

**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY**

***Budget meeting***



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

***Wednesday, 14 February 2018***

***10:30a.m. – 12:30p.m.***

***Civic Suite, Huntingdonshire District Council, Pathfinder House, St Mary's Street,  
Huntingdon, PE29 3TN***

**AGENDA**

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	<b>Part 1 – Governance items</b>			
1.1	Apologies and Declarations of Interests	Mayor	oral	-
1.2	Minutes – 31 January 2018	Mayor	yes	To follow
1.3	Petitions	Mayor	oral	-
1.4	Public Questions	Mayor	oral	-

	<b>Part 2 – Key Decisions</b>			<b>Pages</b>
2.1	Budget 2018/19	Portfolio Holder for Fiscal	yes	3-18

	<b>Part 3 – Non Key Decisions</b>			<b>Pages</b>
3.1	Budget 2018/19 (Mayor's Budget)	Mayor	yes	19-22

	<b>Part 4 – Date of next meeting</b>			
4.1	<p>Date: Wednesday, 28 February 2018</p> <p>Civic Suite Room A, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN</p>	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: G Bull, J Clark, S Count, L Herbert, J Holdich, C Roberts and P Topping

Substitute members: Councillors A Bailey, W Fitzgerald, R Fuller, R Hickford, K Price, W Sutton & N Wright

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group), and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Monitoring Officer no later than 12.00 noon three working days before the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at [michelle.rowe@cambridgeshire.gov.uk](mailto:michelle.rowe@cambridgeshire.gov.uk)



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>14 FEBRUARY 2018</b>	<b>PUBLIC REPORT</b>

## **BUDGET 2018/19**

### **1.0 PURPOSE**

- 1.1. The Local Government Finance Act 1992 (LGFA 1992) places a duty on Councils to set a balanced budget with regard to the advice of its Chief Finance Officer (section 151).
- 1.2. This paper provides the results of the consultation of the draft 2018/19 Combined Authority budget and asks the Board to approve the draft budget in light of the responses to the consultation.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Steve Count, Portfolio Holder for Fiscal Strategy</b>
<b>Lead Officer:</b>	<b>Rachel Musson, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: KD 2018/001</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to approve the 2018/19 Combined Authority budget as set out in Appendix 2.	<b>Voting arrangements</b>  Simple majority of all Members (Recorded Vote)

### **2.0 BACKGROUND**

- 2.1. The process and timetable for approving the Combined Authority's budget and the Mayor's budget was set out and agreed at the October Board meeting.

2.2. At 20<sup>th</sup> December Board meeting the Board considered and approved the draft 2018/19 Combined Authority budget for consultation purposes.

2.3. On 21<sup>st</sup> December, the following bodies were invited to take part in the consultation process in accordance with the Budget Framework:

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  
Cambridgeshire and Peterborough Combined Authority Overview and Scrutiny Committee

2.4. The budget proposals were also published on the Combined Authority website with an invitation to residents and businesses to engage in the consultation process. Invitations to take part in the consultation process were also extended directly to bodies representing businesses across the area including the Cambridgeshire Chambers of Commerce and the Peterborough City Leaders Forum.

2.5. The consultation document is set out at Appendix 1.

2.6. The consultation process ran for a four week period from Thursday 21 December 2017 to Wednesday 17 January 2018.

2.7. A summary of responses to the draft Combined Authority 2018-19 budget consultation is set out at Appendix 3.

2.8. In addition, the Overview and Scrutiny Committee will be meeting on Monday 12 February, and their views will be reported orally to the Board.

2.9. The budget has been updated to reflect the revised anticipated cost of the mass rapid transport strategic options assessment, to be funded from the Transforming Cities Fund.

2.10. The Board is recommended to approve the Combined Authority budget (Appendix 2) for 2018/19 in light of the responses to the consultation exercise.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. There are no other matters to bring to the Board's attention other than those highlighted in other sections of the report.

