



## Overview and Scrutiny Committee

**16 January 2025**

Title:	Medium Term Financial Plan & O&S Consultation Feedback
Report of:	Cllr Antunes – Budget Working Group & Anne Gardiner – Governance Manager & Statutory Scrutiny Officer

### Overview and Scrutiny Committee Key Principle:

To examine all decision-making through the lens of integrated decision-making, to drive out silo approaches and ensure CPCA strategy is not operating in isolation, considers wider impact across corporate plan priority areas, and considers future devolution opportunities and benefits.

### Strategic Objective(s):

The topics within this report fit under the following strategic objective(s):

<input type="checkbox"/>	Achieving ambitious skills and employment opportunities
<input type="checkbox"/>	Achieving good growth
<input type="checkbox"/>	Increased connectivity
<input type="checkbox"/>	Enabling resilient communities
<input checked="" type="checkbox"/>	Achieving Best Value and High Performance

### Topic Scoring

	Numerical Score
Public Interest	3
Strategic Value	2
Risk to Combined Authority	1
Alignment to Corporate Priorities	2
Financial Value	1
Issue of concern for partners?	1
Will the CA be able to achieve an effective outcome?	2
Will there be potential benefits for a significant part of the Combined Authority area/partners/stakeholders?	1
<b>Scrutiny Value Score</b> [right click on the value and “update field” to total the score]	<b>13</b>

### Rating Scores

1 = Low
2 = Medium
3 = High

## 1. Background

3.1	A Budget Scrutiny Working Group was set up by the Overview and Scrutiny Committee to consider the budget setting process and Medium-Term Financial Plan (MTFP) for the Combined Authority. This work of the group was undertaken over two phases – the first phase to consider the in-year position and future impact, and the second phase to consider the draft budget proposals from 2025/26.
3.2	The findings of the Working Group were fed back to a scrutiny committee workshop in order to prepare the scrutiny feedback to the Combined Authority Board for consideration when setting the 2025/26 budget and Medium-Term Financial Plan for the period 2025-2029.

## 2. Proposal

2.1	The Committee are requested to review and note the discussion points below.
2.2	<p>An overview of the discussion and findings of the working group included:</p> <ul style="list-style-type: none"><li>• Slippage against project spend and how this could be improved in relation to realistic spend profiles and improved delivery, which also led to the need to consider the pipeline of projects and opportunities</li><li>• Consideration of how strategic hurdles could be tackled</li><li>• The need for robust performance recording and management</li><li>• Evidencing value for money in spending decisions – including beyond practical completion and into measuring success and capturing lessons learnt</li><li>• Requiring a proactive approach to risk and how this was shared between public and private investment.</li></ul>
2.3	<p>During the committee workshop a presentation was provided by the Executive Director Resources on the draft budget and the following points were raised and discussed:</p> <ul style="list-style-type: none"><li>• How the CPCA tackled strategic hurdles that were faced within the area and how projects were impacted by these hurdles.</li><li>• Improvements were being made to the monitoring and evaluation system and this included timely claims and payments. Performance and reporting is critical to the CPCA and formed part of all business cases.</li><li>• In response to a question about risk apportionment between the private and public sector the committee were advised that generally public money does tend to take the greater risk in order to progress a project to benefit the area. Not all projects would generate private sector interest; however, private sector input/investment is sought where feasible.</li><li>• In response to a question regarding value for money, it was advised that the Authority would consider the outcomes for the investment and in practical terms would go through the appropriate procurement routes to get the best tenders for each contract.</li><li>• High level benchmarking has been carried out with other MCAs but there is a significant difference between all the MCAs in terms of their roles, responsibilities and funding which makes it difficult to draw direct comparisons.</li><li>• The CPCA had a proactive approach to risk including setting the risk appetite for the Authority, which has been recently approved by the Board. This provides a framework for investment considerations. Ultimately investments are taken through the SAF process involving the Investment Committee and the Board as required in the decision making.</li><li>• In response to a query about intellectual capital, officers advised that this could often be assessed by the number of patents that had been allocated in an area – it was noted that Cambridgeshire did well in this respect.</li><li>• In response to a query about whether the working group would like to seek further assurances on the procedure for assessing risk associated with the CPCA investment policy used by the investment committee and whether the risk strategy analysed risk to ensure that debt was not</li></ul>

	<p>accumulated in an uncontrolled way – the budget working group stated that they were assured that there was appropriate financial forecasting and officers confirmed that the Authority is currently debt free, although if bus franchising were taken forward then there is forecast debt for future years which is costed into the MTFP. It was considered useful for O&amp;S Committee to have sight of the projects going through Investment Committee.</p> <ul style="list-style-type: none"> <li>• In response to a query about engaging with the third sector the officers advised that currently this was limited but could look to do more.</li> <li>• In response to a query about rushing to spend available money within a tight window of time, which related to the decision on the bus fare cap, the CEX advised that the recent CA Board decision had come about due to the Government making announcements on changes to the fare cap at end of October which were to be implemented from 1 January 2025. The urgent decision related only from 1 January to the end of March 2025 and was necessary to inform operators of the approach. This led to an Extraordinary Board Meeting to make a final decision recognising that such urgency was not desirable but that there was limited choice available in terms of timing. The MTFP in January will include recommendations for 2025/26 and the committee could also discuss this in January.</li> <li>• In response to a query about the English Devolution White Paper, the CEX advised that there would be a number of requirements and expectations for the new strategic authorities – officers were digesting the paper and would be working through the next steps. This included asking the Board to utilise some of the Authority’s corporate funds to help support the capacity to shape the organisation for the future. Detailed reporting would be brought to the various CPCA committees over the coming months.</li> <li>• In response to a query about the subsidising of bus routes, the officers advised once a decision had been made on bus franchising, a 2025/26 network and subsidy review would be advanced.</li> </ul>
2.4	<p><i>The Committee’s views and discussions have been fed back as part of the consultation process to be considered as part of the final budget report which will be presented along with the CPCA Corporate Strategy refresh at the CA Board meeting on the 22<sup>nd</sup> January.</i></p> <p><i>Link to the final MTFP and Corporate Strategy report will be available here on the 14<sup>th</sup> January 2025.</i></p> <p><a href="#"><i>Agenda for Combined Authority Board on Wednesday, 22nd January, 2025, 10.00 am</i></a></p>

### 3. Appendices

3.1 None

### 4. Implications

Have the following been taken into account?

Financial Implications

Yes  No

No specific financial implications arising from this report. The comments of the Committee will be fed back to the Combined Authority Board as part of the budget setting process.

Legal Implications

Yes  No

Consideration of the MTFP provides good governance and review of financial decision-making for the Combined Authority. It also shows compliance with the budget framework procedure rules as set out in the Constitution at Chapter 6 decision making, paragraph 6.8 et seq, 'budget framework procedure rules'.

Public Health Implications

Yes  No

Give detail if any significant implications identified

Environmental & Climate Change Implications

Yes <input type="checkbox"/> No <input type="checkbox"/>	Give detail if any significant implications identified
<b>Other Significant Implications</b>	
Yes <input type="checkbox"/> No <input type="checkbox"/>	Give detail if any significant implications identified