



CAM Progress Report March 2021

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 24 March 2021

Public report: Yes

Lead Member: Mayor James Palmer

From: Kim Sawyer, Chief Executive
Chris Sexton, CAM Lead Officer

Key decision: Yes

Forward Plan ref: KD2020/092

Recommendations: The Combined Authority Board is recommended to:

- a) Note the outcome of the conceptual design process with the three expert companies developing future public transport designs; Dromos Technologies, Egis Rail UK and Mott MacDonald.
- b) Delegate authority to the Chief Executives to
 - i. award a framework agreement to the successful tenderers for Lot 2 (Engineering, Technology and Environment) and Lot 3 (Funding & Finance Advisors and Business Case Writing) following the completion of the procurement exercise and authorise the drawdown of budget for Lots 2 and 3 of up to £3.5 million.
 - ii. to approve the call-off of the required task orders under these framework agreements in accordance with the confirmed budget and agreed scope of works/ programme timescales.
 - iii. novate the Framework agreements and Task Orders to the One CAM Ltd at the appropriate time.
- c) Approve the appointments of:
 - i) A Chief Executive Officer for One CAM Ltd.
 - ii) A Chief Finance Officer for One CAM Ltd.
 - iii) A Director of Strategy and Sponsorship for One CAM Ltd.
- d) To approve the equity investment of £2m currently earmarked in the Medium Term Financial Plan to support the running costs of One CAM limited during the 2021/22 financial year.

Voting arrangements:	Recommendations a) to c) a simple majority of Members present and voting
	Recommendation d) - A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members.

1. Purpose

- 1.1 This report aims to provide the Cambridgeshire and Peterborough Combined Authority (CPCA) Board with an update on activity to support One CAM Limited, key recruitments, and the progress of procurement and contracting activity relevant to its work.

2. Background

- 2.1 The CPCA is committed to delivering transport infrastructure that provides a quadruple benefit: it enables skilled staff to access work, fostering the region's life sciences and tech clusters which make this region the second largest net contributor to the UK economy, it underpins the 2050 zero carbon objective by shifting transport to more sustainable modes, it unlocks housing development at scale and it enhances the inward investment proposition for our region.
- 2.2 This commitment of the CPCA arises from its Growth Ambition Statement in November 2018 during which this Board agreed that the CAM was a strategic transformational project that has the potential to benefit the whole area. The purpose of the CAM was to link transport and spatial planning to ensure that homes and jobs are linked.
- 2.3 The CPCA has established One CAM Limited to take forward the CAM programme.

3. Progress Report on Current Work Underway

Conceptual Design Competition

- 3.1 The CAM Partnership Board is an informal forum through which the CPCA engages those members of the Cambridgeshire business and public sector community keen to make a collective, positive contribution to the delivery of the CAM. The Technology sub-group of the Partnership Board challenged the CPCA to be more innovative in its thinking and produce a transport network system for the future.
- 3.2 In taking up that challenge, the CPCA instigated a novel design process. The conceptual design process was launched to challenge the market for innovative design solutions which would provide valuable insight to inform the ongoing development and delivery of the CAM. The designs will identify potential technologies and innovations, support the future business case and delivery model development and stimulate further market interest in CAM.
- 3.3 In November 2020, the CPCA put out a call for suppliers to produce ideas for a future zero carbon, autonomous transport system. The scope included the CAM vehicle and its potential technologies, the infrastructure the vehicle would run on, operations, commercial opportunities and how to make CAM world leading in protecting the

environment. The call resulted in 10 consortia applying to the CPCA to be considered. Following an evaluation exercise and acting on the delegation provided by the CPCA Board at the November meeting, the Chief Executive confirmed the appointment of EGIS Rail UK limited, Mott MacDonald Limited and Dromos Technologies AG, to the concept design contracts.