## 4.0 LEGAL IMPLICATIONS

- 4.1. The Combined Authority is required to prepare a balanced budget each financial year in accordance with statutory timelines. In accordance with the constitution, the vote will be a recorded vote. (Chapter 5 16.10)

## 5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no other significant implications to bring to the Board's attention.

## 6.0 APPENDICES

- 6.1. Appendix 1 and 2 - The draft budget 2018/19 Consultation document is set out at Appendix 1 including draft budget (Appendix 2).
- 6.2. Appendix 3 – Consultation results

<u>Source Documents</u>	<u>Location</u>
<b>Budget Framework (Chapter 7)</b> <b>Link to website:</b> <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf</a> <b>Combined Authorities (Finance) Order 2017</b> <b>Link to website:</b> <a href="http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf">http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf</a>	



## 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 25 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 web site with an invitation for feedback from residents and businesses.

**Duration:**

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

**Enquiries:**

For any enquiries about the consultation please contact Jon Alsop

[Jon.alsop@cambridgeshirepeterborough-ca.gov.uk](mailto: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](mailto:Jon.alsop@cambridgeshirepeterborough-ca.gov.uk)

Appendix 2 – Draft Budget (Including update to Mass Rapid Transport costs (£600k from £500k))

	Programme Requirements			Funding Source					
<b>Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19</b>	<b>Approved' 2018/19 Budget - per Nov Board (£k)</b>	<b>Anticipated New Funding Requirement (£k)</b>	<b>Total Draft Budget CPCA 2018/19 (£k)</b>	<b>Gain Share Revenue (£k)</b>	<b>Gain Share Capital (£k)</b>	<b>Housing - General (£k)</b>	<b>Housing - Cambridge (£k)</b>	<b>Other (£k)</b>	<b>Total (£k)</b>
<b>Reserves Funding Brought Forward from 1 April 2018</b>				3,482.7	16,292.0	37,190.0	21,000.0	446.0	78,410.7
<b>2018/19 Funding Receivable</b>				8,000.0	12,000.0	15,000.0	17,000.0	41,137.0	93,137.0
<b>Additional Funding Receivable (Autumn Budget)</b>				1,000.0	-	-	-	74,000.0	75,000.0
<b>Operational Budget</b>									
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
<b>Total Operational Budget</b>	<b>2,265.1</b>	<b>0.0</b>	<b>2,265.1</b>	<b>1,804.5</b>	<b>460.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2,265.1</b>
<b>Workstream Budget</b>									
<b>Rural Areas, Culture, Parks and Open Spaces</b>									
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
<b>Total Rural Areas, Culture, Parks and Open Spaces</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Fiscal</b>									
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
<b>Total Fiscal</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Economic Strategy</b>									
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
<b>Total Economic Strategy</b>	<b>0.0</b>	<b>351.0</b>	<b>351.0</b>	<b>351.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>351.0</b>
<b>Transport and Infrastructure</b>									
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	600.0	600.0	0.0	0.0	0.0	0.0	600.0	600.0
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
<b>Total Transport and Infrastructure</b>	<b>32,294.0</b>	<b>27,083.0</b>	<b>59,377.0</b>	<b>4,715.0</b>	<b>12,925.0</b>	<b>0.0</b>	<b>0.0</b>	<b>41,737.0</b>	<b>59,377.0</b>



