CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

PAUL BRISTOW
MAYOR OF
CAMBRIDGESHIRE
& PETERBOROUGH

Combined Authority Board

25 November 2026

Title:	Draft Budget *2027/28* and Medium-Term Financial Plan 2027-2031 and Annual Business Plan Outline 2027/28
Report of:	Janice Gotts, Deputy Chief Executive and Executive Director Resources Kate McFarlane, Director of Policy and Engagement
Public Report:	Yes
Key Decision:	Yes – KD2026/036
Voting Arrangements:	A two thirds majority of Board Members is required to approve that the budget goes forward for consultation.

Recommendations:	
A	Note progress to refresh the 2027/28 Annual Business Plan as part of the Combined Authority's annual corporate planning cycle, as set out in paragraphs 2.3-2.20 of this report and appendix 5.
B	Note the proposed minor changes to the 2025-2029 Corporate Plan purpose statement and Growth objective definition set out in paragraph 2.20 of this report.
C	Note the urgent decision made by the Chief Executive in accordance with section 17.3.9 of the Constitution to agree that the Authority moves to a Business Rates Retention model for part of its budget requirement in accordance with paragraph 2.32 of this report.
D	Approve, for consultation, the draft budget for 2027/28 and the Medium-Term Financial Plan 2027/28 to 2030/31 as set out in this report, alongside the accompanying appendices, noting that the budget currently assumes that the Mayoral Precept is maintained at its current Band D equivalent level of £36.
E	Approve the timetable for consultation as set out in paragraphs 5.29 to 5.36.

Strategic Objectives:

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

☒	Growth	☒	Jobs	☒	Resilience
☒	Connectivity	☒	Homes	☒	Performance

1. Purpose

1.1	This report sets out the latest position on the Annual Business Plan Refresh 2027/2028 and the proposed Combined Authority draft Budget for 2027/28 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2027/28 to 2031-32.

1.2	The current Corporate Plan was adopted by the Combined Authority in September 2025. The Corporate Plan remains our overarching strategic document. In addition to this, we agreed to refreshing the Annual Business Plan annually to remain up to date with the changing environment.
1.3	Functions reserved to the Combined Authority Board by Chapter 4 of the Constitution include the adoption of the non-mayoral Combined Authority budgets, the Medium-Term Financial Plan and Capital Programme and the fiscal strategy to reflect any taxation proposals such as local taxation.
1.4	Chapter 6 of the Constitution sets out the Budget Framework Procedure rules including how the Combined Authority will make decisions on the budget. The process for the approval of the Mayoral budget, which is separate to the Combined Authority budget, is statutorily restricted by the Combined Authorities (Finance) Order 2017. The full draft Mayoral budget will not be presented until the January meeting of the Board, however, the Authority's forecast of the Mayoral budget is included within the figures presented here for completeness.
1.5	This report also sets out the proposed timetable for the consultation and approval of the draft budget and MTFP. The consultation will request consultees to provide comments on the proposals contained within this report.

2. Strategic Context and Annual Business Plan	
2.1.	In accordance with the 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.*"
2.2.	There is no requirement in the Combined Authorities (Finance) Order 2017 for the Combined Authority to consult on its budget, however, Local Authorities have a duty to consult where its decision will impact on residents.
2.3.	**DRAFT OUTLINE OF THE 2027/28 ANNUAL BUSINESS PLAN**
2.4.	The Corporate Plan 2025-2029 sets out the Combined Authority's long-term vision, priorities and strategic objectives, providing the overarching framework for decision-making, investment and delivery. It establishes the direction of travel for the organisation and ensures that activity across the Authority remains focused on achieving its strategic ambitions. The Annual Business Plan supports the delivery of the Corporate Plan by setting out the activities, milestones and outputs that will be undertaken over the course of a year. It is refreshed annually to reflect emerging priorities, changes in the policy and funding environment, progress against existing commitments, and any new responsibilities or opportunities for the Combined Authority. This annual refresh helps ensure that resources, capacity and investment remain aligned with the Corporate Plan's strategic objectives.
2.5.	This year's Annual Business Plan refresh is taking place against the backdrop of the Government's emerging Rewiring the State Delivery Plan, which is expected to bring forward further devolution reforms, new responsibilities and changes to the role of the Combined Authority. Whilst the direction of travel is becoming clearer, some aspects of the Delivery Plan remain subject to further Government guidance and implementation arrangements. The refresh reflects emerging Rewiring the State responsibilities and opportunities within the Annual Business Plan; however, uncertainty remains as many detailed elements of the Rewiring the State Delivery Plan continue to be developed. As a result, at this stage we have sought to retain sufficient flexibility to respond to future announcements and guidance.
2.6.	In September, Board approved the process and timeline for the refresh of Annual Business Plan. The refresh is divided into the following Stages: Stage 1: Set Up - (Completed approved by the Board in September) Stage 2: Mobilisation and Initial Evidence Base Review (Completed) Stage 3: MTFP/ABP Direction of Travel and Evidence Base Check (Completed) Stage 4: Draft MTFP/ABP Approval, Budget Public Consultation and Interim Outcomes Framework Refresh (to be completed by early Jan 2027)

	Stage 5: MTFP/ABP/IOF Approval and Publication (to be completed by mid-January 2027) Stage 6: Organisational Delivery Plan Updated (to be completed by end March 2027) Stage 7: Implementation and Lessons Learnt (to be completed by end May 2027)
2.7.	**Development Stages:** **1. Set up – Aug/Sept 2026** o Lessons Learnt Review o Programme Management Set-up o Scrutiny Arrangements set-up o Approval of process and timeline **2. Mobilisation and Initial Evidence Base Review – Aug/Sept 2026** o Process mobilisation o PESTLE analysis o Q2 SOTR evidence base o Q1 budget update report o Q1 corporate performance report o Mayoral priorities o Review MTFP key assumptions o Re-cost existing MTFP commitments **3. MTFP/ABP Revision and Evidence Base Check – Sept/Nov 2026** o Review continuing activities o Review new activities o Review activities stopping/on back burner o Review Q2 budget update and Corporate Performance o Ongoing Mayoral testing o Review if EqIA required o Draft MTMP & ABP reviewed **4. Draft MTFP/ABP Approval, Public Consultation and Interim Outcomes Framework Refresh – Nov/Dec 2026** o Review Interim Outcomes Framework (IOF) o Public consultation o Board approve draft MTFP, ABP, Q3 SOTR findings, Q2 Corporate Performance Report, review high-level consultation report o ABP design refresh o Nov/Dec 26 **5. 5. MTFP, ABP and IOF Approval and Publication – Jan 2027** o Board approve MTFP, ABP and IOF o MTFP, ABP and IOF published **6. ODP Approval - Feb/March 2027** o Review/develop accountability, resourcing, dependencies o CMT approve ODP **7. Implementation and Lessons Learnt – April/May 2027** o Golden Thread to Individual Objectives implemented o Lessons Learnt review
2.8.	**Stage 1: Set up** Following completion of the 2026/27 Annual Business Planning cycle, a lessons learned review was undertaken to identify improvements for the 2027/28 refresh process. Governance and scrutiny arrangements were established, including the Overview and Scrutiny Committee's Corporate Planning Working Group, to provide challenge and feedback throughout the refresh. In September 2026, the Combined Authority Board approved the Annual Business Plan refresh process and timetable, enabling work to commence on the development of the draft 2027/28 Annual Business Plan.
2.9.	**Stage 2: Mobilisation and Initial Evidence Base Review Update:**

	Following Board approval of the planning process in September, the Annual Business Plan refresh commenced with a review of activities in the 2026/27 Annual Business Plan to identify activities to continue, activities that had been completed and any new activities required to support emerging priorities. To support the refresh, the evidence base was also reviewed. This included: • an update of the Mayor's priorities • a PESTLE analysis of political, economic, social, technological, legal and environmental factors likely to influence delivery • the State of the Region evidence base of the latest available contextual data and insight • Q1 corporate performance report • Q1 budget report
2.10.	**Stage 3 MTFP/ABP Direction of Travel and Evidence Base Check Update:** During October and November, a review of activities within the draft Annual Business Plan 2027/28 was undertaken. This included refreshing activity milestones and outputs, identifying new activities where required and ensuring proposals remained aligned with the strategic objectives of the Corporate Plan. The review was informed by the evidence base reviewed in Stage 2. A workshop was also held to test out emerging priorities and cross-cutting issues. Stakeholders were engaged throughout the refresh process, including the Corporate Management Team (CMT), the Overview and Scrutiny Corporate Planning Working Group and Leaders, to seek feedback on the emerging Annual Business Plan. Feedback received through these discussions has informed the development of the draft plan.
2.11.	**Activity Updates** A review of activities for inclusion within the draft Annual Business Plan 2027/28 has been completed. Existing activities have been refined, completed activities have been identified, and new activities have been developed to reflect emerging priorities. Further amendments may be required following publication of the Government's Rewiring the State Delivery Plan. A summary of the proposed ABP 2027/28 activities is provided in appendix 5 to this report.
2.12.	**Rewiring the State** The Devolution and Community Empowerment Act and the July 2026 Cabinet paper on Rewiring the State mark a major expansion of the Government's devolution programme. They are expected to transfer greater powers, funding responsibilities and accountability from central government to Mayoral Strategic Authorities, including Cambridgeshire and Peterborough.
2.13.	The Combined Authority's recognition as an Established Mayoral Strategic Authority in July positions it to benefit from further devolution, including more flexible funding settlements and additional powers. The Government's '*devolve by default*' approach is expected to give strategic authorities a greater role in economic growth, housing delivery, transport, skills and wider public service reform.
2.14.	The reforms are expected to substantially expand the Authority's responsibilities for skills and post-16 education, employment support, transport, housing, strategic planning and public service reform. Devolving post-16 skills funding and employment support programmes would increase local influence over workforce development and labour market participation, alongside responsibility for significant programme expenditure and commissioning.
2.15.	Further devolution of transport, housing, planning and homelessness responsibilities could help the Authority align investment and services with local priorities. The Government has also signalled wider public service reform, including transferring Police and Crime Commissioner functions to mayoral authorities from 2028 alongside fire and rescue governance. These changes aim to strengthen local accountability and service integration but will require substantial preparation and transitional arrangements.
2.16.	Alongside service devolution, the Government intends to expand fiscal devolution through greater retention of locally generated revenues with grants being replaced by locally retained tax revenues. The scale and pace of reform will require significant organisational development and additional

	capacity, capability and resources across finance, programme management, commissioning, economic development, transport, housing and strategic planning. Preparations include dedicated reserves, earmarked funding in the Medium-Term Financial Plan for preparatory work and capacity building, and engagement with Government support programmes. However, implementation timescales, transition funding adequacy, ongoing operating costs, funding arrangements and the extent of new burdens funding remain uncertain.
2.17.	The Authority's budget and reserves strategy must therefore retain sufficient flexibility to meet emerging responsibilities, transition costs and workforce needs. Government policy developments will continue to be monitored and reflected in future Medium-Term Financial Plan updates.
2.18.	Overall, the reforms offer a significant opportunity to increase local influence over public investment, economic growth and service delivery. They also bring financial, governance, workforce and capacity pressures that must be managed through medium-term financial and organisational planning.
2.19.	**Rewiring the State and its implications on the Corporate Plan** An initial assessment of the Government's Rewiring the State Delivery Plan has identified some emerging responsibilities that may require minor amendments to the Corporate Plan Purpose Statement, Objectives and Deliverables descriptions. In particular, responsibilities relating to health, employment support, housing and planning may need to be reflected more explicitly within the Authority's strategic framework as further detail becomes available.
2.20.	**Corporate Plan Amendments** Discussions with Government regarding the Authority's fiscal devolution baseline settlement are ongoing. It is proposed to amend the Corporate Plan to reflect the dependency of the region's growth ambitions on necessary Government backing. Therefore, it is proposed that the *Our Purpose* statement and supporting Growth objective description are updated. The *Our Purpose* statement will be amended from "We will deliver projects that accelerate growth and want our GVA to triple by 2050" to "We will deliver projects that accelerate growth and, with the necessary Government backing, will strive to exceed our core target and triple GVA by 2050." The aligned Growth objective description will be amended to: "We need to create the conditions for growth through infrastructure-led development. Our region is internationally significant and all plans and policies must support our businesses. With the necessary Government backing, we should exceed our core target by tripling our regional GVA by 2050, spreading growth to all our towns and rural areas."
2.21.	**Draft budget for 2027/28 and MTFP for the period to 2030-31**
2.22.	In setting the budget it is important to consider the context under which the budget is prepared and that this is aligned with the Authority's Corporate Plan which in turn will drive the Annual Business Plan. There will be a number of drivers that influence the budget process whether national, regional or organisational. These are set out below:
2.23.	**National and International Drivers**: • **Economic uncertainty:** Ongoing global economic volatility continues to affect inflation, investment decisions and supply chains. This is likely to impact the cost of delivery, infrastructure investment and wider economic growth across the region. The latest UK inflation rate for the Consumer Prices Index (CPI), was 3.5% in the 12 months to September 2026, up from 3.1% in August 2026. The Bank of England interest rates were increased to 4% in November up from the previous rate of 3.75%. • **Technological change:** Rapid advances in artificial intelligence and digital technologies present opportunities to improve productivity and efficiency. However, these developments also bring challenges around cyber security, governance and digital inclusion. • **Climate change:** Increasing climate risks, environmental pressures and growing demand for sustainable development continue to influence infrastructure planning and investment decisions. • **Rewiring the State**: The Government's Rewiring the State Delivery Plan, which is expected in December 2026, is seeking to introduce new responsibilities and powers for Mayoral Strategic Authorities. Whilst the direction of travel is becoming clearer, further guidance is awaited on

