



Combined Authority Board

22 January 2025

Title:	Mayoral Budget 2025-26
Report of:	Mayor Dr Nik Johnson
Lead Member:	Mayor Dr Nik Johnson
Public Report:	Yes
Key Decision:	Yes
Voting Arrangements:	The Mayoral budget proposed by the Mayor will be approved unless at least two thirds of the members of the Board from constituent councils, present and voting, vote against it.

Recommendations:

A	To note the proposed Mayoral budget for 2025-26, including the proposal to maintain the precept at £36 for a Band D property, and to provide comments to the Mayor regarding the proposed Mayoral Budget.
B	To approve the draft Mayoral Budget, including the proposed Mayoral precept noted above.
C	Delegate minor changes to the Mayor's budget, due to finalisation of council tax base figures, to the Executive Director of Resources.

Strategic Objective(s):

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

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	This report recommends the Board approve my Budget proposals for the Medium-Term Financial Plan period covering 2025-26 to 2028-29, including the proposal to maintain the Mayoral General Precept at £36 per annum for a Band D property.
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2. Proposal

2.1	<p>My draft budget assumes that the costs of running my office remain the same throughout the MTFP period, and I will continue to seek efficiencies in the way my office is run throughout my time as Mayor to maximise the funding that can be put into transport and other front-line projects and services.</p> <p>In addition, the following two assumptions, which were put in place when my budget was approved last year, are proposed to continue:</p> <ul style="list-style-type: none">• Roles in my office have been combined with those in communications, executive support and policy development and reside within the Chief Executive's office for managerial and budget responsibility.• Reflecting on previous guidance that my budget should include all the costs directly due to having a Mayor of Cambridgeshire and Peterborough the costs of the 4-yearly mayoral election are shown in my budget rather than the Combined Authority's.
2.2	<p>The table below shows my proposed budget for the current year and the 4 years of the Medium-Term Financial Plan. Apart from the existing Mayoral precept, the costs of my office are met by a charge against the Combined Authority's unringfenced revenue funds. My allowance was set at £86,121 in 2022-23 following the recommendation of an Independent Remuneration Panel and it is increased each year in line with the award for local government employees negotiated nationally. The figures below also include employer's national insurance contributions from the Combined Authority.</p>
2.3	<p>The costs of the Mayoral election in 2025-26 are based on the most recent estimates from the Combined Authority's Returning Officer, John Hill.</p> <p>Whilst the total costs of running the election have increased somewhat due to inflation, the major cause of the increased costs to the CPCA is that the CPCA will be responsible for 100% of the costs in Peterborough and 50% of the costs in Cambridgeshire. Election costs are split across all public bodies holding elections at the same time and, in 2021, the Police and Crime Commissioner (P&CC) election was held at the same time as the Mayoral election therefore splitting the costs between more organisations.</p> <p>The forecast cost for the Combined Authority for the 2025 elections is £1.590m compared with £0.964m in 2021 and £1.036m in 2017.</p>
2.4	<p>My draft budget will be deemed to be approved if the Combined Authority does not make a report to the Mayor by 8th February 2025 as set out in the legal implications section of this report and Appendix A.</p>

2.5	<table border="1"> <thead> <tr> <th>24/25 £000's</th> <th>Mayor's Budget</th> <th>25/26 £000's</th> <th>26/27 £000's</th> <th>27/28 £000's</th> <th>28/29 £000's</th> </tr> </thead> <tbody> <tr> <td>106</td> <td>Mayor's Allowance</td> <td>110</td> <td>113</td> <td>117</td> <td>120</td> </tr> <tr> <td>10</td> <td>Mayor's Conference Attendance</td> <td>8</td> <td>8</td> <td>8</td> <td>8</td> </tr> <tr> <td>24</td> <td>Mayor's Office Expenses</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>18</td> <td>Mayor's Office Accommodation</td> <td>14</td> <td>14</td> <td>14</td> <td>14</td> </tr> <tr> <td>-</td> <td>Election Costs</td> <td>1,590</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>11,047</td> <td>Precept funded Mayoral contribution to Passenger Transport budgets</td> <td>11,209</td> <td>11,379</td> <td>11,555</td> <td>11,727</td> </tr> <tr> <td>11,205</td> <td>Total Mayoral Office costs</td> <td>12,941</td> <td>11,524</td> <td>11,704</td> <td>11,879</td> </tr> </tbody> </table>	24/25 £000's	Mayor's Budget	25/26 £000's	26/27 £000's	27/28 £000's	28/29 £000's	106	Mayor's Allowance	110	113	117	120	10	Mayor's Conference Attendance	8	8	8	8	24	Mayor's Office Expenses	10	10	10	10	18	Mayor's Office Accommodation	14	14	14	14	-	Election Costs	1,590	-	-	-	11,047	Precept funded Mayoral contribution to Passenger Transport budgets	11,209	11,379	11,555	11,727	11,205	Total Mayoral Office costs	12,941	11,524	11,704	11,879
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2.6	MAYORAL BUDGET COMMENTARY																																																
2.7	I am proposing to maintain the Mayoral General Precept at an annual charge of £36.00 for a band D property and, based on forecasts from the areas' collection authorities, this would raise around £11.2m in 2025-26.																																																
2.8	As previously reported, in 2022/23, the CPCA stepped in to rescue 23 bus routes that the then bus operator felt no longer capable of running. Our choice was either see communities cut off from the rest of the region or find a way to invest in saving what for many is an essential public service. That's why we introduced the £1 per month Mayoral Precept.																																																
2.9	Last year I made the case for increasing the precept to £3 per month for the purposes of investing £11m per year in the region's bus network and as of this month 80% of new, enhanced, and protected mayoral precept funded bus services are up and running, serving residents and communities across the region. I also argued for a huge reduction in the price of travel for everyone under the age of 25, with bus fares cut in half from £2 to £1 via what has proven to be the very successful Tiger Pass.																																																
2.10	I did so as I believe that the collective benefits of a better and more affordable bus network vastly outweigh the increased cost to households, with quality public transport helping unclog our roads, clean up our air, and massively increase equal access to the wealth of social and economic opportunities that our region presents. In my view, that's a price worth paying.																																																
2.11	Nevertheless, I have said before that I do not take any increase in costs to the residents of Cambridgeshire and Peterborough lightly and am therefore minded to freeze the mayoral precept at its current rate for the 25/26 municipal year.																																																
2.12	As well as not wishing to place undue pressure on household finances, as the region's Transport Authority, subject to central government allocation, we are also a recipient of BSIP or Bus Service Improvement Programme funding and have recently received an unprecedented £3.4m revenue and £6.6m capital injection for the year ahead. This, in addition to the cumulative value of various underspends means that we have the financial capacity to continue investing in the types of service improvements and expansions that residents support without placing an additional fiscal burden upon them.																																																

