

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY – BUDGET 2018/19 CONSULTATION



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Topic of this consultation:

This consultation covers the draft Combined Authority Budget for 2018/19.

Scope of this consultation:

This consultation seeks views on the draft Cambridgeshire and Peterborough Combined Authority budget 2018/19, as set out below.

Background:

In accordance with the Cambridgeshire and Peterborough Combined Authority 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.”

The Combined Authority agreed the following timetable for consultation of the draft budget and the following consultees at the Board meeting held on 25th October 2017.

Timetable:

<u>Date</u>	<u>Activity</u>
Mon 23rd Oct 2017	Overview & Scrutiny meeting
Wed 25th Oct 2017	Combined Authority Board meeting - Date for CA to agree consultation timetable and consultees
Mon 18th Dec 2017	Overview & Scrutiny meeting
Wed 20th Dec 2017	Combined Authority Board meeting - Date for CA to consider and approve draft 2018/19 CA budget for consultation purposes - Date for CA to receive and consider the Mayor's draft budget. - Date for CA to report on the Mayor's draft budget
Thurs 21st Dec 2017 to Wed 17th Jan 2018	- 4 week consultation period for CA budget
Tue 23rd Jan 2018	- Proposed Deadline for the Mayor to respond to the CA report
Mon 29th Jan 2018	Overview & Scrutiny meeting
Wed 31st Jan 2018	Combined Authority Board meeting - Date for CA to receive results of consultation on CA budget - Date for CA to receive and consider the CA draft budget. - Date for CA to veto or approve the Mayor's draft budget.
Date in Feb 2018 (tbc)	Combined Authority 'Special' Board meeting to approve 2018/19 budget - Date for CA to approve the CA budget - Date for CA to agree the amounts and calculations of the costs of the mayoral functions to be met from precepts issued by the authority (if any).
Sun 1st Apr 2018	First day of the 2018/19 financial year

Consultees:

Cambridge City Council
Cambridgeshire County Council
East Cambridgeshire District Council
Fenland District Council
Huntingdonshire District Council
Peterborough City Council
South Cambridgeshire District Council
Greater Cambridge Greater Peterborough Local Enterprise Partnership
CPCA Overview and Scrutiny Committee

The budget proposals will also be set out on the Combined Authority website with an invitation for feedback from residents and businesses.

Duration:

This consultation will last for four weeks from Thursday 21st December 2017 to Wednesday 17th January 2018.

Enquiries:

For any enquiries about the consultation please contact Jon Alsop

Jon.alsop@cambridgeshirepeterborough-ca.gov.uk or on 01733 452 200

How to respond:

Please send any responses to this consultation by e-mail to:

Jon.alsop@cambridgeshirepeterborough-ca.gov.uk

Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19	Programme Requirements			Funding Source					
	Approved' 2018/19 Budget - per Nov Board (£k)	Anticipated New Funding Requirement (£k)	Total Draft Budget CPCA 2018/19 (£k)	Gain Share Revenue (£k)	Gain Share Capital (£k)	Housing - General (£k)	Housing - Cambridge (£k)	Other (£k)	Total (£k)
Reserves Funding Brought Forward from 1 April 2018				3,482.7	16,292.0	37,190.0	21,000.0	446.0	78,410.7
2018/19 Funding Receivable				8,000.0	12,000.0	15,000.0	17,000.0	41,137.0	93,137.0
Additional Funding Receivable (Autumn Budget)				1,000.0	-	-	-	74,000.0	75,000.0
Operational Budget									
Staffing Costs	1,731.2	49.7	1,781.0	1,320.4	460.5	0.0	0.0	0.0	1,781.0
Support provided by Constituent Authorities	109.0	343.0	452.0	452.0	0.0	0.0	0.0	0.0	452.0
Corporate Overheads	162.9	115.8	278.7	278.7	0.0	0.0	0.0	0.0	278.7
Corporate Income	0.0	-508.6	-508.6	-508.6	0.0	0.0	0.0	0.0	-508.6
Election costs	260.0	0.0	260.0	260.0	0.0	0.0	0.0	0.0	260.0
Governance Costs	2.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	2.0
Total Operational Budget	2,265.1	0.0	2,265.1	1,804.5	460.5	0.0	0.0	0.0	2,265.1
Workstream Budget									
Rural Areas, Culture, Parks and Open Spaces									
No additional budget requirements identified as yet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Rural Areas, Culture, Parks and Open Spaces	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal									
No additional budget requirements identified as yet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Fiscal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Strategy									
IEC: Developing Economic Strategy	0.0	201.0	201.0	201.0	0.0	0.0	0.0	0.0	201.0
Market Town Masterplan (2nd Tranche)	0.0	150.0	150.0	150.0	0.0	0.0	0.0	0.0	150.0
Total Economic Strategy	0.0	351.0	351.0	351.0	0.0	0.0	0.0	0.0	351.0
Transport and Infrastructure									
Transport & Infrastructure Schemes									
d) Wisbech Garden Town Study	3,250.0	0.0	3,250.0	0.0	3,250.0	0.0	0.0	0.0	3,250.0
Local Transport Plan	300.0	0.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
Priority Transport Schemes	1,000.0	11,900.0	12,900.0	3,225.0	9,675.0	0.0	0.0	0.0	12,900.0
Strategic Bus Review	90.0	0.0	90.0	90.0	0.0	0.0	0.0	0.0	90.0
Mass Rapid Transport Phase 2	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
Dualling of A47 Phase 2	0.0	300.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
M11 Extension to A47 - Phase 2	0.0	300.0	300.0	300.0	0.0	0.0	0.0	0.0	300.0
Upgrading of A10 Phase 2	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
Local Transport Plan (estimate)	0.0	13,483.0	13,483.0	0.0	0.0	0.0	0.0	13,483.0	13,483.0
LTP Capital Grant (estimate)	27,654.0	0.0	27,654.0	0.0	0.0	0.0	0.0	27,654.0	27,654.0
Total Transport and Infrastructure	32,294.0	26,983.0	59,277.0	5,215.0	12,925.0	0.0	0.0	41,137.0	59,277.0

Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19	Programme Requirements			Funding Source					
	Approved' 2018/19 Budget - per Nov Board (£k)	New Funding Requirement (£k)	Total Draft Budget CPCA 2018/19 (£k)	Gain Share Revenue (£k)	Gain Share Capital (£k)	Housing - General (£k)	Housing - Cambridge (£k)	Other (£k)	Total (£k)
<u>New Homes & Communities</u>									
Programme delivery support to the Housing Programme.	240.0	0.0	240.0	0.0	0.0	240.0	0.0	0.0	240.0
Modular Housing	0.0	100.0	100.0	0.0	0.0	100.0	0.0	0.0	100.0
Housing Investment Fund Programme - Quick Wins	1,820.0	0.0	1,820.0	0.0	0.0	1,820.0	0.0	0.0	1,820.0
Rural Housing	0.0	100.0	100.0	0.0	0.0	100.0	0.0	0.0	100.0
Support Research & Policy post at CRHB	0.0	10.0	10.0	0.0	0.0	10.0	0.0	0.0	10.0
New Schemes £100m programme	0.0	1,000.0	1,000.0	0.0	0.0	1,000.0	0.0	0.0	1,000.0
Land Acquisition £100m programme	0.0	2,500.0	2,500.0	0.0	0.0	2,500.0	0.0	0.0	2,500.0
Total New Homes & Communities	2,060.0	3,710.0	5,770.0	0.0	0.0	5,770.0	0.0	0.0	5,770.0
<u>Employment & Skills</u>									
University of Peterborough - Interim Accommodation	0.0	500.0	500.0	500.0	0.0	0.0	0.0	0.0	500.0
University of Peterborough - Student Facilities	0.0	1,175.0	1,175.0	1,175.0	0.0	0.0	0.0	0.0	1,175.0
Skills Hub	231.0	0.0	231.0	231.0	0.0	0.0	0.0	0.0	231.0
Total Employment & Skills	231.0	1,675.0	1,906.0	1,906.0	0.0	0.0	0.0	0.0	1,906.0
<u>Strategic Planning</u>									
Non Statutory Spacial Plan (Phase 2)	0.0	200.0	200.0	200.0	0.0	0.0	0.0	0.0	200.0
Land Commission	0.0	80.0	80.0	80.0	0.0	0.0	0.0	0.0	80.0
Total Strategic Planning	0.0	280.0	280.0	280.0	0.0	0.0	0.0	0.0	280.0
<u>Public Sector Reform</u>									
Independent Commission and Reform Programme	0.0	877.6	877.6	877.6	0.0	0.0	0.0	0.0	877.6
Total Public Sector Reform	0.0	877.6	877.6	877.6	0.0	0.0	0.0	0.0	877.6
Total Budget	36,850.1	33,876.6	70,726.7	10,434.1	13,385.5	5,770.0	0.0	41,137.0	70,726.7
Reserves Balance Carried Forward as at 31 March 2019				2,048.6	14,906.5	46,420.0	38,000.0	74,446.0	175,821.0

CPCA Budget Strategy 2018/19

The core strategic areas of the Combined Authority will naturally shape the budget proposals for 2018/19. The key themes are described in summary below:

New Homes & Communities

The New Homes and Communities proposals for the 2018/19 Combined Authority budget will focus on the two key affordable housing programmes:

- (a) Cambridge City's £70m development of a portfolio of Council-owned sites, delivered by the City's Housing Development Agency.
- (b) The £100m affordable housing development programme for the rest of the Combined Authority area, which will comprise grant funding to Registered Providers already approved in July 2017 under the 'Quick Wins' programme, and further schemes of this nature brought forward under Continuous Market Engagement.