	several aspects of implementation. The Government's White Paper is anticipated to be published around November/December 2026. • **Devolution and Local Government Reform:** Ongoing devolution reform through the Devolution and Community Empowerment Act and further rewiring the state proposals alongside local government reorganisation will reshape governance arrangements, expectations and delivery responsibilities across England, creating both opportunities and challenges for the Combined Authority and its partners. • **Funding pressures:** Ongoing pressure on public finances, coupled with inflationary costs and increasing demand for services, requires continued prioritisation of resources and investment. The Autumn Budget published on 28 October is integral to this, and further information on the announcements from the budget is set out in this report. • **Legislative and regulatory change:** Changes in planning, governance and devolution legislation may require amendments to strategies, plans and delivery arrangements during the year.
2.24.	**Regional Drivers:** • **The region retains its position as one of the UK's strongest growth economies. GVA** reached £38.9bn in 2024, alongside high employment, a highly skilled workforce and internationally significant innovation strengths. • **Growth is becoming more geographically distributed.** Strong business growth in Peterborough and Fenland sits alongside emerging opportunities along the A10 corridor and advanced manufacturing strengths in Huntingdonshire and Fenland. • **Prosperity is not shared equally across the region.** Substantial inequalities persist between and within places, particularly in health, income and child poverty, which ranged from 8.6% in South Cambridgeshire to 27.6% in Peterborough. • **Residents continue to report positive levels of personal wellbeing.** Reported life satisfaction remained generally high over the past decade, alongside generally low levels of anxiety. • **Greater Cambridge's economic strength is showing emerging warning signals of constraint.** Business survival fell from 59.1% to 53.8%, slightly above the regional rate of 53.3%, while commercial premises in Cambridge declined but grew by up to 10.4% elsewhere. • **Population growth and housing demand continue to outpace supply in many areas,** creating affordability pressures, whilst recognising viability and other issues elsewhere, and increasing the need for affordable housing delivery and supporting infrastructure. • **Water scarcity, energy capacity, transport connectivity and digital infrastructure remain key considerations** in enabling sustainable growth across the region. • **Flood risk and climate adaptation requirements continue to affect resilience** and influence future growth opportunities and investment decisions.
2.25.	**Organisational Drivers** • **Corporate Plan delivery:** The Annual Business Plan refresh supports delivery of the Corporate Plan and ensures activities, milestones and outputs remain aligned with the Authority's strategic objectives. • **Emerging responsibilities**: Initial work undertaken on the implications of Rewiring the State has identified areas where additional responsibilities may require future amendments to the Corporate Plan and Annual Business Plan. • **Financial sustainability:** The Authority continues to operate within a constrained financial environment, requiring resources to be focused on the activities that deliver the greatest strategic impact. • **Mayoral priorities:** The refresh process has been informed by discussions with the Mayor's Office to ensure activities remain aligned with Mayoral priorities and emerging opportunities. • **Performance and capacity:** As expectations placed on Strategic Authorities continue to grow, maintaining organisational capacity and capability will remain critical to successful delivery.

2.26.	**Autumn Budget 2026** The Chancellor of the Exchequer announced the Autumn Budget on 28 October 2026. The Budget sets out a package of local and regional growth measures, placing a greater focus on local leaders driving growth in their areas which it says will do this by: • empowering places through devolution; • backing local strengths in cities and towns across the country to drive reindustrialisation; and • unlocking the potential of cities and growth corridors to spread opportunity to surrounding areas. The key impacts for this region and particularly the Combined Authority's budget are set out in the paragraphs which follow.
2.27.	**Devolution, Rewiring the State and the Fiscal Devolution Roadmap** The government aims to publish the Rewiring the State Delivery Plan by the end of 2026. It will expand on the ambitions outlined in the July 2026 Cabinet paper, including skills, public service reform, transport, innovation and fiscal devolution. The Autumn Budget provides the financial foundation for this programme, setting out measures relevant to Mayoral Strategic Authorities and local leaders. The accompanying *Fiscal Devolution Roadmap* sets out the path towards greater fiscal devolution, including: • Local retention of business rates, with mayors receiving 20% from April 2027 and local authorities' share rising to at least 70% in subsequent years. It is the intention that local and regional government will retain 100% of their business rates income before the end of the decade in place of grants from central government. • Assigning income tax from 2028 in place of government grants. This will, in future, constitute the majority of MSA revenue. The detail of how this will operate and determining the baseline for regions is yet to be confirmed with the initial allocations being set at the Spending Review 2027 (SR27) • Giving regions discretion to introduce an overnight visitor levy. • Rolling out Good Growth Funds across England. Together with fiscal devolution, these will enable local leaders to combine funding tools into a single local investment approach. Regional Good Growth Funds will benefit from £285m in incubator capital grant funding for 2027/28: £165m for mayoral areas and £120m for areas transitioning towards a devolution deal or Strategic Authority status. This funding gives mayors and local leaders greater flexibility to invest in local growth priorities, providing seed capital for mayoral areas without a City Densification Fund (CDF) allocation and transitional support for emerging strategic authorities. **Cambridgeshire and Peterborough's allocation is £11.09m.** By April 2028, the government will make a £1.5 billion bespoke borrowing facility available to Mayoral Strategic Authorities with a mechanism for subsidised lending. Providing an £150 million uplift to capacity and capability funding directly to Strategic Authorities in 2027/28. This will support local leaders to begin building the resource and expertise required to manage greater powers, fiscal devolution and Good Growth Funds. The funding allocations across Strategic Authorities will be set out in due course. The government will undertake a fuller assessment of Strategic Authority capacity and capability to inform funding baselines at SR27 Overall, the government will seek a more strategic role, moving away from detailed programme-level control and fragmented reporting. The government is now in the final stages of agreeing 10 new devolution arrangements, which will mean that over 90% of England's population will have a devolution agreement, covering the whole of the North for the first time. This means across the country there will be greater power, locally, over buses, housing and skills with responsibilities moving out of Whitehall and into the regions.
2.28.	**Wider implications of the Autumn Budget** **Skills** • Government will respond before the end of the year with regard to the Milburn review into supporting individuals not in education, employment or training and the Timms review into personal independence plans. It is expected that a White Paper will follow in early 2027 and

legislation later in 2027. The Milburn Review was published on 17th November is currently being considered by officers, however, it is noted that it has significant expectations for Mayoral Strategic Authorities in respect of youth opportunities and support for young people.

- £100m over two years to expand local apprenticeship brokerage services to MSAs. The Combined Authority has subsequently had an allocation of £6.5m confirmed for the period April 2027 to March 2029. This has been reflected in the draft budget; however, a service delivery plan and MoU still need to be agreed before this can be spent. These will be progressed when details are confirmed by DWP.
- The government will require at least 3% of the workforces of all construction and infrastructure large government projects to be apprentices.
- To drive regional R&D-led growth, UKRI will work with organisations in regions across the UK to identify additional R&D-intensive businesses in Industrial Strategy sectors who could act as host organisations on the endorsed funder pathway of the Global Talent visa route by spring 2027.

Key Sectors announcements

Defence

- Fully funding the Defence Investment Plan by reprioritizing public spending
- Confirm at Spending Review how Government will meet NATO commitment of spending 3.5% of GDP on defence by 2030
- Innovative Defence Financing Taskforce – maximise contribution of private and international finance to UK defence, including through the Multilateral Defence Mechanism.
- Multi-decade co-operation agreement with Rolls Royce for next-generation gas-turbine technology starting with co-investment in 10-year, £2.5bn programme for civil and defence aerospace.
- National Wealth Fund and British Business Bank to deploy up to £5 billion over 4 years into defence, dual use and other sectors supporting national security, sovereign capacity and resilience.
- National AI Biosecurity Initiative supporting the life sciences sector through bio-surveillance and medical countermeasure development: £100 million to establish the AI Biosecurity Lab (AIBL), a new organisation to harness AI to protect against emerging biological threats, working with UK Health Security Agency, Animal and Plant Health Agency, and Defence Science and Technology Laboratory. AIBL will be supported by up to £200 million in AI model credits from OpenAI and Anthropic, and partnerships with Google DeepMind and London-based AI life sciences pioneer Basecamp Research. + £50.5m towards cutting-edge bio-surveillance and a £14.5m initial investment to support proof of concept development of novel medical countermeasures, working in partnership with the UK's life sciences sector.

Life Sciences

- 3 New Public-Private investments in Life sciences totalling over £1bn in Manchester, Oxford and Loughborough

Advanced Manufacturing

- Co-investment with Rolls-Royce on a 10 year, £2.5bn programme for next generation gas turbine technologies
- British Industrial Competitiveness Scheme provides 20-25% electricity discount for 10,000 energy-intensive manufacturers, starting in April 2027, including a back payment for 2026/27.

Digital Technologies

- 'New Deal for Data Centres' including a Data Centre Covenant to ensure data centres invest in local communities, create local jobs and protect local water supplies in return for grid connections and building on-site generation while they wait. (Draft National Policy Statement opened for consultation: Draft National Policy Statement for Data Centres - GOV.UK)
- Invest £60 million into the first phase of a National Cyber Shield to develop agentic cyber defence capabilities, in partnership with the UK cyber security industry. This will include a £25 million AI

	and Cyber Security Challenge Fund to support UK innovation, alongside scoping for a regulatory deployment sandbox to help organisations deploy new technologies. • An additional £60 million for the Sovereign AI Fund from 2027/28 to invest directly in promising UK AI companies to support them to scale, succeed and maintain a meaningful presence in the UK. This includes a new focus area: physical AI to build on the UK's emerging strengths in areas such as robotics, autonomous systems and advanced manufacturing. **Public Financial Institutions** • Additional £20.4bn for National Wealth Fund (£15.4bn) and British Business Bank (£5bn) to continue investments in UK businesses and projects and increased commercial equity investment respectively. • UKRI will concentrate £1bn of investment towards priority clusters across the country, aligning to the Industrial Strategy • Strategic Sites Accelerator officially launched with £700m funding from Office for Investment and National Wealth Fund to unlock the development of strategic commercial sites. Scheme open to applications with aim to invest in first sites by the end of March 2027 • Increased SME access to UK export finance working capital guarantees with expanded eligibility, faster approvals for larger facilities and a new SME export finance scheme launching in 2027 supporting smaller loans. **Housing** • Providing an additional £1.5 billion to deliver 10,000 homes across England, with funding prioritised for Social Rent, especially council homes. This takes the total investment in the Social and Affordable Homes Programme to more than £40 billion over 10 years. Also maintaining the preferential borrowing rates for council house building through the Public Works Loan Board for a further year. • Funding of £432m for the Rough Sleeping Programme in 2027/28 and 2028/29, building on the £442 million already announced. This aims to support the Government's ambition to offer people sleeping rough in England a route off the streets before Christmas and maintain help beyond this winter.
2.29.	**Wider Economy and Other Key Announcements** Other key announcements from the Autumn Budget are set out below: • £125 million to support 60 English local authorities to transform buildings into what their communities need, from health centres to civic spaces, through the new Derelict Buildings Fund, and supporting local authorities to revitalise their high streets through the High Streets Strategy. An additional £65 million will be invested in helping communities across England rescue and revamp beloved buildings and businesses at risk of closure, like pubs and sports clubs • Introduction of an exemption from Biodiversity Net Gain requirements for residential brownfield developments on sites up to 1.5 hectares, supporting its ambitions for brownfield land to be the first port of call for development. This will make it cheaper and simpler to build both council and private houses. • A new £80-million Local Renewal Fund to support job creation, invest in local economic regeneration, maintain heritage assets and back local initiatives that boost economic growth. • New Founders' Relief capital gains tax regime from April 2027. • The government will also launch its scale-up women's programme to support women founders across the UK. This builds on the Investing in Women Code and Invest in Women Taskforce initiatives. • Young Entrepreneurs Allowance – The government will pilot a Young Entrepreneurs Allowance in England, providing successful applicants with support towards their living costs during the first year of their business.