<b>Cambridgeshire and Peterborough Combined Authority Draft Budget 2018/19</b>	<b>Programme Requirements</b>			<b>Funding Source</b>					
	<b>Approved' 2018/19</b>	<b>New Funding Requirement</b>	<b>Total Draft Budget CPCA 2018/19</b>	<b>Gain Share Revenue</b>	<b>Gain Share Capital</b>	<b>Housing - General</b>	<b>Housing - Cambridge</b>	<b>Other</b>	<b>Total</b>
	<b>Budget - per Nov Board (£k)</b>		<b>2018/19 (£k)</b>	<b>(£k)</b>	<b>(£k)</b>	<b>(£k)</b>	<b>(£k)</b>	<b>(£k)</b>	<b>(£k)</b>
<b><u>New Homes &amp; Communities</u></b>									
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
<b>Total New Homes &amp; Communities</b>	<b>2,060.0</b>	<b>3,710.0</b>	<b>5,770.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,770.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,770.0</b>
<b><u>Employment &amp; Skills</u></b>									
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
<b>Total Employment &amp; Skills</b>	<b>231.0</b>	<b>1,675.0</b>	<b>1,906.0</b>	<b>1,906.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,906.0</b>
<b><u>Strategic Planning</u></b>									
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
<b>Total Strategic Planning</b>	<b>0.0</b>	<b>280.0</b>	<b>280.0</b>	<b>280.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>280.0</b>
<b><u>Public Sector Reform</u></b>									
Independent Commission and Reform Programme	0.0	877.6	877.6	877.6	0.0	0.0	0.0	0.0	877.6
<b>Total Public Sector Reform</b>	<b>0.0</b>	<b>877.6</b>	<b>877.6</b>	<b>877.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>877.6</b>
<b>Total Budget</b>	<b>36,850.1</b>	<b>33,976.6</b>	<b>70,826.7</b>	<b>9,934.1</b>	<b>13,385.5</b>	<b>5,770.0</b>	<b>0.0</b>	<b>41,737.0</b>	<b>70,826.7</b>
<b>Reserves Balance Carried Forward as at 31 March 2019</b>				<b>2,548.6</b>	<b>14,906.5</b>	<b>46,420.0</b>	<b>38,000.0</b>	<b>73,846.0</b>	<b>175,721.0</b>

## **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 2019/20.

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 approved the formation of an independent Economic Commission in 2017/18, 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 22<sup>nd</sup> 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.

### Appendix 3 – Summary of Responses to the draft CPCA budget 2018\_19 consultation

Comment	Response/Proposed Response
Can you let me have the up to date staffing structure for the CA as I have been asked what posts the staffing budget covers.	The CPCA staffing structure that the 2018/19 budget was based on is set out in Appendix 5 (page 45) of the Board papers of the CPCA meeting held on Monday 4th September 2017 as per the following link <a href="http://cambspboroca.org/">http://cambspboroca.org/</a>
The Mayor has a separate budget which is not mentioned in the consultation – I would have thought this should be explained as part of the consultation document as the wider public won't necessarily understand this?	Website updated to clarify as follows: 'This consultation applies to the draft Cambridgeshire and Peterborough Combined Authority budget only, and not to the mayor's draft budget which is subject to a separate approval process.' The Mayor's draft budget can be seen in the 20 December Board papers at <a href="http://cambspboroca.org/">http://cambspboroca.org/</a>
If it's a 4 week consultation why has it emerged on 3/1/18 instead of 21/12/17	The original e-mail did go out to the Chief Executive on 21st December.
Are you looking for increased contributions from member authorities as we move into the new budget year from 1/4/18? If so there will be an issue because FDC has no resources available for this...at all	There is no proposal to precept constituent councils for 2018/19.
Unfortunately in spite of this being launched as a four week consultation the Xmas break has significantly reduced our opportunity to take these proposals through any formal democratic process.	We appreciate your comments on the tightness of the timetable, unfortunately we are substantially bound by the regulations governing the budgetary process but will review what is possible to ease the timing pressures for future years. We have met with Finance Officers from other Combined Authorities and will use that forum to look at how others manage the process. However, County may also need to adapt their governance process to issue a formal response within the timescales that we are bound by. We would be happy to work with xxx and yourself to look at next year's process.
Your consultation refers to the potential top slicing of LTP funds. The County Council have assumed for planning purposes that all funds will be pass-ported to the two highway authorities. If this is not to be the case the County Council would urge the Combined Authority to make that decision sooner rather than later in order that the County Council can manage any reductions in planned expenditure in a managed way.	We have agreed with DfT that the ability to levy the two upper tier authorities begins in 2019/2020. Our Statutory Instrument SI is going through final legal checks before being laid in Parliament in March and coming into force in April. DfT advise that the changes to the primary legislation take effect 6 months following the SI.
There is no mention in the budget papers of transport related expenditure. We therefore assume that these functions have been delegated back to Cambridgeshire County Council and Peterborough City Council for the 18/19 financial year. For the purposes of good governance I think you should formally record this to be the case and as a consequence you will not be setting a levy to raise the revenue necessary to cover these costs.	Yes, the transport functions will be delegated back to Cambridgeshire County Council and Peterborough City Council for the 18/19 financial year, as you assume. As a result (of the SI process) funding will be passported directly through to CCC and PCC at the beginning of the next financial year - following a Mayoral decision to effect the transfer of funds - and CPCA will set the transport budget from 2019/2020.
The County Council and Peterborough City Council are making significant drives to deliver public sector reform. We therefore welcome the significant resources that the Combined Authority are allocating to this activity but would urge the Authority to work with partner organisations rather than create a completely new process that could duplicate work already undertaken.	Yes, the Combined Authority is very keen to work with yourselves and other partner organisations to deliver public sector reform. This is a key part of our programme and we are already working in partnership with the constituent councils and stakeholders to deliver this.
I have looked over the CA budget and noticed that under transport and infrastructure there are only transport schemes. Does infrastructure such as electricity ever get discussed? I think it's a really big issue that gets very little air time with regards to holding up future growth. Possibly water and sewerage might be the same?	The transport and infrastructure portfolio is predominantly focused on transport at this time. The Combined Authority does recognise that infrastructure provision is vital to supporting housing growth and it is anticipated that this area will receive increased focus in the future. This will be influenced by the Non-Statutory Spatial Plan which is currently under development. As a result, the budget allocation towards infrastructure will be minimal in 2018/19 but can be expected to increase from 2019/20 onwards.
Huntingdonshire District Council (HDC) would like to take this opportunity to thank the Mayor for his consultation and make some constructive observations. Overall, the council is supportive of the general provisions for the 2018/19 budget	Comments noted (and all comments in sections below put on Directors Management Team agenda for discussion)

