Independent Commission and Reform</u>					
416.0	Plan	400.0	0.0	0.0	0.0
<u>Other 2018-19 Workstreams</u>					
354.2		0.0	0.0	0.0	0.0
11,134.2	Total Revenue Expenditure	23,939.8	27,716.6	24,613.8	22,087.2
(116.3)	Net Revenue Position for the year	833.5	5,643.9	2,533.9	0.0
(10,011.3)	Revenue Balances	(9,177.8)	(3,533.9)	(1000.0)	(1000.0)

APPENDIX 2

Detailed Breakdown of the Capital Programme

Table A – Direct Control

Direct Control (4.4)	Reserves b/f	19-20	20-21	21-22	Future Years
<i>Committed Schemes</i>					
Cambridge South Station		0.75	0.75		
King's Dyke CPCA contribution		4.60	6.00	5.80	
Peterborough University - Business case		1.45	1.41	9.74	
Soham Station GRIP 3		0.95			
St Neots River Crossing cycle bridge		2.50	0.95		
Wisbech Garden Town		0.75	0.75	0.75	
Wisbech Rail		0.75	1.75		
Wisbech Access Study				4.00	
Digital Connectivity Infrastructure Programme		1.99	1.96	1.28	
Risk contingency fund		10.00			
Total Committed Expenditure		23.74	13.56	21.57	
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
Direct Control in-year Funding Total		(29.00)	(34.00)	(42.00)	

Available in-year funding		(5.26)	(20.44)	(20.43)	
----------------------------------	--	---------------	----------------	----------------	--

Schemes previously identified and costed					
Ely Rail GRIP 4 next stage		1.00	2.00	2.00	
Market Town pump priming		1.00	2.00	2.00	
Soham Station Delivery			9.00	11.00	
Coldhams Lane roundabout improvements		0.30	2.20		
Fengate Access Study - Eastern Industries Access - Ph1		0.30			
Fengate Access Study - Eastern Industries Access - Ph2		0.10	0.10		
March junction improvements		1.00	3.31	1.55	
Regeneration of Fenland Railway Stations		2.70	3.00	3.00	
A10 Foxton Level Crossing		1.50			
A1260 Nene Parkway Junction 15		0.25	1.96	3.85	
A1260 Nene Parkway Junction 32-3		0.20	3.70		
A141 capacity enhancements		1.00	2.00	2.60	
A16 Norwood Dualling		0.05	0.08		
A505 Corridor		0.50			
A605 Oundle Rd Widening - Alwalton-Lynch Wood		0.50			
Total		10.40	29.34	26.00	

Movement on reserves if approved	(25.19)	5.13	8.90	5.57	
---	----------------	-------------	-------------	-------------	--

Potential Future Schemes (4.10)	Reserves			Future Years	
	b/f	19-20	20-21		21-22
A10 Upgrade			11.00	11.00	450.00
A47 Dualling Study			5.00	5.00	218.00
Cambridge Autonomous Metro			10.00	40.00	1,960.00
Cambridge South Station				10.00	250.00
Huntingdon Third River Crossing					200.00
Peterborough University - Land and Infrastructure			10.00	20.00	
Wisbech Garden Town ¹					
Wisbech Rail			8.00	60.00	30.00
A16 Norwood Dualling					9.58
A505 Corridor				100.00	150.00
Alconbury Weald Train Station ¹					
East-West Rail ¹					
Ely Area Capacity Enhancements ¹					
Fengate Access Study - Eastern Industries Access - Ph1				4.03	4.03
Fengate Access Study - Eastern Industries Access - Ph2					6.55
M11 Extension					2,500.00
Oxford Cambridge Expressway ¹					
Potential Future Schemes Total		0.00	44.00	250.03	5,778.15

¹These are strategic priority projects for which the pre-feasibility work has not progressed to the point at which a funding envelope can be established. As such they have been included to show the CA's continuing commitment to their delivery and an acknowledgement that there will be a future, yet unknown, funding requirement.

Table B – Passported

Passported (4.11)	Opening Reserves	Expenditure (£m)			Future years
		19-20	20-21	21-22	
A47 Junction 18 Improvements		2.00			
Cambridge City Housing Programme		16.69	26.12	7.02	0.14
Housing Loan Provision		4.83			
Housing Infrastructure Programme		20.66	20.33	10.00	
LTP Schemes with PCC and CCC		23.08	23.08	23.08	23.08
Housing Investment Fund		23.00	17.00		
Passported Expenditure Total		90.26	86.52	40.10	23.21
Highways Capital Block Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(17.98)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment*		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
Passported Funding Total	(65.97)	(56.25)	(73.40)	(23.08)	(23.08)

* The repayment of this loan appears higher than the expenditure here as the expenditure on this project commenced in 2018-19 and is thus not captured in this table.

Table C – Growth Funds

Growth Funds (4.16)	Reserves	19-20	20-21	21-22
Kings Dyke Growth Deal contribution		1.40		
A428 Cambourne to Cambridge		3.00	5.00	
Ely Rail Project		1.35		
In_Collusion (Digital Sector Skills)		0.02		
Wisbech Access Strategy - Delivery Phase		4.00	5.50	
Soham Station Feasibility		1.00		
Haverhill Innovation Centre		0.65	0.65	
Small Grants Programme		0.10	0.10	
Business Growth Programme		4.00	4.70	
Eastern Agritech Initiative		2.50	3.00	
Skills Capital Fund		1.00	1.00	
Major Projects		14.00	22.50	
Revenue Recharge to Growth Funds		0.50	0.50	0.50
Growth Funds Expenditure Total		33.52	42.95	0.50
Growth Fund Income	(25.32)	(15.88)	(35.74)	
Growth Fund Income Total	(25.32)	(15.88)	(35.74)	

* The vast majority of Growth Funds must be spent by March 2021 thus there is no profiled expenditure beyond this other than the continuing revenue costs of monitoring and evaluation.