	• The government is developing new non-statutory guidance with strategic authorities and rural stakeholders to set out expectations for rural proofing at strategic level in England to help ensure that devolution works effectively for rural places. This will be published in early 2027. • A number of announcements to address pressures in energy bills such as £100 Household Energy Payment for those in council tax bands A to D from January 2027 and extending the VAT cut on domestic energy until July 2027. This is alongside wider targeted support for households and businesses including lifting the national living wage by 3.9% from 1 April 2027 to £13.21 per hour for those aged 21 years and over, increasing the threshold for small business rates relief for retail, hospitality and leisure sector to a rateable value of £18,000 with tapering up to £21,000 and a two-year business rates freeze for other retail, hospitality and leisure properties.
2.30.	**Greater Cambridgeshire Development Corporation** The Autumn Budget also announced that the Government would pilot a new financing model for the Greater Cambridge Development Corporation, providing repayable finance for infrastructure investments enabling direct access to government finance for land assembly and to invest alongside private partners.
2.31.	**Business Rates Retention Zones from April 2027** The Autumn Budget takes forward the first wave of new Mayoral Strategic Authority Business Rates Retention (BRR) Zones with nine authorities, subject to Full Business Case approval and legislation. This will unlock commercial development, support the delivery of Mayors' Local Growth Plans and projects in areas such as Stratford, Derby and Selby, and enable more tax to be spent where it's raised. Work on a BRR Zone for Cambridgeshire Biomedical Campus is continuing and the Government made reference to this in the Autumn Budget by committing "*to work with Cambridgeshire and Peterborough Combined Authority to agree a zone to support the Biomedical campus and development in Cambridgeshire from 2028*." Current guidance provides for new BRR Zones to retain 100% of business rates growth above the baseline for 25 years, with no reset. This allows cumulative growth to be retained throughout that period. Apart from scheme administration costs, this income may only be used to fund borrowing in support of local growth needs.
2.32.	**Business Rates Retention for Mayoral Strategic Authorities from April 2027** On 20 October, Minister Jim McMahon wrote to Mayoral Strategic Authorities (MSAs) to confirm an offer to swap out existing grants for a locally retained share of business rates, giving MSAs a 20% share of any subsequent growth of these rates. This growth retention will be from the 'central share' that is currently returned to the Exchequer and will not affect constituent authorities existing retained rates. All MSAs were asked to respond to the offer by the 13th November to allow MHCLG sufficient time to incorporate those who chose to take up the offer into the draft Local Government Finance Settlement. Following consultation with constituent authorities, the Chief Executive used urgency powers to accept the offer on behalf of the Combined Authority and the financial plan has been updated to reflect the replacement of two existing grants, Investment (Gainshare) Funding and Mayoral Capacity Funding, with retained business rates from April 2027. See Decision - Business Rates Retention - KD2026/091 for further detail. In 2027/28 the business rates retained by the Authority will be a pound-for-pound replacement of these grants, but this 'baseline' will then be increased by CPI each year; addressing a long-standing concern over the long-term sustainability of the Combined Authority funding which has, historically, not been inflation linked. The 20% retention of local growth in business rates presents a future potential upside to the Combined Authority should business rates continue to grow. Following the business rate system reset in 2026/27 the current growth in the system is not expected to be significant in the early years; however, it has the potential to grow substantially between 'resets' depending on their frequency as set by MHCLG. It is acknowledged that the Combined Authority's constituent authorities already have expertise in this area, and have been operating as part of the business rates system for many years, therefore, the

	Authority is working with them to understand the forecast growth position and how this can be incorporated into the Combined Authority's final budget proposals in January 2027. While historic performance gives some confidence that retaining growth will be an upside to the Combined Authority, becoming part of the business rates system is expected to come with a corresponding downside risk that business rates will contract. For 2027/28 MHCLG have said there will be a 100% safety net in place i.e. even if rates drop in the area the Combined Authority is guaranteed to receive at least as much in retained growth as it would have received in grant. This level of safety net is not guaranteed beyond 2027/28 and, were it to drop to the same level as that for Local Authorities (92.5%) in 2028/29 alongside an equivalent fall in rates, then a worst-case position would correspond to a potential drop in funding of c£1m compared to current grant levels. It is anticipated that further details on the safety net and levy will be announced in the Government's finance "principles paper" alongside those for wider local government and in advance of the provisional Local Government Finance Settlement. While the risk is considered low based on historic, and current in-year, performance a business rates smoothing/risk reserve has been set aside within the draft budget. This has been set at £3m to create a prudent buffer against potential future loss over the MTFP. This would allow time for a strategic response by the Authority to a downturn in business rates income, rather than requiring a *knee-jerk* reaction due to an in-year deficit. While retained business rates are revenue, this funding is replacing £12m of grant which is currently designated as capital. MHCLG has indicated that it is aware of this but expects capital plans to be maintained and will consider whether there will be any conditions or restrictions to that effect. Given this early steer, and uncertainty on potential conditions, the draft budget has been prepared on the assumption that £12m per year of the retained rates will be set aside to directly fund the capital programme – this is shown as "Direct Capital Funding" in the revenue funding summary (Table 1) and "Direct Revenue Financing" in the capital funding summary (Table 2). Once any conditions and expectations from Government are understood, the opportunities presented by capital grants being replaced by retained business rates can be reviewed and the Combined Authority can take a strategic view on the right balance of using this income as direct capital funding (i.e. spending it directly on capital projects) or underpinning borrowing to accelerate capital plans (and using the retained receipts to pay off that borrowing), recognising the expected timing of resets. If there are significant changes to the Combined Authority's approach agreed during the year the Financial Strategies, approved alongside the final budget in January, will need to be revised to reflect any such decisions.

3. Revenue Budget	
3.1.	**CPCA Budget 2027/28 and Medium Term Financial Plan** The budget for the Combined Authority contains a number of assumptions in its preparation and these are included in the paragraphs which follow alongside appendix 1 which sets out all the key assumptions.
3.2.	An overall summary of the Combined Authority's draft revenue budgets, broken down by directorate, is shown below. This demonstrates that the Combined Authority has limited flexibility regarding its funding, with 49% of the Authority's expenditure within 2027/28 being funded from grant which is often ringfenced and time limited. Outside the Transport Levy, which is ringfenced, and the Mayoral Precept which has historically been used for passenger transport services, this leaves c18% of total expenditure being funded from discretionary revenue sources, including retained business rates, enterprise zone receipts, and treasury management income. As discussed elsewhere, the second phase of fiscal devolution is anticipated to result in a significant proportion of the Combined Authority's current grants being replaced with retained income tax. The

narrative supporting this from central government indicates that this will result in significantly fewer ringfences and correspondingly greater local determination over spending priorities in future years.

Revenue Expenditure	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Transport Directorate	38,958	62,797	77,951	91,929
Place and Economy Directorate	30,275	26,996	19,595	16,004
Resources Directorate	8,229	6,247	6,350	5,961
Chief Executive's Office	2,873	3,011	3,097	3,090
Legal and Governance Directorate	1,806	1,896	3,576	2,050
Mayor's Office	1,357	631	649	668
Grand Total	**83,498**	**101,578**	**111,218**	**119,702**
Funded by				
Franchised Network Fare Revenue	-	13,903	30,051	53,475
Ringfenced Grant	40,621	37,835	32,589	27,981
Transport Levy	15,331	15,639	15,950	16,268
Mayoral Precept	11,507	11,667	11,835	12,023
Revenue General Fund*	15,261	13,296	13,691	13,324
Transfer from (to) reserves	778	9,238	7,102	-3,370
Grand Total	**83,498**	**101,578**	**111,218**	**119,702**

**This includes retained business rates, treasury management income, application of unringfenced revenue reserves, enterprise zone receipts and service loan income.*

3.3. Previous budget reports for the CPCA have noted that efficiency has always had to be at the heart of the Combined Authority's operations in order to work within its budget constraints. As part of its funding package when created in 2017 the Authority was granted £8m of 'gainshare' revenue and £12m of 'gainshare' capital for the subsequent 30 years. Whilst the early years of the Combined Authority saw relatively low levels of inflation, the spending power of that 'gainshare' has been eaten away far more rapidly by the high levels of inflation experienced over the pandemic's aftermath. Compared to Q2 2017, the Retail Price Index of inflation has risen by 55% by Q3 2026. Put another way, the Combined Authority's £8m annual revenue grant would need to be £12.4m to be equivalent of when it was first received in 2017. This effective reduction in spending power has required the Authority to continually review its spending to identify resources to both maintain the operations of the Authority and to invest in its priority programmes.

3.4. These two factors, combined with income from treasury loans reducing across the medium-term, as forecast cash balances reduce, mean the known discretionary revenue resources available to the Combined Authority are reducing from £16.5m in 27/28 to £13.7m in 2030/31.

3.5. However, there is some time limited benefit from higher than forecast treasury income. The improvement in income within 2026/27, is being ringfenced to mitigate the financial impacts and risks of franchising on the Combined Authority.

3.6. The Combined Authority has limited ability to raise funding through alternative means and, as referenced previously, its main source of core funding, gainshare, has been held at the same value since 2017. Therefore, the Authority must continue to operate efficiently and look to achieve best value in its operations; absorbing pressures, such as pay and price inflation, internally where possible in preference to increasing taxation. With high inflation, particularly over recent years, this has been challenging. An example of this is the Transport Levy which has increased by 13.1% between April 2021 and April 2026, whilst the Retail Price Index (RPI) has increased by 37.4%. However, the scope to continue to deliver and invest while absorbing these pressures decreases each year and makes the need to negotiate a more sustainable funding settlement with Government, as fiscal devolution takes shape over the next twelve months, a key priority.

3.7.	The overarching objective is to set an affordable and balanced budget that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority as set out in the approved Corporate Plan. The draft Revenue and Capital budgets contained in this report reflect decisions taken by the Combined Authority Board, as well as the Funding Committee and Chief Executive under delegation up to and including October 2026. Overall affordability remains the key factor in agreeing a balanced budget and this paper aligns areas of expenditure by Directorate with funding sources.
3.8.	The Combined Authority is aware that it cannot achieve its scale of ambition with its resources alone and so will continue to work collaboratively with its Constituent Authorities, the Greater Cambridge Partnership, the Greater Cambridge Growth Company, Homes England, Central Government, National Wealth Fund, GB Energy, universities, local businesses and other local partners to leverage funding sources and ensure that the maximum impact, and value for money can be delivered from the resources devolved to the area.
3.9.	Funding summaries for planned and projected Revenue and Capital expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 which follow in the revenue and capital sections respectively. These show the expected fund balances available in each year of the MTFP and are made up of balances on reserves brought forward and expected in year funding. The fact that the overall balances for Revenue and Capital at the end of the MTFP period are in surplus indicates that the budget is balanced and affordable.
3.10.	The attached appendices provide the summary positions and detailed supporting schedules for revenue expenditure in appendix 2 and capital in appendix 3.

