

Appendix B

Draft Cambridgeshire and Peterborough Combined Authority Medium Term Financial Plan

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board £k	Delegated Officer Changes £k	Approvals Dec/ Jan/ Mar £k	Revised Approved Budget £k	New Funding Needs £k	Total Draft Budget CPCA £k	Draft Budget Plan £k	Draft Budget Plan £k	Draft Budget Plan £k
Operational Budget									
Staffing Costs	1,731.2	76.5	-	1,807.7	1,436.2	3,243.9	4,230.2	4,230.2	4,230.2
Support Provided by Constituent Authorities	109.0	-	-	109.0	343.0	452.0	452.0	452.0	452.0
Corporate Overheads	162.9	451.9	400.0	1,014.8	115.8	1,130.6	466.8	466.8	466.8
Corporate Income	-	-	-	-	(508.6)	(508.6)	(508.6)	(508.6)	(508.6)
Election Costs	260.0	-	-	260.0	-	260.0	260.0	260.0	260.0
Governance Costs	2.0	-	0.3	2.3	-	2.3	2.3	2.3	2.0
Total Operational Budget	2,265.1	528.4	400.3	3,193.7	1,386.4	4,580.1	4,902.7	4,902.7	4,902.4
Workstream Budget									
Rural Areas, Culture, Parks and Open Spaces									
Develop Energy Hub	-	-	-	-	631.0	631.0	690.0	-	-
Develop Rural Strategy	-	-	-	-	50.0	50.0	-	-	-
Total Rural Areas, Culture, Parks and Open Spaces	-	-	-	-	681.0	681.0	690.0	-	-
Economic Strategy									
Market Town Masterplan (2nd Tranche)	-	-	-	-	150.0	150.0	-	-	-
Development of a Market Towns Strategy	-	-	250.0	250.0	-	250.0	200.0	-	-
Develop and execute an International Trade Programme	-	-	-	-	50.0	50.0	50.0	50.0	50.0
Establish Investment Team to optimise CPC/ALP/GCP Funds	-	-	-	-	50.0	50.0	50.0	50.0	50.0
Independent Economic Commission: Developing Economic Stra	-	-	-	-	300.0	300.0	-	-	-
Total Economic Strategy	-	-	250.0	250.0	550.0	800.0	300.0	100.0	100.0
Transport and Infrastructure									
Digital Connectivity Infrastructure	-	-	440.0	440.0	-	440.0	1,985.0	1,955.0	1,280.0
Wisbech Garden Town Study	3,250.0	-	-	3,250.0	(1,250.0)	2,000.0	5,300.0	4,000.0	-
Local Transport Plan (estimate)	300.0	-	-	300.0	13,483.0	13,783.0	13,483.0	Includes (lr	-
Priority Transport Schemes	1,000.0	-	4,230.0	5,230.0	5,250.0	10,480.0	16,980.0	20,330.0	-
Strategic Bus Review	90.0	-	-	90.0	60.0	150.0	-	-	-
Mass Rapid Transport Phase 2	-	-	600.0	600.0	400.0	1,000.0	2,000.0	5,000.0	1,500,000.0
Dualling A47 Phase 2	-	-	-	-	600.0	600.0	1,000.0	2,000.0	320,000.0
M11 Extension to A47 - Phase 2	-	-	-	-	500.0	500.0	1,000.0	2,000.0	2,500,000.0
Upgrading of A10 Phase 2	-	-	-	-	-	-	2,000.0	5,000.0	500,000.0
National Productivity Investment Fund	-	-	-	-	6,650.0	6,650.0	-	-	-
LTP Capital Grant (estimate)	27,654.0	-	-	27,654.0	-	27,654.0	27,654.0	27,654.0	-
Total Transport and Infrastructure	32,294.0	-	5,270.0	37,564.0	25,693.0	63,257.0	71,402.0	81,422.0	4,821,280.0