- 3.4 Each of three consortia were awarded 3 month long contracts to work up innovative conceptual design ideas for CAM. Regular officer reviews were held with each team and informal presentation of their draft designs was held with the One CAM Limited Board on 11th March 2021.
- 3.5 Dromos Technologies, Egis and Mott Macdonald will each release their final concept designs for the future of passenger transport in Cambridgeshire post publication of this report in time for presentation to the CPCA Board meeting in March.

Delivery Strategy

- 3.6 CPCA officers with a team from Deloitte, Jacobs and Pinsent Mason have been writing a comprehensive Delivery Strategy, including a Transport Sub-Strategy. This is expected to be released in final form at the end of March for officers to present to the CPCA Board at its first meeting of the new civic year.
- 3.7 The Delivery Strategy originated from best practice guidance issued by the Infrastructure and Projects Authority (IPA). The IPA reports to the Cabinet Office and Treasury and is the Government's centre of expertise on infrastructure and major projects. It produces guidance on how to avoid delay and cost increases on major projects.
- 3.8 The draft Delivery Strategy is intended to provide a roadmap for delivery of the CAM and explores the benefits of using a Programme Business Case approach (PBC). The proposal considers whether an integrated CAM Portfolio consisting of the CAM transport programme and dependent housing (including garden villages) will deliver the overall outcome of economic growth in line with the Cambridgeshire and Peterborough Independent Economic Review report (2018)
- 3.9 The benefits of a PBC would be to bring together previous Strategic Outline Business Case (SOBC)-level work undertaken across all the CAM projects, to a common level of maturity. This is likely to be a major step in securing government buy-in to the programme. It would leverage and build on the 2019 CAM SOBC and provide further information on regional routes. It would also need to include a range of options such as the 'Do Nothing' option, a low-cost alternative to tunnelling in the central section, a value engineered option, and ideas emerging from the Conceptual Design Process.
- 3.10 The Board will recall that in February 2019, an SOBC for the CAM was issued and an OBC was initiated for the central tunnel section (CTS). The CTS OBC was paused in the summer of 2020 in order to evaluate any potential impact of COVID-19, consider how best to deliver an integrated transport approach for the whole of the CAM Programme, and to consider the information provided by the CAM Technology Advisory Committee (TAC) on future technologies. The Delivery Strategy was initiated in order to define the optimum approach to be taken to One CAM, that is an integrated approach to the transport needs including the central city sections, GCP routes and regional routes, along with the housing needs.
- 3.11 A funding strategy will be set out in the Delivery Strategy and consider how to draw together funding from property related sources with other sources to form the required

funding for the chosen scope of the CAM programme. The scope and capital cost of the integrated CAM programme will be developed, and iterated if necessary, to remain within the identified feasible funding and financing range through the Programme Business Case (PBC) stage and after.

- 3.12 Funding for the CAM programme is likely to be a combination of Government and local sources for the civil engineering infrastructure, with the potential for private sector participation in the financing of the vehicle fleet and operational systems.
- 3.13 In November 2018, this Board agreed that it would consider the funding and financing strategy prior to making any decisions regarding the garden villages strategy (extract from November 2018 Board minutes below):

3.2 Response to the Cambridgeshire and Peterborough Independent Economic Review (CPIER): A Growth Ambition Statement

It was resolved to:

- a) agree the response to the CPIER main recommendations*
- b) adopt the Growth Ambition Statement*
- c) mandate officers to ensure consistency with the Growth Ambition Strategy in developing future strategy documents and business plans for transport, planning, business and skills, including reviewing previously agreed timescales to make aligning content more feasible.*
- d) **The Mayor and Combined Authority commence producing a comprehensive funding strategy for CAM Metro, covering both capital and operating cost, ahead of further decisions on CAM, and on the need for Mayoral Development Corporations as potential funding sources.***

- 3.14 The Delivery Strategy will be presented to the CPCA Board in June for approval, including the funding and financing strategy.
- 3.15 Informal stakeholder engagement has begun with HMT, DfT and Homes England to inform the Programme Business Case (PBC) and the approach to economic appraisal. The PBC economic analysis will be tailored to the region's unique knowledge-based economy. The Business Case strategy sets out how proposed appraisal methods align with existing HMG guidance (such as DfT and MHCLG's frameworks), ensuring consistency with previous major programme assessments, including Homes England's Housing Infrastructure Fund.