Table 1 **Revenue** Funding Summary	2027/28 Balance at 1/4/27 £,000	2027/28 Income £,000	2027/28 Expenditure £,000	2027/28 Balance at Year End £,000	2028/29 Income £,000	2028/29 Expenditure £,000	2028/29 Balance at Year End £,000	2029/30 Income £,000	2029/30 Expenditure £,000	2029/30 Balance at Year End £,000	2030/31 Income £,000	2030/31 Expenditure £,000	2030/31 Balance at Year End £,000
Discretionary Revenue Budgets		(28,551)	17,304		(26,324)	14,919		(25,716)	14,916		(25,678)	14,897	
Direct Capital Funding			12,000			12,000			12,000			12,000	
General Fund Balances	**(31,105)**	**(28,551)**	**29,304**	**(30,353)**	**(26,324)**	**26,919**	**(29,758)**	**(25,716)**	**26,916**	**(28,558)**	**(25,678)**	**26,897**	**(27,339)**
Earmarked Reserves	**(11,535)**	(398)	473	**(11,460)**	(398)	473	**(11,384)**	-	1,665	**(9,720)**	(398)	-	**(10,117)**
Transport Ringfenced Rev grants	(1,289)	(2,767)	2,767	(1,289)	(2,704)	2,704	**(1,289)**	(2,401)	2,401	**(1,289)**	(2,401)	2,401	**(1,289)**
Resilience and Spatial Strategy Grants	(1,946)	(1,613)	2,779	(780)	(1,494)	1,994	**(280)**	(1,494)	1,494	**(280)**	(1,494)	1,494	**(280)**
Business Ringfenced Grants	-	(352)	352	-	(352)	352	**-**	(352)	352	**(0)**	(352)	352	**(0)**
Adult Education Budget (AEB)	(3,368)	(12,426)	12,676	(3,118)	(12,426)	12,426	**(3,118)**	(12,426)	12,426	**(3,118)**	(12,426)	12,176	**(3,368)**
Skills Ringfenced Grants	(2,326)	(10,965)	10,726	(2,565)	(10,071)	10,281	(2,355)	(2,000)	3,635	(720)	(322)	322	(720)
Net Zero Hub	(9)	(2,100)	2,100	(9)	**-**	-	**(9)**	-	-	**(9)**	-	-	**(9)**
Subtotal ringfenced funding	**(8,938)**	**(30,223)**	**31,400**	**(7,761)**	**(27,048)**	**27,758**	**(7,051)**	**(18,673)**	**20,308**	**(5,416)**	**(16,995)**	**16,745**	**(5,666)**
Subtotal non-passenger transport	**(51,578)**	**(59,172)**	**61,177**	**(49,573)**	**(53,769)**	**55,149**	**(48,193)**	**(44,390)**	**48,888**	**(43,694)**	**(43,070)**	**43,641**	**(43,123)**
Transport Levy[1]	(793)	(15,331)	16,109	(15)	(15,639)	15,653	-	(15,950)	15,950	-	(16,268)	16,269	-
Passenger Transport Grants[2]	(1,270)	(6,582)	7,102	(750)	(7,947)	8,380	(317)	(9,075)	9,392	(1)	(10,061)	10,062	-
Mayoral Precept Funded Transport	-	(11,507)	11,507	-	(11,667)	11,667	-	(11,835)	11,835	-	(12,023)	12,023	-
Net Passenger Transport Costs	-	-	-	-	(23,126)	23,126	-	(37,153)	37,153	-	(53,475)	53,475	-
Treasury Funded reserve	(4,957)	-	-	(4,957)	-	4,957	-	-	-	-	-	-	-
Bus Services Operational Reserve	(10,449)	(200)	-	(10,649)	(200)	4,266	(6,583)	(200)	7,102	319	(3,570)	-	(3,251)
Total Passenger Transport Funding	**(17,470)**	**(33,620)**	**34,718**	**(16,371)**	**(58,578)**	**68,049**	**(6,901)**	**(74,214)**	**81,432**	**317**	**(95,397)**	**91,828**	**(3,252)**
Total Revenue	**(69,048)**	**(92,793)**	**95,896**	**(65,945)**	**(112,347)**	**123,198**	**(55,094)**	**(118,603)**	**130,320**	**(43,377)**	**(138,467)**	**135,469**	**(46,375)**

[1] the transport levy is being shown as fully applied in-year, with the overspend on Passenger Transport Services being met from the treasury funding and operational reserves

[2] ringfenced grants, e.g. LA Bus grant, are applied first to spend in-year with the net position being charged to the operational reserve

3.11.	**Resourcing Assumptions – Capacity and Capability** Aligned with previous years, the staffing budgets within the MTFP, are based on the currently approved establishment within the Combined Authority, with costs being shown against specific service or project budgets where these pay for staff time to ensure the full cost of service is recognised. Significant new powers and responsibilities are expected to be devolved to Combined Authorities as set out in new legislation, the Rewiring the State cabinet statement, and other Government announcements. The capacities and capabilities to deliver on these are beyond the current structures within the Combined Authority, and other MSAs have also referenced the need for further resource. This has been recognised by Government which has already put into action a Civil Service secondment programme, enabling officials to work in MSAs for up to nine month as well as releasing further funding with a one off allocation in 2026/27 (£1.7m for CPCA to supplement the £3m from 2025/26) as well as, through the Autumn Budget, creating a £150m capacity fund for MSAs in 2027/28. A delivery plan for Rewiring the State is anticipated to be published by year end setting out expectations in further detail. This will enable the Authority to consider the resource needs and timing (including associated transition) and assess this against the funding envelope, which will include an allocation from the £150m made available for 2027/28. The Chief Executive, as Head of Paid Service, will bring forward proposals to utilise the capacity funding to transition to and deliver a sustainable Combined Authority. Given the likely timing of information being released and the work needed this may not be completed ahead of the final budget and, therefore, the funding and associated matched spend will appear as a single line, with detailed plans to be brought forward at a later date.
3.12.	**Income assumptions – fiscal devolution and grant continuation** As set out earlier in the report, from April 2027 the Combined Authority will have several existing unringfenced grants replaced with a share of retained local business rates income and this has been reflected in the draft MTFP. The Combined Authority will receive a pound-for-pound replacement of grants in 2027/28 as well as retaining 20% of any growth in the area's business rates above a baseline. The Combined Authority will be working with its constituent authorities to understand any forecast growth in the area to ensure our assumptions align and this will be updated for the final budget in January – the draft budget simply assumes the grants in-scope are replaced by unringfenced revenue income as part of the general fund balances. While retained business rates are revenue, this funding is replacing £12m of grant which is currently capital. MHCLG have indicated that they're aware of this but expect capital allocations and plans to be maintained and will consider whether there will be any conditions or restrictions to that effect. Given this early steer, and uncertainty on potential conditions, the draft budget has been prepared on the assumption that £12m per year of the retained rates will be set aside to directly fund the capital programme – this is shown as "Direct Capital Funding" in the revenue funding summary (Table 1) and "Direct Revenue Financing" in the capital funding summary (Table 2). The Government have committed to move MSA's to retaining a share of locally generated income tax from April 2028, with the expectation that business rates and income tax retention will replace grant as the primary funding source for MSAs nationally. The Government is working with MSAs nationally to understand the basis for income tax retention from 2028 but there is not currently sufficient certainty around the mechanism, scope, and amounts to enable this to be reflected in the MTFP. The assumption on existing grants, outside those considered in-scope for business rate replacement in 2027, continue to be included on the same basis that has been used in prior years i.e. that confirmed grants are included and, where multi-year recurring grants are not confirmed beyond a future period they are modelled to continue at a cash-flat level from the final year in which the amount has been set.
3.13.	**Corporate assumptions**

	The pay budget within the MTFP allows for a 3.5% increase across all-years, which has been benchmarked against Combined Authorities nationally and was shown to be in the middle of the range. While the Combined Authority has set aside this level of funding, the actual pay award is subject to a national negotiation.
3.14.	In response to the fact that much of the Combined Authority's general revenue expenditure (excluding transport and that which is ringfenced to specific projects) is relatively stable and not demand led, and that a prudent allocation for both pay and non-pay inflation has been made within these budgets, the minimum level of general reserves is being maintained at the same level as in the previous year and held at that level for each year of the MTFP; this has been built into the figures provided. There is a separate transport reserve to recognise the risk both of demand and franchising. This is not a significant reserve and can only be used to fund short term adjustments. In the longer-term alternative funds or reduced costs must be identified to ensure that the authority is sustainable.
3.15.	As a standard part of refreshing and updating the MTFP existing commitments and budgets were reviewed and updated to reflect unavoidable and/or contractual budget pressures. The total of these identified pressures within corporate budgets total £399k across the MTFP and set out in the table below. The increase in IT services budgets reflect variable costs that increase with headcount (software licences, hardware costs, etc). Contributions to the A14 upgrade arise from a long-term agreement with DfT which requires the Combined Authority to pay 30% of business rates retained from Alconbury Weald Enterprise Zone to DfT – this increase in the expenditure budget is therefore more than offset by a corresponding increase in the income from the zone. The other changes relate to Independent Renumeration Panel (IRP) decisions made since the previous MTFP was approved, and expansion of costs associated with increased visibility and scrutiny of the Mayor and Combined Authority – although not yet with the further costs anticipated to come with the enhanced scrutiny arrangements required of Established Combined Authorities from April 2027 as discussion on these, and their funding, is ongoing with MHCLG (see also paragraph 5.22).
3.16.	The Combined Authority delivers relatively few services directly and commissions the majority of its project work through delivery partners, including Constituent Councils. As the Authority's staff are therefore further removed from the construction of physical projects the majority of staff costs are not capitalised. This, along with the fixed costs which come with any Authority regardless of size, result in a relatively higher proportion of staff costs within the revenue budget than is common in many Local Authorities. With the announced replacement of grants, including capital grants, with income tax retention from April 2028 the Combined Authority will be looking where administration and operation costs of programmes can be more appropriately funded in future.
3.17.	The forecast income from the Combined Authority's Treasury Management portfolio has been updated to reflect both in-year forecasts and expected income based on projected cash balances and interest rates. While recent forecasts have the Bank of England Base rate increasing over the next 12-months, the reduction in our cash balances throughout the MTFP mean that income in future years will be significantly lower than that which is now forecast to be received in 2026/27.

Cost Driver	Change 2027/28 £000	Change 2028/29 £000	Change 2029/30 £000
General minor inflationary pressures	15	14	14
Hardware and software headcount uplifts	35	35	35
Increase in contributions to A14 upgrade	24	24	24
Increases to Member and Mayoral allowances following IRP 2025	32	36	45
Expansion in Mayor's Question Time	12	12	12
Increased support for public meetings and associated webcast	10	10	10

3.18.	The Combined Authority maintains three separate Response Funds. • The Devolution and Priorities Fund, set up in the 2026/27 MTFP, has been expanded in the draft budget to include a share of the retained business rates income that would have been the Mayoral Capacity Fund where this is not already allocated to the costs of the Mayor's Office and associated costs. This reflects the Government's intention that the Mayoral Capacity Fund be utilised to increase the capacity of Mayoral Combined Authorities to deliver their responsibilities beyond those which have funding through transport levies and devolved skills funding – such as the requirements of the English Devolution and Communities Empowerment Bill and Rewiring the State. • The Programme Response Fund, which is now set at £300k p.a. recognising the increased devolution fund supported through mayoral capacity funding, allows flexibility to respond to emerging issues and opportunities beyond the current expectations of devolution, and can only be accessed via a decision by the Board. • The Corporate Response Fund enables the organisation to rapidly react to emerging ideas, concepts, and Central Government policy. Use of this funding requires the approval of the Chief Executive.
3.19.	The abolition of Police and Crime Commissioners across England from May 2028 and the expectation that Combined Authorities will become their region's Fire Authority will impact on the Combined Authority operations and structure during the period of this MTFP and further work is required to understand the implications including any resource requirements.
3.20.	Other principles and assumptions adopted in the development of the proposed draft budget and MTFP are detailed in appendix 1 and include: • Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2027/28 onwards to ensure that spending plans continue to be affordable within available resources. • The Mayoral Precept will continue at £36 per Band D. • The Transport Levy will increase by 4% for 2027/28 and then by 2% in each following year. • The 2027/28 Budget and MTFP provides a clear presentation of capital and revenue budgets based on the current Directorate structure. • The staffing structure and budgets are delegated from the Chief Executive to members of the Corporate Management Team. • The Budget and MTFP identifies staffing costs and other contributions to overheads associated with grant funded programmes and these are recharged to the relevant directorate budget line. • The Budget takes a balanced approach to funding – long-term funding sources are included at anticipated levels, along with associated expenditure. When final allocations, or agreements of income tax retention baselines, are announced income and expenditure budgets will be reviewed and reported to Board.
3.21.	Following the conclusion and report of the Independent Remuneration Panel the budget will be updated to include an allowance for Mayoral Commissioners.
3.22.	The attached appendices provide the summary positions and detailed supporting schedules for revenue expenditure in appendix 2.
3.23.	**REVENUE BUDGET HIGHLIGHT – BUS FRANCHISING ASSUMPTIONS**
3.24.	During 2025/26, the Mayor initiated and delivered an independent review of bus franchising to ensure the development of a sustainable model for franchising in the Region. This review reported back to the Mayor and the CA Board in the summer of 2026, with a detailed Strategic Delivery Plan to deliver a franchising programme. The updated modelling and forecasts were included in the Strategic Delivery Plan and are being further refined, as more detailed data (particularly from bus operators) becomes available. The current modelling and the more methodical roll out of bus franchising through to 2030 has translated to an updated revenue budget as below for public transport.