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board	Delegated Officer Changes	Board Approvals Dec/ Jan/ Mar	Revised Approved Budget	Anticipated New Funding Needs	Total Draft Budget CPCA	Draft Budget Plan	Draft Budget Plan	Draft Budget Plan
	£k	£k	£k	£k	£k	£k	£k	£k	£k
<u>New Homes & Communities</u>									
Programme delivery support to the Housing Programme	240.0	-	-	240.0	-	240.0	240.0	240.0	240.0
Housing Investment Fund Programme - Quick Wins	1,820.0	-	-	1,820.0	21,635.0	23,455.0	21,635.0	21,635.0	21,635.0
New Schemes £100m Programme	-	-	3,660.0	3,660.0	-	3,660.0	-	-	-
Cambridge City Devolution Housing Programme	-	-	971.2	971.2	15,632.2	16,603.4	15,632.2	15,632.2	15,632.2
CA2030 Programme	-	10.0	-	10.0	-	10.0	-	-	-
E Cambs Strategic Community Land Trust Prog - Loan Facility	-	-	6,500.0	6,500.0	-	6,500.0	-	-	-
Total New Homes & Communities	2,060.0	10.0	11,131.2	13,201.2	37,267.2	50,468.5	37,507.2	37,507.2	37,507.2
<u>Employment & Skills</u>									
University of Peterborough - Business Case	-	-	-	-	1,531.8	1,531.8	1,454.2	185.4	-
University of Peterborough - Interim Accommodation	-	-	9,740.0	9,740.0	(7,740.0)	2,000.0	6,740.0	1,000.0	-
University of Peterborough - Student Facilities	-	-	-	-	1,175.0	1,175.0	-	-	90,000.0
Skills Hub	231.0	-	-	231.0	-	231.0	-	-	-
Deliver Apprenticeships & Pathways to Employment Schemes	-	-	-	-	2,892.0	2,892.0	2,700.0	2,700.0	2,700.0
Develop and Deliver Employer-focused schemes	-	-	-	-	3,669.0	3,669.0	3,669.0	2,369.0	2,369.0
Devolution of Adult Education Budget	-	-	-	-	154.0	154.0	9,730.0	9,730.0	9,730.0
Total Employment & Skills	231.0	-	9,740.0	9,971.0	1,681.8	11,652.8	24,293.2	15,984.4	104,799.0
<u>Strategic Planning</u>									
Non Statutory Spatial Plan (Phase 2)	-	-	-	-	200.0	200.0	-	-	-
Cambridgeshire and Peterborough Land Commission	-	-	80.0	80.0	-	80.0	-	-	-
Total Strategic Planning	-	-	80.0	80.0	200.0	280.0	-	-	-
<u>Public Sector Reform</u>									
Independent Commission and Reform Plan	-	-	-	-	877.6	877.6	-	-	-
Total Public Sector Reform	-	-	-	-	877.6	877.6	-	-	-
Total Workstream Budget	34,585.0	10.0	26,471.2	61,066.2	66,950.6	128,016.9	134,192.4	135,013.6	4,963,686.2
Total CPCA Budget	36,850.1	538.4	26,871.5	64,260.0	68,337.0	132,597.0	139,095.1	139,916.3	4,968,588.7
Indicative inflation Based on 2.3% Annual CPI							3,199.2	6,510.2	350,778.2
Total CPCA Budget After Indicative Inflation	36,850.1	538.4	26,871.5	64,260.0	68,337.0	132,597.0	142,294.3	146,426.5	5,319,366.9

Notes and Assumptions

General Assumptions

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- The Mayoral Budget has been prepared separately and is presented at Appendix D
- Creation of statutory 2017/18 accounts for the Combined Authority accounts is in progress, with a regulatory deadline for publication of the draft accounts on 31st May 2018. The 2018/19 budget presented above excludes resources budgeted but not spent in 2017/18, which may be subsequently be agreed for carry-forward into 2018/19 or future years budgets
- The 2018/19 Total Draft CPCA Budget excludes legacy LEP spending plans (presented separately in Appendix C). This budget is based on a range of assumptions, which will be updated as full information becomes available:
 - **Approved Budget – Nov Board** – Budget figure approved at the 30th November 2017 Board Meeting
 - **Delegated Officer Changes** – Budgets increased since November 2017 through approval powers delegated to senior officers. These will be reported in detail for information at the June 2018 CA Board meeting
 - **Board Approvals Dec / Jan / March** – 2018/19 Budget changes approved at CA Board meetings since the approved budget was presented in November 2017. Note that where CA Board approvals impact future years spending plans, these changes are incorporated into subsequent years budget figures presented in the tables contained in this MTFP
 - **Revised Approved Budget** – Total of the 30th November to March Board Approvals impacting on 2018/19 plus budget changes approved through officer delegated authority since November 2017
 - **Anticipated New Funding Needs** – Discussion with Directors and programme leads has provided a high-level draft view of planned further approvals that will be required to enable delivery of the four-year plan. In presenting this, it is important to recognise that changes in leadership associated with implementation of the revised staffing structure and further detailed development of the programmes required to deliver means that significant further refinement of operational and budget planning will be required, which will be presented to the CA Board to secure allocation of resources to progress the schemes. At this stage, the approved budget remains as per the Revised Approved Budget and will be increased incrementally as papers are presented and approved by the CA Board. Detailed notes relevant to specific MTFP lines appear in the points below.