Comment	Response/Proposed Response
<p><b>New Homes and Communities</b></p> <p>Like many councils across the country, HDC is finding that private sector achievement of affordable housing targets is challenging because of viability pressures or the fact that developers are not progressing consents or building at the speed that is needed to meet demand. Consequently, the Council is currently reviewing a number of options to positively intervene in the market that will hopefully stimulate and accelerate housing provision. Considering the many transport and lifestyle locational benefits of Huntingdonshire as a place to live and to work, the Council sees housing development, especially affordable, as a priority and would welcome the opportunity to work with the Mayor to develop opportunities.</p>	Noted
<p>Huntingdonshire is a strongly pro-growth Council with a track record of effective and efficient decision making and strong partnerships with landowners and developers, particularly on strategic schemes such as Alconbury Weald. Consequently, we are keen to further explore how our collective resources could be used to pump-prime and unlock developments, particularly where infrastructure and viability considerations impact negatively on achieving policy compliant (40%) affordable housing and tenure mix.</p>	Noted
<p>The CA's impending Housing Strategy is keenly awaited in February 2018.</p> <p>It is considered that the CA should make provision in its financial arrangements to have the agility to invest, with or without eventual return, into enabling and accelerating new housing provision. This should be in addition to the utilisation of the specific £100M housing monies within the Devolution Deal.</p> <p>The CA should be realistic and pragmatic around the likelihood of attracting private investment for commercial return on housing or infrastructure, where land values and viability considerations may then render related schemes undeliverable or impact negatively on the balance of affordable housing achievable, since most major sites, even for the longer term allocations, are already in the hands of developers or subject to option agreements which limit the scope of land value capture.</p> <p>It is also our view that the CA should consider addressing the differentials in Local Housing Allowance across the CA area, but particularly for Huntingdonshire, where the cost pressures of Cambridge are self-evident within our housing market but where differences in LHA ceilings continue to exacerbate residents' access to the private rental market and in particular the ability to deal with homelessness in a responsive and localised manner. This could be by supplementary top-up grants and/or campaigning for recalibration to Westminster.</p> <p>There is particular opportunity at St Neots to become a strategic growth point along the CamOX corridor for additional housing and jobs productivity. The town deserves continued CA attention, and</p>	Noted