	The revenue budget reflects a period of transition to bus franchising, with financial pressures concentrated in the middle of the plan. The forecast deficit rises to £9.47m in 2028/29, before reducing to £7.22m in 2029/30 and moving to a projected £3.57m surplus in 2030/31. These are forecast budget positions rather than actual results. The principal cost pressures are the introduction of the franchised network and the associated borrowing charges. Network expenditure reaches £78.10m by 2030/31, while minimum revenue provision and interest peak at £3.78m in 2028/29. Fare income provides a substantial offset, reaching £53.48m in 2030/31, but does not fully offset the growth in operating expenditure. Other elements remain comparatively stable. LA Bus Revenue funding stays at approximately £4.99m annually, while contact centre, passenger information and core operations team costs increased modestly.

	Budget 2026/27 £000	**Budget 2027/28 £000**	**Budget 2028/29 £000**	**Budget 2029/30 £000**	**Budget 2030/31 £000**
Expenditure	33,839	34,931	59,038	74,544	88,656
Income	(32,243)	(33,839)	(49,574)	(67,331)	(92,246)
Net deficit/(surplus) on service	**1,596**	**1,092**	**9,464**	**7,213**	**(3,590)**

Variance to 2026/27 MTFP	**Variance 2026/27 £000**	**Variance 2027/28 £000**	**Variance 2028/29 £000**	**Variance 2029/30 £000**	**Variance 2030/31* £000**
Expenditure (+ve is more expenditure)	523	534	(10,582)	4,523	N/A
Income (-ve is more income)	(1,214)	(2,020)	18,860	3,483	N/A
Net deficit/(surplus) variance	**(691)**	**(1,486)**	**8,278**	**8,006**	**N/A**

**the 2026/27 MTFP only included the four years to 2029/30 so there is no comparator for 2030/31*

The figures above include actions taken by the service to help address the financial pressures arising in passenger transport. These include over the period of the MTFP £1.2m net income from S106 monies, £1.1m arising from proposed changes arising from *Bus Services Reimagined* service change proposals as reported to Board in September, and £0.2m per annum in recognition of commercial income, notably related to the Tiger Pass and wider ticketing.

3.25.	What the above shows is that the revised delivery plan creates a pressure of £14.1m to the end of 2029/30 compared to the forecasts including in last year's MTFP. The in-year surplus in is driven by additional grants from DfT more than offsetting additional expenditure. In 2028/29 there is a £10.6m decrease in anticipated expenditure, as the new delivery plan phases in franchising. Only the first lot of routes will be commissioned via the Combined Authority in 2028/29 leaving two lots still de-regulated and, therefore, outside the Authority's finances. This is more than offset by the £18.9m corresponding reduction in forecast income from fares that would have been received from the still de-regulated routes. The budget reflects increased borrowing costs from inclusion of a capital budget to purchase the fleet for the Peterborough-based network, alongside the building of a new depot. It also allows for the more commercial routes, i.e. those with a net surplus on operations, being in later lots leading to a forecast surplus on direct operations once the network is fully franchised in 2030/31 (after grants and levies applied).
3.26.	While a deficit on services had been included in the 2026/27 MTFP, the level of reserves had been sufficient to support this over the medium-term forecast and provide some resilience to address uncertainty within passenger transport and particularly the franchising programme.

	To offset the substantial increase in the short-term pressure on budgets from increased borrowing for fleet, and phased franchising of the network, the draft MTFP assumes that the £4.95m surplus on treasury management activities in the current year are set aside in an earmarked reserve. Doing so leaves the service with operational reserves of £3.25m at the end of 2030/31, which is £5.1m lower than the 10% of operational (non-staffing, non-borrowing) costs considered prudent and means further decisions on income generation or cost reductions are required to put the service on a prudent, sustainable, footing. As a result, the Combined Authority will continue to explore options to address this shortfall including, but not restricted to, further income generation such as the Transport Levy as well as a review of the network.
3.27.	While the long-term future of the Tiger Pass scheme is not guaranteed, as the costs beyond the currently confirmed £2 fare cap to the end of December 2027 are not currently understood. The funding requirement is subject to the decision of the Board on the future of the pass and negotiation with bus operators to agree the re-imbursement mechanism. As the roll out of franchising takes place, the Tiger Pass will result in reduced passenger revenue being collected by the Authority (as re-imbursement to operators is not required) and will form part of the wider fares and ticketing strategy for the region. A figure to reflect commercial opportunities (sponsorship and/or advertising) of £200k per annum for the Tiger pass and wider ticketing initiatives has been included in the MTFP.

4. Capital Programme	
4.1.	Since the creation, and embedding, of the Single Assurance Framework (SAF) projects have a process which can be followed throughout the year to bring forward business cases and change requests to ensure the capital programme remains up to-date without the need to wait for the annual MTFP process to make changes to in-flight projects.
4.2.	Due to this, there are relatively few updates to the current capital programme being considered via the draft MTFP.
4.3.	In-line with grant assumptions within the revenue budgets, recurring grant funds are being shown where they have been confirmed and are assumed to continue cash-flat where the level of recurring grants haven't been confirmed beyond the current spending review period (e.g. the Mayoral Transport Fund).
4.4.	As set out earlier in the report, the £12m capital gainshare grant the Combined Authority has historically received is being replaced by retained business rates from April 2027. Retained rate are revenue; however, MHCLG have indicated that they expect capital allocations and plans to be maintained and will consider whether there will be any conditions or restrictions to that effect.
4.5.	Given this early steer, and uncertainty on potential conditions, the draft budget has been prepared on the assumption that £12m per year of the retained rates will be set aside to directly fund the capital programme – this is shown as "Direct Capital Funding" in the revenue funding summary (Table 1) and "Direct Revenue Financing" in the capital funding summary (Table 2).
4.6.	Aligned to the assumptions in the revenue budgets, no expectations have been made around the replacement of future grants with Income tax retention from April 2028 due to the current lack of certainty around the proposals. Once further detail is available, information will be shared with Board to consider the next steps.

4.7. **Re-phasing capital thematic funds**

The Combined Authority has set up several thematic funds to set aside funding to be available for emerging priorities aligned with those allocations. As these funds are not allocated to a specific project there is no case against which a change control would be considered so the profile of these funds is reviewed and updated through the Medium-Term Financial Plan to reflect current expectations of when projects may be brought forward to utilise these funds.

The changes from the 2026/27 MTFP are set out in the table below, and reflected in the capital budget appendix 3.

Thematic Fund		**2026/27 £000**	**2027/28 £000**	**2028/29 £000**	**2029/30 £000**	**2030/31 £000**
Active Travel Capital	Prior profile	2,960	1,000	-	-	-
	Change	(1,000)	-	1,000	-	-
	Revised profile	**1,960**	**1,000**	**1,000**	**-**	**-**
Local Growth Delivery Fund	Prior profile	7,413	4,813	4,813	3,813	-
	Change	(7,413)	-	-	7,413	-
	Revised profile	**-**	**4,813**	**4,813**	**11,226**	**-**
Resilience Plan Capital	Prior profile	3,220	3,517	-	-	-
	Change	(3,173)	(517)	3,690	-	-
	Revised profile	**47**	**3,000**	**3,690**	**-**	**-**

4.8. **Good Growth Fund**

The Autumn Budget 2026 announced £285 million of capital grant funding for Good Growth Funds, aimed at supporting mayors and local leaders in their growth priorities. This funding is designed to provide new capital for growth to mayoral areas and transitional funding for emerging strategic authorities. The allocations are based on a population basis, with different per-capita rates applied to reflect the stage of devolution and delivery readiness of the places.

Cambridgeshire and Peterborough has been allocated £11.09m of seed capital funding as a result of this announcement. This is included within the Capital Programme with allocations from the budget subject to approval in line with the Authority's SAF process.

4.9. **Strategic Transport Capital Programme**

There have been three changes to the timing of funding allocations to projects reflected in the draft MTFP, these were highlighted as likely to not be drawn down in the current financial year due to the review of the transport capital programme needing to be completed before further funding can be committed. The outcomes of this review are on the agenda for the same Board meeting as this report and the decision on these projects, and the wider programme, will be reflected in the final MTFP presented in January. With further approvals through SAF as necessary to ensure that the projects have the appropriate supporting business cases.

None of the profiling amendments change the total funding allocated within the capital programme, they are simply updating when the service anticipates that the funding will be drawn down should the projects remain a priority following the review.

Thematic Fund		**2026/27 £000**	**2027/28 £000**	**2028/29 £000**	**2029/30 £000**	**2030/31 £000**
A10	Prior profile	4,259	-	-	-	-
	Change	(3,000)	3,000	-	-	-
	Revised profile	**1,259**	**3,000**	**-**	**-**	**-**
A141 and St Ives	Prior profile	4,775	500	-	-	-
	Change	(2,500)	2,500	-	-	-
	Revised profile	**2,275**	**3,000**	**-**	**-**	**-**
Snailwell Loop	Prior profile	-	-	-	500	-
	Change	-	-	-	(500)	500
	Revised profile	**-**	**-**	**-**	**-**	**500**

4.10. **Passenger Transport Capital changes**

As set out earlier, the Combined Authority has moved to a phased implementation for franchising the bus network following the development of the strategic delivery plan. Along with the changes to the revenue budgets this has had two material impacts on the capital budget:

1) The delivery plan includes the expectation that the Combined Authority will buy and own the bus fleet to operate out of the Peterborough depot. The result of this is an additional £27m capital expenditure across 2027/28 and 2028/29 with a corresponding increase in forecast borrowing costs.
2) The timing of the capital expenditure to build the Peterborough depot, and acquire or build the Cambridge depot, has been pushed back to reflect the new go-live dates for the franchised network in those areas, removing spend from the current financial year and increasing it over the 2027/28 to 2029/30 without changing the quantum.

4.11. The capital budgets associated with bus reform between 2027/28 and 2029/30 are significant at £73m, and are significantly higher than the capital grants for bus services forecast in the same period (£17m).

This implies the need to borrow to fund the service's expenditure and a revenue budget, to support the costs of forecast borrowing, has been included to ensure these costs are budgeted for. The importance of the capital assets in the franchising programme is to ensure value for money via competition for tender opportunities, as well as reducing the revenue costs of bus service contracts (as the assets are provided in a portion of the tender packages).

Borrowing to fund a fleet, depot or network enhancement, would not be undertaken until (and unless) a business case for the depots, fleet and network enhancements is approved which demonstrates long-term affordability.

Table 2 **Capital** Funding Summary	2027/28				2028/29			2029/30			2030/31		
	Balance at 1/4/27	Income	Expenditure	Balance at Year End	Income	Expenditure	Balance at Year End	Income	Expenditure	Balance at Year End	Income	Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot Budgets		(184)	22,371		(184)	22,317		(184)	20,999		(184)	2,351	
Direct Revenue Financing	-	(12,000)			(12,000)			(12,000)			(12,000)		
Capital Single Pot Balance	**(35,056)**	**(12,184)**	**22,371**	**(24,869)**	**12,184)**	**22,317**	**(14,736)**	**(12,184)**	**20,999**	**(5,921)**	**(12,184)**	**2,351**	**(15,754)**
Capital Contingency Reserve	**(1,500)**	-	-	**(1,500)**	-	-	**(1,500)**	-	-	**(1,500)**	-	-	**(1,500)**
Transport Ringfenced Cap grants	(3,516)	(37,877)	39,314	(2,079)	23,784)	24,784	(1,079)	19,021)	19,021	(1,079)	(19,021)	19,021	(1,079)
Passenger Transport Cap grants	(8,723)	(5,599)	5,400	(8,922)	(5,709)	14,195	(436)	(5,820)	5,820	(436)	(5,820)	5,820	(436)
Capital Growth grants	-	(11,090)	11,090	-	-	-	-	-	-	-	-	-	-
Highways Cap Grants	(2)	(45,026)	45,026	(2)	48,701)	48,701	(2)	(55,676)	55,676	(2)	(55,676)	55,676	(2)
Skills Cap Grants	(13,800)	-	3,919	(9,881)	-	6,381	(3,500)	-	3,500	-	-	-	-
Housing	(3)	(4,213)	4,213	(3)	(4,439)	4,439	(3)	(9,591)	9,591	(3)	(1,650)	1,650	(3)
Subtotal ringfenced funding	**(26,043)**	(103,805)	108,962	**(20,886)**	(82,633)	98,500	**(5,020)**	(90,107)	93,607	**(1,520)**	(82,167)	82,167	**(1,520)**
Grand Funded Total	**(62,599)**	(103,805)	108,962	**(47,255)**	(82,633)	98,500	**(21,256)**	(90,107)	93,607	**(8,941)**	(82,167)	82,167	**(18,774)**
Prudential Borrowing	-	-	13,207	**13,207**	(455)	17,463	**30,215**	(927)	11,959	**41,247**	(1,058)	(5,820)	**34,370**

N.B.1 the figures in the 'income' column for Prudential borrowing are capital repayments financed by the Minimum Revenue Provision which reduce the anticipated loan balance.