3. Background

3.1	In accordance with the Combined Authorities (Finance) Order 2017, the Mayor must, before the 1 st February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
3.2	The process and timetable for approving the Mayor's budget is set out in Appendix A .

4. Appendices

4.1	Appendix A. Process for approving the Mayoral budget
4.2	Appendix B. Calculation of aggregate amounts under section 42a (2) and (3) of the Local Government Finance Act 1992 (updated in the Localism Act 2011)

5. Implications

Financial Implications

5.1	Contained within the body of the report.
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Legal Implications

6.1	<p>This report is submitted to the Board in accordance with the Budget procedure rules contained in the Constitution.</p> <p>A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 12 of the Cambridgeshire and Peterborough Combined Order 2017.</p> <p>The Finance Order sets out the process and the timetable for determining the general component of the precept.</p> <p>Stage 1</p> <ul style="list-style-type: none"> i) The Mayor must before 1st February notify the CPCCA of the Mayor's draft budget in relation to the following financial year. ii) The draft budget must set out the Mayor's spending and how the Mayor intends to meet the costs of the Mayor's general functions, and must include "the relevant amounts and calculations". iii) "The relevant amounts and calculations" mean: <ul style="list-style-type: none"> a) estimates of the amounts to be aggregated in making a calculation under sections 42A, 42B, 47 and 48; b) estimates of other amounts to be used for the purposes of such a calculations; c) estimates of such a calculation; or d) amounts required to be stated in a precept. <p>Stage 2</p> <p>The CPCA must review the draft budget and may make a report to the Mayor on the draft.</p> <ul style="list-style-type: none"> i) Any report: <ul style="list-style-type: none"> a) must set out whether or not the CPCA would approve the draft budget in its current form; and
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- b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year
- ii) The Mayor's draft budget shall be deemed to be approved by the CPCA unless the Combined Authority makes a report to the Mayor before 8th February.

Stage 3

Where the CPCA makes a report, it must specify a period of at least 5 working days within which the Mayor may:

- a) decide whether or not to make any revisions to the draft budget; and
- b) notify the CPCA of the reasons for that decision and, where revisions are made, the revised draft budget.

Stage 4

When any period specified by CPCA at stage 3 has expired, the CPCA must determine whether to:

- a) approve the Mayor's draft budget (or revised draft budget, as the case may be), including the statutory calculations; or
- b) veto the draft budget (or revised draft budget) and approve the Mayor's draft Budget incorporating CPCA's recommendations contained in the report to the Mayor (including recommendations as to the statutory calculations).
- c) The Mayor's draft budget (or revised draft budget) shall be deemed to be approved unless vetoed within 5 working days beginning with the day after the date on which the period specified in stage 3 expires.
- d) Any decision to veto the Mayor's budget and approve the draft budget incorporating the CPCA's recommendations contained in the report to the Mayor must be decided by a two-thirds majority of the members (or substitute members acting in their place) of the CPCA present and voting on the question at a meeting of the authority (excluding the Mayor).
- e) Immediately after any vote is taken at a meeting to consider a question under stage 4, there must be recorded in the minutes the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

Public Health Implications

7.1 The continued support for services provided via the Mayoral precept supports additional bus routes and more frequent services. Research evidence has demonstrated the public health benefits of increased bus usage, including its links to physical activity through walks to/from bus stops, its links to mental wellbeing as it improves access to services, facilities and communities and its link to reducing air contamination as fewer car journeys are made.

Environmental & Climate Change Implications

8.1 As more people are likely to use increased bus routes and more frequent services in preference to the alternative of car journeys the Mayoral precept should support a continued reduction in both CO2 emissions and air pollution relative to a less comprehensive supported service network.

Other Significant Implications

9.1 None

Background Papers	
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10.1	None
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