Subject to the anticipated approval of the Combined Authority's Housing Strategy in February 2018, and satisfactory progress with other initiatives, the 2018/19 budget may also consider provision for a series of interventions to:

- (a) unlock, or accelerate, the development of sites producing new affordable homes;
- (b) cover the progression of other priority housing-related initiatives such as support for Community Land Trusts and small and medium sized (SME) constructors, and the progression of an Off-Site Manufacture construction facility; and
- (c) bring forward the business cases for further strategic sites and schemes such as those identified in the Government's Housing Investment Fund.

Transport and Infrastructure

The Budget proposals for Highways and Infrastructure will focus on three key areas:

- Strategy development
- Strategic delivery schemes
- Priority delivery schemes

Strategy development will largely be centred on the development of the Local Transport Plan and a Bus Strategy.

With regard to strategic schemes, funding is already committed to a number of transport projects with studies underway on the A10 Upgrade, the M11 Extension, the A47 Dualling, Wisbech Garden Town and Rapid Mass Transport. Subject to the findings of these studies, further investment can and should be anticipated.

The priority transport schemes will require initial investment of approximately £3.53m with a rolling programme of additional investment to be agreed annually. Wherever possible and appropriate, additional contributions and funding will be sought from a range of sources. This might include further Government and or private sector investment.

In addition to these three areas there may be other, as yet, undefined transport and infrastructure investment opportunities that emerge. These could result from strategy development, changing government priorities, new funding opportunities or other key infrastructure, such as East-West Rail, that has a local impact.

In 2017/18, the Combined Authority received Local Transport Plan (LTP) funding from the Department for Transport (DfT) which was then passported to Cambridgeshire CC and Peterborough CC according to their indicative allocations. Funds were received for the 'Integrated Transport Block' and for Key route Network elements of 'Maintenance Block', 'Incentive' and 'National Productivity Investment Fund'. The 2018/19 Budget setting strategy will consider how the 2018/19 LTP funds receivable from the DfT are managed and whether any elements of the LTP funding should be top-sliced to provide investment into the key route network.

Employment & Skills

The University of Peterborough are expected to bring forward proposals for the next phase of the programme in 2018/19. This is likely to require substantial capital investment. An overarching investment strategy for the new University will be needed along with any specific proposals for further funding contributions from the Combined Authority.

In 2018/19 the Combined Authority will for the first time have oversight of the Adult Education Budget. The Combined Authority will work with the Department for Education, our colleges and local education providers to influence spend of the multi-million pound adult education budget in the next academic year, before taking full devolution of the budget in 2019/2020.

Enabling and supporting Apprenticeship schemes is a strategic area of potential investment for the Combined Authority. The Budget will consider any further funding proposals in this area.

Economic Development and Strategic Planning

During the 2018/19 year the Combined Authority will undertake two major and related programmes to progress the spatial planning agenda for Cambridgeshire and Peterborough. These are the development of Non Statutory Spatial Plan (Phase 2), and the implementation of the Land Commission. Specific recommendations will be brought to the Board for approval to undertake these programmes.

The Combined Authority has in 2017/18 approved the formation of an independent Economic Commission to provide the evidence base and strategic advice to inform the delivery of the inaugural Local Industrial Strategy for Cambridgeshire and Peterborough, this work will continue in 2018/19 during which time the Local Industrial Strategy will be published. In addition to this, the Combined Authority has set out its intention to develop a programme of Masterplans for every Market Town in the county as part of the mechanism to turn the local industrial strategy into realisable delivery plans.

The 2018/19 Programme budget will develop through the approach and processes set out in the Assurance Framework.

Combined Authority – Operational Budget

There is no increase in the Combined Authorities net Operational budget for 2018/19 beyond the amount which the Board has already approved. Additional costs, for example to provide for specialist legal support required to deal with the increasing volume of contracts and major initiatives forecast in 2018/19 will be covered by income receivable from investments.

Autumn Budget Statement.

In the Autumn budget statement delivered by the Chancellor of the Exchequer on 22nd November 2017, a number of announcements were made which are likely to have an impact on the Combined Authority's budget in 2018/19. These include:

- £1m extra Capacity Building funds for both 2018/19 and 2019/20 - to support the running costs and overhead burden for each of those two years
- £74m allocation from the Transforming Cities Fund for the delivery of local transport priorities - we await Governments confirmation of the terms and conditions attached to this additional funding
- The Cambridge-Oxford expressway - a 30 year investment programme, and
- Government funding of £5m for the Cambridge South station.

The Budget will be updated once the implications of these additional funds are better known.

Other significant factors affecting the 2018/19 budget.

The draft budget for 2018/19 combines allocations already approved by the Combined Authority Board together with likely additional budgetary requirements that Officers and Portfolio Holders have identified to support their wider strategic plans. These anticipated new funding requirements will follow standard governance processes and will be subject to further Board approval for specific funding requests.

The 2018/19 budget will also be subject to other significant events, such as the sharing of resources with other organisations, which may also have an impact on the annual budget.

Precept.

There is no proposal to precept constituent authorities under Section 40 of the Local Government Finance Act 1992 for the 2018/19 financial year.