Comment	Response/Proposed Response
<p><b>Transport and Infrastructure</b></p> <p>The Council is in the last stages of finalising submission of its Local Plan to 2036 and already continues to deliver significant new growth, with 1265 new homes trajectory for 2018/19 peaking to 1864 in 2021, with 682 secured in 2016/17. That growth potential is infrastructure dependant and there is even greater scope for additional homes and jobs subject to major new infrastructure and our Infrastructure Development Plan. Completion of the A14 in 2020 is not enough to realise full growth potential.</p> <p>The proposed CA Bus Strategy and current study is welcomed, particularly for our rural areas where modal choice is limited. Consideration should also be included into the expansion of the 'guided busway' system to link Cambridge beyond the existing St Ives terminus.</p> <p>Whilst not required to deliver the growth envisaged in the 2016 Local Plan, the CA should continue its feasibility investigations into a 3rd River Crossing and the A141 to relieve existing traffic pressures on the A1123 and associated routes, a solution to which would unlock growth not only for Huntingdonshire but also likely northwards for Fenland. This is already evidenced by the CA's consideration of the Housing Infrastructure Fund bid that was only narrowly unsuccessful merely due to funding utilisation timescales. This would be a strategic 'game changer' for the CA's aspirations for future growth and GVA enhancement across the middle and west of the CA geography.</p> <p>The CA should not lose sight of the growth and economic potential deliverable by improvements to traffic flows, interchanges and</p>	<p>Noted</p>
<p><b>Employment and Skills</b></p> <p>The Council has always been proactive in the support of employment and skills in the Huntingdonshire area; including developing its own Apprenticeship Scheme, providing loan finance to Huntingdonshire Regional College to support the development of their educational facilities and development of the multi-partner EDGE initiative better linking young people's aspirations and school curriculum activities to known current and future skills needs.</p> <p>As the Mayor's influence in this area of responsibility increases, the Council would welcome the opportunity to work with the CA to explore how these initiatives can be enhanced and how the advent of IMET could maximise its impact of training opportunities across the CA area, particularly on mid- and hi-tech manufacturing.</p> <p>The CA should use its devolved powers and emerging influence to reform educational funding so that the money no longer 'follows the student' but rather follows the skills path provision required by existing and future employers.</p>	<p>Noted</p>