- **Total Draft Budget CPCA** – this confirms the Draft Budget total, incorporating figures and assumptions presented in this MTFP
- **2019/20, 2020/21 and 2021/22** budgets presented in the table above include budget changes approved via previous CA Board reports, plus outputs from discussions with Directors to assess the likely profile of spending for each programme. These figures will remain draft until detailed proposals are presented to the CA Board for approval

Detailed Assumptions and Notes Relating to Budget Lines

- **Operational Budget / Staffing Costs** – The draft revised CA organisational structure was created and launched in the last week of April 2018 and is subject to a staff consultation process concluding on 23rd May 2018. At this time, draft costing of the new structure has been assessed in conjunction with the CA HR team to establish an indicative cost for each role. At this stage, most roles have not been evaluated and consequently the indicative costs are based on an interim assessment of the likely costs based on existing similar roles and recognition of market conditions combined with prevailing contributions for Employers NI and Superannuation contributions. These figures will be further refined as the structure crystallises and roles are evaluated, fully costed and populated. Further points to note are:
 - The draft CA organisational structure combines activities previously delivered by the LEP with those of the Combined Authority to create one unified organisation. For costing purposes, it is not possible to differentiate many roles in the previous structures from those in the new structure. For costing purposes therefore, a key assumption is that the cost of the pre-existing LEP organisation is held stable for costing purposes only (Appendix C), with additional costs of the whole structure presented in the CA MTFS. Creation of a unified structure and MTFP will remove this issue as new plans are built for each programme and funding stream as the plan is populated and developed further
 - Additional staffing costs associated with the new Organisational structure are presented in the Anticipated New Funding Needs column in the table above. This has been calculated for 2018/19 on the assumption that existing agreed budgets for the first six months of 2018/19 will be replaced by the draft costed structure for the second half of the year (existing staff cost x 50%, plus new structure draft cost x 50% for 2018/19). Practically, the actual timing of populating the new organisational structure depends on a wide number of variables, with this high-level assumption adopted for planning purposes at this stage to provide a draft view. As stated above, detailed costing and verification will take place as posts are filled to create a final estimation of the likely cost impact. Section 4.5 in the main body of

this report provides details of the difference between previous and new organisational costs and associated funding sources

- A £200k consultancy contingency has been added to the staffing cost budget for 2018/19 only, representing the need to secure specialised contingency support to maintain progress on programme delivery. Subject to approval of this sum, this sum would be drawn via Officer Decision Notices and reported subsequently to the CA Board
- **Rural Areas, Culture, Parks and Open Spaces / Develop Energy Hub** – based on receipt of £1.29m funding for this purpose, with phasing as per planned deployment
- **Transport and Infrastructure** – Budgets are based on high-level estimates of the likely costs associated with each of the programmes, each of which will require significant development through detailed planning stages. It should be noted that the 2021/22 budget column has been utilised to capture an early estimate of the costs to complete each of the schemes, although in practice, these are liable to change as programmes develop and are likely to fall in subsequent years and will be subject to securing new sources of funding
- **New Homes and Communities** – Funding levels have been profiled in discussion with programme leadership, recognising that detailed delivery is likely to vary from that profile. The profile does not at this stage take account of repayment of any loans agreed to third parties for affordable house building projects and associated recycling of funding that may be achieved
- **Employment and Skills / Peterborough University** – This budget profile will be highly dependent on the final delivery model agreed to progress this project. The 2021/22 estimate of £90m represents a very high-level estimate of the potential cost to complete this scheme, but this is subject to a broad range of variables and possible delivery models which may impact the final delivery solution and cost profile. The £90m should therefore be considered as indicative at this stage
- **Employment and Skills / Deliver Apprenticeships & Pathways to Employment Schemes / Develop and Deliver Employer-focused schemes** – High level estimate of the potential cost of programmes fitting within the remit of the Combined Authority and four-year plan. Final approval will be subject to subsequent Board Reports to gain approval for this activity
- **Employment and Skills / Devolution of Adult Education Budget** – The budget profile reflects proposed £12.099m per annum devolution of Adult Education Budgets to the Combined Authority from 2019/20 (subject to agreement with the DfE), supported by £154k implementation funding provided in 2018/19 to prepare for the change. It should be noted that the £12.099m is partially presented in the row above (in the main table) to align with the four-year planning process and will be subject to Board approval to progress