N.B.2 the negative expenditure in the final year for prudential borrowing indicates capital grant funding being used to pay off loan capital balances.

5. Directorate Highlights	
5.1.	**PLACE AND ECONOMY**
5.2.	The Place and Economy Directorate covers Skills and Employment; Business, Trade and Investment and Place which includes strategic planning, housing and resilience. The Local Growth Plan drives the ambition for doubling the size of the economy, measured by GVA, by 2050 and stretching that to doubling with the highest levels of support from Government to deliver on the infrastructure needed to facilitate those growth levels.
5.3.	**Devolved Skills, Employment and Careers Responsibilities** The Cambridgeshire & Peterborough Combined Authority (CPCA) has an established and expanding role in shaping the region's education, employment and skills system, combining devolved funding responsibilities with strategic leadership, programme delivery and partnership working. The Authority commissions adult education and training through the devolved Adult Skills Fund (ASF), supporting thousands of residents each year to develop essential skills, improve their employment prospects and progress in work. This is complemented by Skills Bootcamps and other targeted training interventions designed to respond to local labour market needs, address skills shortages and support economic growth. Alongside its commissioning responsibilities, CPCA delivers a growing portfolio of programmes designed to strengthen connections between education and industry. These include the Further Education Teacher Industry Exchange Programme, which enables teaching professionals to gain contemporary industry experience and strengthen links between colleges and employers; the T-Level Industry Placements Programme, which supports employers and education providers to create meaningful industry placement opportunities for young people; and the Authority's employer brokerage activity, which connects businesses with skills providers, apprenticeships, training opportunities and emerging talent. Collectively, these initiatives help ensure that education and training provision is responsive to employer demand and that residents have access to clear pathways into skilled employment. The Authority also oversees the Regional Careers Hub, working with schools, colleges, employers and partners to strengthen careers education, employer encounters and pathways into further education, training and employment. This complements wider work to strengthen technical education, apprenticeships and progression opportunities across the region. CPCA's employment support responsibilities have also expanded significantly through its selection as a national Youth Guarantee Trailblazer and the introduction of Connect to Work, providing tailored support for residents facing health-related barriers, disabilities and other complex challenges. These programmes reflect a significant shift towards more integrated, person-centred approaches to employment support, connecting skills provision with health services and wider support systems. The Authority is also developing its longer-term Youth Participation Strategy, providing a framework for improving participation and opportunities for young people, including those not currently engaged in education, employment or training. This work is complemented by newly secured funding through the national Test, Learn and Grow Innovation Fund, supporting the development and evaluation of innovative approaches to tackling economic inactivity and strengthening young people's connections to education, employment and wider opportunities. These responsibilities are underpinned by CPCA's wider role in strategic skills planning, working with employers, education providers and partners to identify current and future workforce requirements, respond to the Local Skills Improvement Plan and align investment with the priorities of the Local Growth Plan. Looking ahead, the Government's emerging agenda for further post-16 education and skills devolution presents opportunities for CPCA to strengthen its influence over the regional skills system, improve coordination between education and employment services and ensure that investment responds to the needs of residents, businesses and the wider economy.

	This will be delivered alongside an enhanced apprenticeship brokerage programme funded by £6.5m over the next two financial years. While the total allocation has been confirmed by DWP, the delivery plan and MoU remain to be finalised and these will come forward for approval prior to the budget being committed and spent.
5.4.	**Get Cambridgeshire & Peterborough Working Plan** The published *Get Cambridgeshire & Peterborough Working Plan* provides the strategic framework for a more integrated, place-based approach to employment, health and skills across the region. Aligned with the Government's ambition to achieve an 80% employment rate, the Plan recognises that improving economic participation requires more than conventional employment and training interventions. Despite the region's significant economic strengths, substantial inequalities remain between communities, alongside persistent challenges relating to economic inactivity, long-term sickness, disability, skills gaps and access to opportunity. Recent estimates indicate that approximately 78.1% of working-age residents are in employment, with around 104,100 economically inactive residents, including approximately 22,500 people economically inactive due to long-term sickness. These challenges constrain both individual potential and the ability of employers to recruit, retain and develop the workforce needed to support sustainable economic growth. The Plan brings together the Combined Authority, local authorities, employers, education and training providers, health services and wider partners around shared priorities to improve labour market participation, address barriers to work and create more accessible pathways into skills, employment and progression. Implementation is being taken forward through the Integrated Work, Health and Skills Advisory Group, supporting a more coordinated approach to commissioning, partnership working and system improvement. This includes aligning the delivery of Connect to Work, the Youth Guarantee, adult skills provision and wider work and health initiatives, while embedding the emerging Youth Participation Strategy within the overarching framework. The Plan also recognises that economic inactivity is not a single or uniform challenge. Residents may face multiple and overlapping barriers, including physical or mental health conditions, caring responsibilities, limited access to transport, low qualifications or a lack of suitable local opportunities. Addressing these challenges requires a coordinated response that brings together employment support, health services, education and skills provision, employers and wider public services. The emphasis is increasingly on building a system that responds to people's individual circumstances, recognises the relationship between health, skills and economic participation, and connects residents to the right support at the right time. Through this approach, CPCA aims to improve employment outcomes, reduce inequalities and ensure that more residents can benefit from the region's economic opportunities.
5.5.	The strategic priorities within the Get Cambridgeshire & Peterborough Working Plan are: • **Integrated System Leadership**: Build a unified work, health, and skills system through strong partnerships with Jobcentre Plus, NHS Integrated Care Board, councils, and employers. • **Health and Employment Integration:** Deliver the *Neighbourhood Health Implementation Programme* in Fenland and Peterborough and the continued delivery of Work Well. Expand supported employment via the £15m *Connect to Work* programme. • **Youth Guarantee:** Reduce NEET rates through enhanced careers services, paid internships, and a Youth Employment Hub in Peterborough. • **Skills Development:** Implement the Adult Skills Fund, Skills Bootcamps, and Local Skills Improvement Plan; close Level 3 attainment and HE access gaps. • **Employer Engagement:** Increase Disability Confident employers, tackle labour shortages in priority sectors (Advanced Manufacturing, Clean Tech, Digital, Life Sciences, Construction, Health & Social Care) and our foundational economy, and grow apprenticeships. • **Infrastructure and Access:** Deliver a Skills Capital programme to tackle FE infrastructure challenges and review transport policies to improve participation in work and training.
5.6.	**Local Skills Improvement Plan (2026–2029)**

	The refreshed Cambridgeshire & Peterborough Local Skills Improvement Plan (LSIP) 2026–2029, published in July 2026, has been jointly developed by the Combined Authority and Cambridgeshire Chamber of Commerce, the designated Employer Representative Body. The Plan represents a significant strengthening of the partnership between employers, education and training providers and the Combined Authority, providing a shared, evidence-led framework for ensuring that the region's skills system responds to current and future workforce needs. Closely aligned with the Local Growth Plan and the Get Cambridgeshire & Peterborough Working Plan, the LSIP identifies eight priorities focused on expanding higher-level and technical skills, increasing apprenticeship participation, strengthening pathways into engineering and construction, supporting the foundational economy, improving careers guidance and employer engagement, and coordinating skills provision around major infrastructure investments. The Plan places particular emphasis on addressing longstanding geographical inequalities, improving access to training and progression opportunities, and ensuring that residents across the region can benefit from economic growth. It also recognises the importance of responding to emerging skills demands in digital technologies, artificial intelligence and the transition to a greener economy. Implementation will be overseen through the Skills Board, which provides the principal multi-stakeholder governance mechanism for monitoring progress, coordinating partner commitments and responding to emerging labour market intelligence. CPCA will use its devolved funding, commissioning responsibilities, skills capital investment and wider convening role to translate the LSIP's priorities into practical action, working alongside employers, providers and Skills England to build a more responsive, inclusive and employer-led skills system.
5.7.	The Local Growth Plan sets out the economic vision for Cambridgeshire and Peterborough. It highlights the region’s sector strengths and priorities for collaboration with government, local and regional partners. The Plan recognises the barriers holding back growth: water scarcity, limited power capacity, transport challenges both congestion and accessibility, and housing affordability. Left unchecked, these pressures will undermine economic performance. Strategic activity is focused on six priority sectors from the 8 of the National Industrial Strategy. Four Opportunity Zones are identified across Cambridgeshire and Peterborough. The aim is for these zones to be backed by targeted investment in water, energy, transport, connectivity, and housing. Growth is already constrained—water shortages and flood risks threaten housing delivery and commercial expansion, while connectivity and grid capacity is hitting critical limits, jeopardising innovation clusters and advanced manufacturing. Poor east–west and rural transport links continue to restrict labour mobility, recruitment, and productivity. Delivery will be driven by clearing planning, the development of a robust investment pipeline and investment framework with strong governance and rigorous performance monitoring. Central to implementation is the development of the Spatial Development Strategy which will set out the framework for the next generation of local plans. The Authority will also consider the use of new functions, powers, and instruments to accelerate progress and overcome water, energy, and connectivity barriers that currently stall development. Collaboration and partnership with our national, regional and local partners is key to this agenda succeeding.
5.8.	Business support is central to achieving the GVA ambitions. The Combined Authority, working with partners, aligned to the Local Growth Plan, is continuing to deliver a suite of services and tailored solutions designed to accelerate growth by strengthening businesses and expanding workforce capacity, including: • Skills Brokerage and Workforce Development – supporting businesses to access the skills, training and talent they need to grow, connecting employers with education and training providers, apprenticeships and workforce development opportunities. This work is underpinned by the jointly developed Local Skills Improvement Plan (LSIP) 2026–2029, which identifies current and future workforce needs and aligns skills provision with the priority sectors

	in the Local Growth Plan. Alongside the Authority's wider investment in adult skills, Skills Bootcamps, technical education, T-Level Industry Placements and the Further Education Teacher Industry Exchange Programme, this provides a coordinated approach to strengthening workforce capacity, addressing skills shortages and supporting productivity and economic growth. • Growth Hub – delivering the Business Growth Service programme, offering tailored support, mentoring, and guidance for businesses focusing on the key sectors. • Trade and Inward Investment Service – expanding international export opportunities and attracting foreign direct investment aligned to the priority sectors identified in the Local Growth Plan.
5.9.	The authority is currently working with KPMG to ensure a robust investment pipeline and future management. this will ensure maximising the value of CPCA's own funds with other public and private sector opportunities. The Local Growth Plan Delivery Fund will be used as leverage to attract private sector investment as well as other finance linked to other national and regional public bodies. The projects to be supported by this fund will be approved through SAF prioritisation process.
5.10.	Innovation is key to stimulating new growth**.** With the Government focusing on OxCam and the innovation agenda this will provide new opportunities to support and develop this work for the rest of the Corporate Plan period.
5.11.	The Directorate is responsible for developing a Spatial Development Strategy (SDS) or overall spatial framework for the area. The visioning work is taking place this autumn with the timetable for the development of the plan being presented at December growth Committee and January Board.
5.12.	The Combined Authority is the Responsible Authority for the statutory Local Nature Recovery Plan. The final Plan was approved by December 2025. The delivery plan is being presented to December Growth Committee.
5.13.	The Directorate has led on developing a Resilience Plan, taking into account existing work on local resilience. The water resilience plan is coming to the November Board for approval as a first phase of this work.
5.14.	The Directorate is responsible for supporting the Strategic Place Partnership (SPP) with Homes England which will be taken to the next level with a Place Delivery Agreement bringing additional resources in early 2027. The SPP Board, chaired by the Mayor, has agreed a number of commissions to accelerate housing delivery. In addition the Directorate manages the legacy Affordable Housing Programme, which practically completed in November 2026.
5.15.	**TRANSPORT**
5.16.	The Combined Authority is the Passenger Transport Authority for the region and has responsibility via the Public Transport team for shaping the bus network across the region and delivering legislated schemes such as the concessionary fare scheme. In early 2025 the previous mayor made the decision to franchise the bus network from 2027/28. Following his election the current mayor decided to review the proposals to ensure that the right model is adopted for local needs. An independent and experienced Chair, Leon Daniels OBE, delivered a review of the implementation pathways for franchising which delivered recommendations to the Board in the Summer of 2026. Officers further developed a Strategic Delivery Plan, acting upon the recommendations. The plan has been subject to a targeted consultation over the Autumn of 2026 with the consultation response report currently being finalised. The franchising programme has been developed, following the conclusion of the Independent Review and Strategic Delivery Plan and is developing a range of workstreams, as well as developing business cases and more detailed feasibility studies for capital projects, such as the Peterborough bus depot, fleet, Cambridge dependencies and targeted measures to enhance bus speeds.