<b>Comment</b>	<b>Response/Proposed Response</b>
<p><b>Economic Development and Strategic Planning</b></p> <p>The Non Statutory Spatial Plan (NSSP), Land Commission and Independent Economic Commission initiatives are welcomed and must be visionary in setting out a longer term 2050+ ambition for the place and identifying what infrastructure provision needs to be instigated now to be in place in time to realise the areas full potential, some of which is highlighted above.</p> <p>Utilisation of public sector land must not ignore Defence Estates assets, which whilst not always located in sustainable or growth achievable locations, could form future growth options, provided relevant infrastructure is in place, such as the dependency of RAF Wyton on a solution to existing A141/A1123 congestion. RAF Molesworth's potential is yet to be fully explored.</p> <p>With the potential consolidation of the Local Enterprise Partnership (LEP) within the auspices of the CA, there will inevitable by synergies and differences that will need to be carefully consider to ensure complimentary delivery programmes that maximise inward investment and business/skills growth.</p> <p>The Council has always taken a long-term view to developing its local economy. It has done this by both at the micro and macro level; such as promoting local business through business fairs and procurement seminars as well using its own resources to pump-prime development opportunities. The Council has within its boundaries the Alconbury Weald Enterprise Zone; this is one of the largest strategic developments in the Eastern region, and indeed nationally by size. The Council has, and continues to proactively support its development and the NDR gain to both the local and</p>	Noted
<p><b>Combined Authority – Operational Budget</b></p> <p>It is welcomed that it is envisaged that there will not be an increase in the CA's operational budget. However there is an obvious risk that the CA/LEP future relationship will result in changed resource requirements and in how money flows between organisations and growth initiatives, both within and from outside the CA area.</p> <p>The CA should ensure that its governance of the LEP does not result in operational costs and overheads that are out of scale with the CAs remit and objectives or that place an additional revenue burden upon constituent Councils.</p>	Noted
<p><b>Autumn Budget Statement</b></p> <p>The Council looks forward to working with the Mayor to develop opportunities that present themselves within the HDC area. We have already commented above as to the opportunity to better connect Cambridge with Huntingdonshire as part of the CamOX corridor, both road and rail, and the need for CA to proactively influence those deliberations with us. Huntingdonshire needs to be recognised within the 'Greater Cambridge' definition and growth/investment initiatives, at least in part.</p>	Noted
<p><b>Other significant factors affecting the 2018/19 budget</b></p> <p>Public Service Reform will undoubtedly impact on future budgetary considerations and such impacts should be considered creatively and addressed on an open and collaborative basis. The Council is happy to share some of the transformational activity currently being decided.</p>	Noted
<p><b>Precept</b></p> <p>It is noted and welcomed that there is no proposal to precept.</p>	Noted



Comment	Response/Proposed Response
<p>The main three points the Council would like to raise (which are covered in more detail) are:</p> <ul style="list-style-type: none"> <li>● That PCC wants to ensure that it is fully embedded in the strategic decision making process of the CPCA;</li> <li>● That PCC can leverage any assistance that the New Homes and Communities theme has available to unlock "Affordable Homes" opportunities;</li> <li>● That the CPCA formally set out in their budget consideration that transport activities have been delegated back to the respective highway authorities</li> </ul> <p>PCC acknowledges that the CPCA has no proposal to precept constituent authorities under Section 40 of the Local Government Finance Act 1992 for the 2018/19 financial year.</p>	All noted
<p>The CPCA budget consultation is complicated as it requires formal consultation with the 7 Local Authorities within the area as well as the Local Enterprise Partnership and the Combined Authority Members themselves.</p> <p>The budget in Appendix A of the CPCA consultation document and associated Strategy concentrates on the following "themes":</p> <ul style="list-style-type: none"> <li>● New Homes and Communities;</li> <li>● Transport and Infrastructure;</li> <li>● Employment and Skills;</li> <li>● Economic Development and Strategic Planning.</li> </ul> <p>Overall, PCC wishes to be fully integrated into the Plans and Strategies that the CPCA are presently formulating for future years in the areas of the four themes set out above. PCC wishes the CPCA to ensure that PCC and other stakeholders fully understand and are integrated in the processes and forums being used for their delivery.</p>	Noted
<p>For funding being proposed for allocation and delivery in 2018/19 in particular, PCC would like to leverage CPCA funding available in the Housing and New Homes work stream to:</p> <p>(a) unlock, or accelerate, the development of sites producing new affordable homes;</p> <p>(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</p> <p>(c) bring forward the business cases for further strategic sites and schemes such as those identified in the Government's Housing Investment Fund.</p>	Noted
<p>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.</p> <p>There is a lack of reference to transport related activity. The CPCA should formally set out in their budget consideration that transport activities have been delegated back to the respective highway authorities and therefore the CPCA do not intend to set a levy.</p>	See response above to CCC DfT funding comment. Responsibility for this budget has been passed to the Highway Authority, CCC (or PCC)
<p>The £300k for commissioning an update to the Local Transport Plan. I'm wondering if the proposed budget of £300k is sufficient?</p> <p>The Transport Plan is critically important; much has changed since the last one was drawn up in 2014; and there is a wealth of local knowledge and new ideas that need to be fed into it. When compared with £90k for the bus review, £300k doesn't seem very much, and certainly not enough to do a comprehensive evidence-gathering exercise as well as a meaningful statutory consultation across the county.</p>	The total budget for the Local Transport Plan is £500k, but this is split between £200k in 2017/18 and £300k in 2018/19. The Combined Authority has sought professional advice and believe the current budget allocation is sufficient to develop a robust Local Transport Plan. This will continue to be monitored during the development of the Plan.