Appendix C

Draft Cambridgeshire and Peterborough LEP Medium Term Financial Plan

	2018/19	2019/20	2020/21	2021/22
	Indicative Budget Plan	Indicative Budget Plan	Indicative Budget Plan	Indicative Budget Plan
	£k	£k	£k	£k
Operational Budget				
Staffing Costs - 2017/18 Structure	1,240.5	1,240.5	1,240.5	1,240.5
Corporate Overheads - 2017/18 Values	517.9	517.9	517.9	517.9
Total Operational Budget	1,758.4	1,758.4	1,758.4	1,758.4
Growth Deal Fund Programmes				
Committed Programmes				
Kings Dyke	6,885.8	-	-	-
Ely Southern Bypass	3,805.6	-	-	-
Bourges Boulevard Phase 2	1,351.7	-	-	-
Agri-Tech Growth Initiative (£996k is match funded from NALF)	1,982.2	-	-	-
Lancaster Way Phase 2 Grant (GPF ext)	863.5	-	-	-
iMET Phase 3	2,174.1	-	-	-
Manea and Whittlesea Stations	345.7	-	-	-
Lancaster Way Phase 2 Capital Repayments	-	-	(184.0)	(184.0)
Total Committed Programmes	17,408.6	-	(184.0)	(184.0)
Total Uncommitted Programmes - Planned	-	-	-	22,800.0
Total Growth Funding Programmes	17,408.6	-	(184.0)	22,616.0
Growing Places Fund (GPF)				
Committed Programmes				
COSMOS	27.1	-	-	-
In Collusion	124.0	15.0	-	-
University of Peterborough Project Group	13.4	-	-	-
University of Peterborough TDAP	303.1	142.8	-	-
Opportunity Peterborough Skills	155.0	-	-	-
A1139 Fletton Parkway Improvement Scheme Capital Repayr	(3,000.0)	-	-	-
Ashwell Business Park Capital Repayments	-	-	-	-
Total Growth Places Funding	(2,377.4)	157.8	-	-
Total Legacy LEP Budget	16,789.6	1,916.3	1,574.4	24,374.4
Indicative inflation Based on 2.3% Annual CPI	-	44.1	73.3	1,720.8
Total CPCA Budget After Indicative Inflation	16,789.6	1,960.3	1,647.7	26,095.2

Notes and Assumptions

General Assumptions

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- As stated in the section 4.3 and notes in Appendix B, the table above presents a hybrid view of the MTFP for the activities including LEP funding sources. It is presented here for completeness, although it is acknowledged that the Four-Year Plan presented in this report relates to Combined Authority funding sources only at this stage and further work is required to create a clear MTFP and plan aligned with unified CA planning and budgeting. It is anticipated that the Business Board will agree plans and funding for LEP activity, although the exact relationship between the Business Board and the Combined Authority Board will be confirmed as arrangements get underway
- This Draft LEP MTFP is based on a combination of indicative operational costs incurred in 2017/8 combined with known programme position for 2018/19 and beyond. Significant further work is required to combine ex-LEP funding streams and activities into a unified Combined Authority plan and MTFP, which will depend on creating stable operational and leadership structures to inform that position
- The draft revised CA organisational structure was created and launched in the last week of April 2018 and is subject to a staff consultation process concluding on 23rd May 2018. At this time, draft costing of the new structure has been assessed in conjunction with the CA HR team to establish an indicative cost for each role. At this stage, most roles have not been evaluated and consequently the indicative costs are based on an interim assessment of the likely costs based on existing similar roles and recognition of market conditions combined with prevailing contributions for Employers NI and Superannuation contributions. These figures will be further refined as the structure crystallises and roles are evaluated, fully costed and populated. Further points to note are:
 - The draft CA organisational structure combines activities previously delivered by the LEP with those of the Combined Authority to create one unified organisation. For costing purposes, it is not possible to differentiate many roles in the previous structures from those in the new structure. For costing purposes therefore, a key assumption is that the cost of the pre-existing LEP organisation is held stable for costing purposes only (Appendix C), with additional costs of the whole structure presented in the CA MTFS. Creation of a unified structure and MTFP will remove this issue as new plans are built for each programme and funding stream as the plan is populated and developed further