	The Public Transport team has developed and adopted a bus services framework for assessing the impact of the existing contracted services, from a value for money and social necessity perspective. This has enabled the review and re-design of a range of services which will be implemented prior to the commencement of franchising. This approach aligns with DfT guidance to ensure social necessary bus services are defined and protected, where feasible. The re-design of services has enabled closer working with communities and development opportunities, to create a sustainable bus network. The team is also working to deliver a Network Accessibility Plan, required by the Department for Transport by April 2027 as well as developing areas such as Community Transport, integration with school transport and delivering a programme of bus stop improvements, as well as leading on the Transport Focus survey work to inform further passenger initiatives.
5.17.	The Combined Authority introduced the Tiger Pass for Under 25s in 2024, funded initially through time limited resources. The Pass provides a £1 single fare for bus journeys across most bus services in the Combined Authority region and is vital to ensuring access and opportunities to young people in the region via public transport. The scheme has attracted approximately 104,000 pass applications and over 6m journeys thus far during the scheme. Financially, as set out elsewhere in this report, the wider Passenger Transport service, which includes support for the Tiger Pass, is under pressure and further action will be required to reduce costs and/or generate income in future.
5.18.	The Transport team continues to play a pivotal role in shaping and delivering a significant portfolio of transport investment across the region, supporting the Combined Authority's wider corporate and economic objectives. Through the development and delivery of major capital projects, the team is improving connectivity and access to jobs, education and services, supporting inclusive economic growth and strengthening the resilience of the regional transport network. Targeted investment in infrastructure and innovation is helping to improve travel choices and deliver lasting benefits for communities across Cambridgeshire and Peterborough. A significant proportion of the programme has been funded through the Transforming Cities Fund (TCF), a £95m fund devolved to the area which has enabled the Combined Authority to direct investment towards projects delivering the greatest impact. This funding is expected to be fully spent by the end of the 2026/27 financial year. The continuing capital programme will be supported through a combination of the Authority's Capital Gainshare and ringfenced grants, including Active Travel, Peterborough Station Quarter and the A10 grant. The Peterborough Station Quarter programme represents a major transport and regeneration investment, transforming the station into an enhanced gateway to the city. The project will deliver improved passenger interchange, better connectivity and active travel facilities, while unlocking surrounding land for development and supporting wider regeneration and economic growth. Construction has now commenced, marking a significant milestone in the delivery of this important programme. From 2026/27, previously separate grants for transport are now combined into a single Mayoral Transport Fund which allows flexible movement between grants, however, it must achieve outcomes as specified by DfT through a funding agreement, Following proposals to the November Combined Authority Board, a proportion of the Mayoral Transport Fund may be utilised to support the wider transport capital programme. This will be aligned with the Authority's capital prioritisation process, which has assessed schemes against available funding, deliverability and alignment with corporate and Local Growth Plan objectives. This approach is helping to establish a balanced and deliverable portfolio of investment, focused on securing the greatest impact from the funding available and maintaining a clear pipeline of transport improvements across the region. Any changes will be reflected in the budget following necessary approvals and in line with the agreed governance processes. In addition, the Combined Authority has also completed the submission of its Local Transport Delivery Plan (LTDP) to government, covering the four-year funding period from 2026/27 to 2029/30. It sets out the Authority's investment priorities, funding allocations and delivery commitments across the region (through localised improvements). The Authority now reports progress to government on a quarterly basis, covering financial expenditure, scheme delivery,

	milestones, outcomes and delivery risks, providing an important framework for demonstrating progress and maintaining accountability for the use of devolved funding. In addition, the Combined Authority has secured both capital and revenue funding to support the continued rollout of the Local Electric Vehicle Infrastructure (LEVI) programme across the region, helping to accelerate the provision of public electric vehicle charging infrastructure and support the transition to electric vehicles. Further funding has also been secured to support active travel, with a particular focus on encouraging behavioural change and creating safer, more attractive and accessible environments for people who choose to walk, wheel or cycle. Together, these investments will help improve local connectivity, widen travel choices and support more inclusive transport across Cambridgeshire and Peterborough. Alongside capital investment, government has made available three-year resource funding of £0.8m per annum to strengthen the Authority's transport planning capability and capacity. This will support the development and updating of supporting strategies and plans, as well as the effective delivery of local transport infrastructure priorities in collaboration with regional partners. An important element of this work is the development of the Greater Cambridge Transport Strategy (GCTS), which provides the Greater Cambridge-focused layer beneath the Local Transport and Connectivity Plan (LTCP), supporting the Greater Cambridge Local Plan, Local Growth Plan and wider growth ambitions.
5.19.	**CORPORATE CORE - CHIEF EXECUTIVE'S OFFICE, RESOURCES AND LEGAL & GOVERNANCE**
5.20.	There are three Directorates with the Corporate Core which, alongside their own designated roles, support the business activity of the Authority, namely Chief Executives Office, Resources and Legal and Governance. These services support day to day operations of the Authority such as budget and performance monitoring, as well as leading key work areas such as the Medium Term Financial Plan, corporate planning and the Authority's response to devolution and public service reform. The latter is particularly important when considering the resilience of the Authority and the resource needs to meet both new and existing responsibilities.
5.21.	Within the **Resources Directorate** the main areas are set out below: Financial support, advice and reporting including the setting of the annual budget and forecast MTFP, for both the Combined Authority and the Mayor, as well as the production of the statutory accounts for the Authority. Finance operates a business partnering arrangement acting as a critical friend and professional support across the Authority. The service supports the work of the statutory S73 Officer (Chief Finance Officer) who is responsible for the financial affairs of the Authority The Authority made the decision to in-source its IT functions in October 2024, the IT service now sits within the Resources directorate providing operational and strategic IT advice and services including – hardware provision and management, helpdesk services, cyber security expertise, IT strategy development and support on IT project implementation within other services areas. The Human Resources and Organisational Development team supports the "employee life cycle" for staff throughout the organisation as well as ensuring that the relevant policy and procedures are reviewed and revised as necessary. It undertakes an annual staff survey and works to support staff wellbeing and development and promote effective engagement. The Programme Management Office supports the appraisal and decision-making process for investment proposals through the Authority's Single Assurance Framework and the monitoring of performance working with Programme and Project Managers. It also works closely with Internal Audit to review and produce the risk registers for the Authority together with any associated reporting. Internal Audit provides an independent and objective assurance and consultancy service for the Authority working with the Programme Management Office to provide a systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes. It is also responsible for the delivery of the approved Audit Plan, reporting to the Audit and Governance Committee.

	The Greater South-East Net Zero Hub is also part of the Resources Directorate. The Combined Authority is the Accountable Body for the Hub. The Hub provides support, advice and guidance across many Local Authority areas in the South East to support the drive to net zero emissions, as well as managing major contracts and programmes on behalf of government across that geography. Whilst the budgets of the Hub are included within the overall financial plan for the Combined Authority it is externally funded and does not require funding from the Combined Authority. Initial assumptions based on funding information shared by the Department for Energy Security and Net Zero (DESNZ) are included in the draft budget for 2027/28 and there is a separate report elsewhere on this agenda setting out the position for the Hub in 2027/28 and potential changes to the service.
5.22.	**Legal and Governance** covers the following areas: • Legal Services which provide advice and assistance to the Combined Authority Committees, elected members and officers; • Procurement Team which provides advice and support to officers on procurement and contract management; • Democratic Services Team which organises and supports formal meetings of the Combined Authority, has the Statutory Scrutiny Officer and leads on scrutiny work that supports the Overview and Scrutiny Committee. This team also includes the information governance lead which assists the Combined Authority on issues such as data protection and freedom of information. The new provisions within the devolution agenda will result in a significant increase in the role of Overview and Scrutiny at the Combined Authority. A wider remit and increased volume of work and Committee membership will mean that increased resources will be required. This is recognised by central government and at the time of preparing this report, an initial outline of a 'new burden' budget increase has been proposed. The final position of resource needs against available funding will be confirmed once the details of the scrutiny arrangements are fully understood. The Monitoring Officer is based in this service and the officers of all teams support the work of the Monitoring Officer concerning the legality of decision-making, the administration of the ethical framework for elected members and in the role as the Senior Information Responsible Officer (as mentioned above in the details for the Democratic Services Team).
5.23.	**The Chief Executive's Office** covers the following areas as set out below. The Policy, Insight and Performance Team provides insight and analysis, such as the annual State of the Region report, supports evidence bases for plans and strategies such as the Spatial Development Strategy, develops policy positions, oversees the development of the Corporate Plan, Annual Business Plans, the Organisational Delivery Plan. Through the Performance Management Framework the team ensures the production of quarterly corporate performance reporting and leads on all evaluation activity including the Combined Authority Gateway Review and move toward MHCLG Annual Conversations. The Communications, Engagement and Public Affairs Team lead on consultation and engagement activity, liaison with national and regional media and press, delivery of campaigns such as Tiger Bus passes and work with Government Departments. The team leads on delivery of UKREiiF[1], Westminster and Regional Events, Summits and roundtables. The Media and Mayoral team provide specific support to Mayor. The Executive Support Team provide executive, PA and administrative support to the Corporate and Senior Management Teams along with facilities management and office-based health and safety. The Directorate leads the development of the Local Visitor Economy Partnership (LVEP) and culture as a new area of responsibility. The LVEP secured VisitEngland accreditation in 2026 providing the region with national recognition and direct engagement with government and national visitor economy programmes. The partnership brings together the Combined Authority, local Councils, tourism organisations, cultural partners and businesses to develop a co-ordinated

[1] UKREiiF – UK Real Estate Investment and Infrastructure Forum - is an external national event established to connect people, places and businesses to drive sustainable, inclusive and transformative investment and regeneration.

	approach to growing the visitor economy. Since accreditation, it has established a five-year Destination Management Plan (DMP), developed a regional visitor brand and governance arrangements for an LVEP Board chaired by the Mayor. The Authority and its constituent Councils are supporting the LVEP, through staff time and funding contributions, to help deliver its business plan aims. The Authority's MTFP includes funding of £27k in 2027/28.
5.24.	**MAYOR'S BUDGET**
5.25.	Reference to the Mayor's budget is included within this report for completeness as it draws on, and contributes to, CPCA funding sources. However, the Mayor's budget has a different approval process to the non-Mayoral Combined Authority budget. The process for determining the Mayor's budget is set out in the Combined Authorities (Finance) Order 2017. This report is not intended to present a draft Mayor's Budget under the 2017 Order as this will be presented in full at the January Board meeting. The budget currently assumes that the Mayoral Precept is maintained at the current Band D equivalent level of £36. Following the elections in May 2025, the Mayor established a new Mayor's Office to ensure the office of the Mayor is appropriately supported and promoted; the costs of this are included in the Mayor's budget. The funding to continue and complete the free parking pilots remains in the draft Mayor's budget, and funding for the Mayor's Day Out has been continued into the final year of the MTFP.
5.26.	**KEY RISKS AND UNCERTAINTIES**
5.27.	**Funding and Fiscal Devolution risk** The changes to MSA funding set out in the fiscal devolution roadmap are fundamental changes to the approach to regional government funding and, while generally welcomed as a positive step forward for devolution, there are substantial new uncertainties and risks that this approach will bring. These uncertainties are particularly acute while the details of the new approach are developed so, while some risks can be enumerated, much of the risk is uncertain at this point in time. As noted earlier in the report, from 2027/28, the Authority has accepted the offer to replace a number of unringfenced grants with retained business rates. The safety net arrangements in place for 2027/28 of 100% has been notified, with the expectation that this is transitional and will reduce. However, there has not yet been a formal announcement of the safety net for 2028/29. This means that the Combined Authority will receive funding at least as high as the grants replaced with business rates (gainshare and mayoral capacity fund) in 2027/28, with the likelihood that the majority will be protected into 2028/29. Beyond this the safety net level is not yet confirmed and the Combined Authority will be exposed to risk based on the area's growth (or contraction) in business rates income. This will put it on a par with its constituent authorities, so is a relatively well understood risk, and comes with the upside of retaining a share of growth in the region, with the corresponding downside of having lower funding if business rates in the region don't grow. The draft budget doesn't assume any uplift in rates retention relative to current grants, which is considered prudent as the baseline will inflate with CPI, and doesn't assume any growth in the region that would be retained. The Combined Authority will work with its constituent authorities to understand their forecasts of business rates growth to align forecasts in the final budget brought forward in January. Beyond 2027/28, the fiscal devolution roadmap lays out plans for MSA's grants to be replaced with retained income tax from April 2028 which should enable some proportion of growth retention, accepting that equalisation is also likely to take place. However, the level of funding secured through this replacement, and its continuity in the medium- and long-term, are key uncertainties which are critical to the Combined Authority's future operations. Arrangements which are materially worse than the current assumption, i.e. that existing grant levels will continue in to the years beyond the current allocations (2028/29 for revenue grants and 2029/30 for capital) – would obviously have a negative impact on the Authority's ability to deliver across its entire portfolio, as grant funding underpins the delivery of all the Combined Authority's current services.