<b>Comment</b>	<b>Response/Proposed Response</b>
A request for some of the (5 year) £100m Housing Funding to be allocated to schemes in Peterborough	Noted.
A request for the Combined Authority to engage with Peterborough City Council in the development of the University of Peterborough - particularly with regards to the potential of Bayard Place.	Noted.
Does the draft 2018/19 budget for the Combined Authority include the costs and revenue streams of the Greater Cambridge Greater Peterborough Enterprise Partnership?	No. The budget for consultation only includes income and expenditure for the Combined Authority.
Does the £500k 'anticipated new funding requirement' for 2018/19 for 'Mass Rapid Treansport Plan - phase 2 'relate to the £600k request for funding for a Mass Rapid Transport - Strategic Options assessment as set out in the Jan 2018 Board paper (agenda item 2.1)? If so, can the budget be updated to reflect the revised cost?	Yes. The draft budget has been updated accordingly



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.1</b>
<b>14 FEBRUARY 2018</b>	<b>PUBLIC REPORT</b>

## **BUDGET 2018/19 (MAYOR'S BUDGET)**

### **1.0 PURPOSE**

1.1. This paper requests the Board to note the Mayor's budget for 2018/19.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr James Palmer, Mayor</b>
<b>Lead Officer:</b>	<b>Rachel Musson, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: N/A</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to note the Mayor's budget for 2018/19.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1. In accordance with the Combined Authorities (Finance) Order 2017, the Mayor must, before 1 February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 2.2. The process and timetable for approving the Combined Authority's budget and the Mayor's budget was set out and agreed at the October Board meeting.
- 2.3. At the 20th December Board meeting, the Board reviewed the Mayor's draft budget and declined to make a report to the Mayor on the draft budget. The Board resolved that it would approve the draft budget in its current form without making any recommendations.

2.4. The Mayor's draft budget will be deemed to be approved if the Combined Authority does not make a report to the Mayor on the draft budget by 8<sup>th</sup> February 2018.

2.5. The Mayor's draft budget for 2018/19 is set out below:

<u>Mayoral Costs</u>	<u>Draft Budget</u> <u>2018/19 for</u> <u>Review</u> <u>(£k)</u>
Mayoral Allowance	84.5
Mayoral Staffing Costs	95.5
Mayoral Expenses	12.0
Accommodation and Share of Support Services	20.0
<b>Total Mayoral Costs</b>	<b>212.0</b>

**To be Funded from Revenue Gainshare**

2.6. The costs of the mayoral functions for 2018/19 will be funded from Revenue Gainshare. There will be no precepts issued by the authority to fund the costs of mayoral functions for 2018/19.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. There are no other matters to bring to the Board's attention other than those highlighted in other sections of the report.

### **4.0 LEGAL IMPLICATIONS**

4.1. The Combined Authority is required to prepare a balanced budget each financial year in accordance with statutory timelines.

4.2. The process for the setting of the mayor's budget is contained within the Combined Authorities (Finance) Order 2017.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. There are no other significant implications to bring to the Board's attention.

### **6.0 APPENDICES**

6.1. The process workflow for the setting of the Mayor's Budget is shown at Appendix A.

<u>Source Documents</u>	<u>Location</u>
<p><b>Budget Framework (Chapter 7)</b>  <b>Link to website:</b>  <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf</a>  <b>Combined Authorities (Finance) Order 2017</b>  <b>Link to website:</b>  <a href="http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf">http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf</a></p>	

**Setting of a Combined Authority's budget: Mayor's general functions - CA (Finance) Order 2017**