- Calculation of LEP staffing costs involved assumptions regarding NI and superannuation costs. It was not possible to determine where these are also included in programme costs, meaning that there is a limited risk of double counting to reach this view. Restatement of the actual budget and funding position is required to accurately determine current and future planning totals
- **CEC** costs and funding cross over with the Combined Authority, with some streams of activity presented in that MTFS. Work is required to determine the activity, cost and funding for this delivery to accurately portray this in the MTFP
- **Energy Hub** costs and funding for 2018/19 and 2019/20 are included in the CA MTFP
- **Growth Deal** funding includes £1.19m of 'top-sliced' funds. At this time, this revenue funding has been allocated to project costs based on the assumption that this will continue in future years

Details Notes and Assumptions Relating to Funding Streams

- **Local Authority** contributions to LEP activity is excluded from this table as it is understood that this will not be required from 2018/19 and beyond
- **Enterprise Zone** funding is excluded from the table above, as the level and value available to the Combined Authority requires clarification (Note that the 2017/18 funding for the LEP included £150k of EZ receipts)
- **Interest Receivable** on fund balances and capital loan repayments is excluded from this table, as the treatment on these items requires consideration in the context of the treatment in the wider Combined Authority.

Appendix D

Draft Cambridgeshire and Peterborough Mayoral Budget Medium Term Financial Plan

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board	Delegated Officer Changes	Board Approvals Dec/ Jan/ Feb/ Mar	Revised Approved Budget	Anticipated New Funding Needs	Total Draft Budget CPCA	Draft Budget Plan	Draft Budget Plan	Draft Budget Plan
	£k	£k	£k	£k	£k	£k	£k	£k	£k
Mayoral Office Costs									
Mayoral Allowance	84.5	-	-	84.5	-	84.5	84.5	84.5	84.5
Mayoral Staffing Costs	-	-	95.5	95.5	92.5	188.0	188.0	188.0	188.0
Mayoral Expenses	12.0	-	-	12.0	-	12.0	12.0	12.0	12.0
Accommodation Fit out (Capital)	-	7.0	-	7.0	-	7.0	-	-	-
Accommodation and Share of Support Services	-	6.5	40.0	46.5	-	46.5	46.5	46.5	46.5
Total Mayoral Budget	96.5	13.5	135.5	245.5	92.5	338.0	331.0	331.0	331.0

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- The 2018/19 Total Draft Mayoral Budget is based on a range of assumptions, which will be updated as full information becomes available:
 - **Revised Approved Budget – Nov Board** – Budget figure approved at the 30th November 2017 Board Meeting
 - **Delegated Officer Changes** – Budgets increased since November 2017 through approval powers delegated to senior officers. These will be reported in detail for information at the June 2018 CA Board meeting
 - **Board Approvals Dec / Jan / Feb/ March** – 2018/19 Budget changes approved at CA Board meetings since the approved budget was presented in November 2017. Note that where CA Board approvals impact future years spending plans, these changes are incorporated into subsequent years budget figures presented in the tables contained in this MTFP
 - **Revised Approved Budget** – Total of the 30th November to March Board Approvals impacting on 2018/19 plus budget changes approved through officer delegated authority since November 2017. The budget figure reported to

the February 2018 Board was £212k for 2018/19, uplifted by Officer Delegations for accommodation (net £13.5k above existing budget) and allowances for accommodation and support costs.

- **Anticipated New Funding Needs** – Additional costs associated with the Mayoral team, totalling circa £95k are included in this draft MTFP – these posts are funded from the Mayoral capacity fund.

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