	These arrangements, and the establishment of MSA baselines for each Authority, are a key discussion point between MSA's nationally and central Government. No further detail on income tax retention is expected ahead of the final MTFP in January, but officers will continue to keep the Board up to date on discussions and developments throughout the year. The Spending Review in 2027 will be key to establishing future funding baselines for MSAs and the MTFP will be reviewed in light of any announcements which occur.
5.28.	**Other Risks** Outside fiscal devolution specific risks, there are a number of corporate risks and issues which are particularly relevant to the setting of the Combined Authority's budget for 2027/28 and the assumptions for the medium term to 2030-31, namely: • Unfunded priorities/asks which are expected to arise from national expectations set out in the draft English Devolution and Community Empowerment Bill and Rewiring the State cabinet paper. Some funding has been made available to support devolution as previously approved by Board, and the Combined Authority will continue to lobby Government, alongside other Combined Authorities, for New Burdens funding and other fiscal support to assist with capacity and capability needs associated with the new requirements. • Following the Local Growth Plan approval, a significant capital budget has been set aside to help facilitate delivery, but the scale and focus of the funding remains to be developed. This may also have revenue implications which are yet to be scoped and which may need to be underwritten through the programme response fund and/or reserves as required. Aligned to the Local Growth Plan, work is currently underway with external consultants, KPMG, to assist in the development of the investment pipeline and next steps. • Bus Franchising – The forecast budget requirement for the franchised network is based on a number of assumptions. Whilst these have been reviewed by external auditors, and have been updated following the independent review for the strategic delivery plan, the financial model is still based on high-level assumptions of costs, as detailed data from bus operators to improve the accuracy of the cost model is only now being received. • The Authority has set aside some reserves to help underwrite this risk, but these are lower over the MTFP period than the 10% of operational costs targeted. Given this gap, and outstanding risk of the financial model, the service continues to explore ways to both increase revenue, and reduce costs to recover the overall financial position in the medium-term. • To reflect the Board's support for a long-term Tiger Pass the draft MTFP includes funding set aside to support this. Tiger Pass usage is a non-statutory service. Increases in costs driven by growth in usage or increased reimbursement rates beyond what has been allowed for would result in a further pressure on the Authority's budgets. This is an ongoing risk, subject to the negotiation process for the scheme and any further changes across passenger transport including Government support. • Concessionary Fare reimbursements are a statutory, demand led service. Should concessionary fare ridership increase the Authority is legally obligated to increase its payments; however, the budget for these costs is being maintained prior to franchising, and modelled into the network post-franchising, so this risk is currently considered low. • As with most of the Combined Authority's functions, transport receives significant grant funding so the uncertainties and risks associated with fiscal devolution set out above apply to this service. • Government announced the abolition of the Police and Crime Commissioner (PCC) role on 13 November 2025 setting out that the functions will transfer to elected Mayors where they are in place and to a Board, consisting of local Leaders, where they are not. The role of the PCC will transfer to the successor bodies in May 2028. It is expected that Fire Service responsibilities will transfer at the same time. At present the details of this transfer, and any associated risks which may be attached are being developed and updates on this programme of integration will be reported to the Board.
5.29.	**CONSULTATION TIMETABLE**

5.30.	The Combined Authority will launch a five-week consultation on Wednesday 25 November 2026, running through to Sunday 3 January 2027.
5.31.	This consultation seeks views on the draft 2027–28 Budget, the Medium-Term Financial Plan 2027–2031, and the Mayor of Cambridgeshire & Peterborough's proposals for the Mayoral Precept, which is proposed to be frozen for the coming year.
5.32.	The consultation's core focus is to gather feedback on these proposals and raise awareness of how the Combined Authority manages public funding, ensuring residents, businesses, and stakeholders can contribute their views on the Mayor's spending plans and financial priorities.
5.33.	The Combined Authority will engage consultees through a digital campaign, supported by an online consultation form, partnership working, and targeted stakeholder engagement. Email responses will also be accepted, and hard copies of consultation materials will be made available upon request.
5.34.	Those who participated in last year's consultation and consented to future contact will be invited to take part again this year. In particular, feedback from the Authority's Constituent Councils and Overview and Scrutiny Committee will be sought.
5.35.	All feedback gathered during the consultation will be summarised and presented to the Combined Authority Board to help inform its decision-making on the final proposals at the January Board Meeting.
5.36.	The proposed timetable for approving the budget and MTFP is set out below and is in accordance with the key dates and statutory deadlines set out in the Constitution (Budget Framework) and the Combined Authorities (Finance Order) 2017.

Proposed Statement and Budget Setting Timetable	Day	Date
CPCA Board Meeting (to receive and approve the draft Budget and MTFP for consultation)	Wed	25 Nov
Consultation Period Starts (subject to Board approval to consult)	Mon	25 Nov
Overview and Scrutiny Budget Working Groups x 3 and informal meeting (consultation)	Various	December
Public Consultation Ends	Sun	3 Jan
Overview and Scrutiny Committee Meeting – Formal Feedback	Tue	5 Jan
CPCA Board Meeting to Approve the 2027/28 budget and Medium-Term Financial Plan 2027-2031	Wed	13 Jan

5.37.	**BUDGET SCRUTINY PROCESS – PROCESS AND FEEDBACK**
5.38.	The Overview and Scrutiny Committee first established a budget scrutiny working group in July 2024 to enhance their pre-scrutiny of the Combined Authority's budget. Following the success of this process it has continued to stand up this working group for the following budget cycles. The process includes a two-phase approach. Phase one is a set of in-year budget scrutiny workshops with senior officers across the Combined Authority to give the working group a deeper insight into the operations of the Combined Authority and how it is performing, both financially and non-financially. This is supported with a presentation by officers and sharing background information including the formal monitoring reports available at the time of the meetings. The Overview and Scrutiny Committee met on 10th November to consider the findings of the working group and their recommendations are summarised below along with responses from the Combined Authority. The full text of the report, and recommendations, are available as part of the meeting documents linked here. • The Committee highlighted the increasing demands on the Overview and Scrutiny Committee and asked that resourcing and support for the Committee be reviewed. • The Committee asked that the Combined Authority recognises the current resource and capacity constraints within the Combined Authority, and requests they consider developing proposals to strengthen in-house transport and infrastructure capability, reducing reliance on external consultants and improving long-term organisational resilience.

	• The Committee suggest that the Combined Authority develop a strategic approach to asset management across the Combined Authority and its future services, ensuring that asset acquisition, ownership, valuation, maintenance and utilisation are effectively managed and aligned with the organisation's long-term financial and operational objectives.
5.39.	The Combined Authority agrees with the three recommendations made by the Committee, although implementation timelines for each will differ. • On Scrutiny capacity, this is something the Combined Authority is already actively in conversations with Government on following the enhanced role of scrutiny in the English Devolution and Community Empowerment Act and achieving Established Status. Enhanced local scrutiny will underpin the enhanced responsibilities of Combined Authorities moving forward and the Monitoring Officer is working to scope the requirements to meet these future asks once the detailed requirements are understood. • The resource constraints recognised by the Committee is a consistent issue across the Combined Authorities services following years of non-inflation linked funding since the devolution deal was agreed. The challenge in passenger transport is particularly urgent, due to the timeframe for franchising the bus network, and the Board have recognised this by increasing funding for passenger transport directorate resources within the current year and draft budget. More holistically, the lack of capacity to deliver on the Government's devolution agenda has been recognised as a national issue and the Government's response to this in the short term has been two-fold: in the immediate they have initiated a civil service secondment programme and the Combined Authority is already benefitting from 10 secondments thanks to this. For 2027/28 the Autumn Budget included £150m across MSAs nationally to support the build-up of capacity required; once allocations of this have been confirmed the Executive Team will be developing a resourcing plan to deploy this funding and will present a plan for how the capacity challenged across the Combined Authority will be addressed utilising this funding. This new national funding will be enhanced by the Combined Authority's existing devolution and priorities fund which is expanded across the MTFP period in the draft budget to deliver on both the local and national priorities. • Finally, on a strategic approach to asset management and utilisation across a wider set of responsibilities, noting that significant asset changes for the Authority are not expected to commence until 2028.
5.40.	Following the approval to consult on the draft budget the budget scrutiny working group will move in to phase two of the scrutiny process. There will be a second series of workshops with senior officers to scrutinise the draft budget and MTFP proposals before reporting back to the Overview and Scrutiny Committee. The Committee may then provide formal feedback as a consultee to the Combined Authority's budget, and this will be reported alongside the final budget proposals in January 2027 at the meeting of the Board.

6. Appendices	
6.1.	Appendix 1 – Key Assumptions for Draft 2027/28 Budget and MTFP
6.2.	Appendix 2 – Detailed draft Revenue Programme
6.3.	Appendix 3 – Detailed draft Capital Programme
6.4.	Appendix 4 – Detailed draft Income budgets
6.5.	Appendix 5 – Draft Annual Business Plan Activities 2027-2028

7. Implications	
Financial Implications	
7.1.	The financial implications are contained in the body of the report.
Legal Implications	
7.2.	Under powers granted by the Combined Authorities (Finance) Order 2017, elected Mayors may raise a Precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are principally set out in Article 12 of the Cambridgeshire and Peterborough Combined Authority Order 2017 This report is submitted to the Board in accordance with the Budget procedure rules. The Authority has a statutory duty to have regard to the report of the Chief Finance Officer when making decisions about its budget calculations. The legal and governance processes that need to be completed include consideration by Overview and Scrutiny Committee and the Combined Authority Board. As a public authority which has the power to levy for transport functions (the Transport Levy) and to raise a Precept, the Cambridgeshire and Peterborough Combined Authority must set a budget every year which is agreed through its formal decision-making processes. Some savings proposals may only be delivered after specific statutory or other legal procedures have been followed and/or consultation taken place. Where consultation is required, the Authority cannot rule out the possibility that it may change its mind on the proposal because of the responses to a consultation, and further reports to the Board may be required. If General Fund Reserves are used to support the budget, they may need to be reimbursed at the earliest opportunity to provide the necessary, margin of safety in future years. Apart from statutory duties relating to specific proposals the Authority must consider the requirements of the public sector equality duty under the Equality Act 2010.
Public Health Implications	
7.3.	Budget provision will need to be considered for new responsibilities on health.
Environmental & Climate Change Implications	
7.4.	The Spatial Development Strategy and resilience work areas both relate to these implications.
Other Significant Implications	
7.5.	There are no immediate negative impacts identified when considering the draft budget proposals against the Equality Act 2010. A further review will be undertaken prior to the final proposals being brough back to Board in January. It should also be noted that specific projects are able to undertake an equalities impact assessment when being considered for investment.
Background Papers	
7.6.	None