Developing the sponsor arrangements

- 3.16 As capacity and capability builds within the One CAM Limited company, the CPCA has consequently begun to frame its project sponsor role. As the shareholder for One CAM Limited, the CPCA is the sponsor for the CAM Programme, whose role is to set the project requirements and oversee the performance of One CAM Limited (the SPV) as well as setting the strategic direction for the programme.
- 3.17 At operational level, the directors of One CAM Limited meet regularly as an executive committee with a focus on project management, finance, business planning and governance. Chris Sexton has been recruited to assume the lead role for the executive team in the interim period before the permanent One CAM Limited senior team assume their roles. Chris Sexton's CV is attached as Appendix 1.

- 3.18 CPCA officers are developing sponsor arrangements with oversight for the work of the executive committee, ensuring that the shareholder's interests are protected and the objectives of the programme are met.

Transport Strategy

- 3.19 The focus of the recent work on the Integrated Transport Strategy (ITS), an integral part of the Delivery Strategy, has been to look at options for reducing complexity and therefore costs in the central tunnel section by reducing tunnel diameter, simplifying station design, refining ventilation concepts, cross passage locations, requirements for fire and smoke alarms and intervention requirements. In addition, a number of alternative so called "low cost options" have been considered, as required by the government's Green Book. These include options as follows:

Low Cost Option (LCO 1) seeks to deliver a CAM network that is largely **segregated** from other vehicle traffic, but which operates at surface level through Cambridge and thus avoids the substantial cost of the City Tunnel Section (CTS).

LCO 2 focuses on a surface-level CAM network through Cambridge that is largely **shared** with at least some other traffic, relying on existing corridors but ideally benefiting from some level of priority treatment and/or traffic management.

LCO 3 focuses on a surface-level CAM network through Cambridge that like LCO 2 is largely **shared**, but which specifically avoids the very centre of Cambridge.

- 3.20 Each of these LCOs would be coupled with a package of regional routes that were either **shared** or **mixed** (part shared, and part segregated), minimising the requirement for entirely new transport corridors through the countryside.
- 3.21 The feasibility or desirability of these options is still under review and all options including those identified through the conceptual design work will be taken forward into the PBC for selection in accordance with the Green Book.
- 3.22 Further transport modelling has been commissioned to support this current work and consideration is being given to the need to commission a new model in collaboration with Cambridge County Council, the GCP and others.
- 3.23 The ITS will need to respond to the wider interfaces and synergies of CAM with other transport schemes to ensure that an integrated, affordable and sustainable transport system is developed that both complements the Cambridge growth agenda and best serves the transport needs of residents, workers and visitors to the Cambridge area. The relationships and interactions between CAM and first mile-last mile options, local public transport services and future technology will also be important in this regard to deliver a truly integrated transport system that is the foundation for future sustainable growth in the region.

Award of contracts for the Programme Business Case

- 3.24 A procurement following the Restricted Procedure is underway to select a transport, engineering and environmental consultant (Lot 2) and a further appointment for a business case, funding and finance consultant (Lot 3) to work on the next stage of the project.

- 3.25 Consultancy tenders were returned on 8 March and are currently being evaluated. Delegated authority is sought for the co-Chief Executives to make the final award of the contracts following the evaluation. This will enable work to begin on the PBC as soon as the evaluation is completed.
- 3.26 These awards will be to establish a Framework Agreement with a single supplier for each Lot enabling staged development of requirements and delivery of the programme in accordance with the project's governance and funding approval process. A budget of up to £3.5 million is identified within the medium term financial plan for the award of these contracts and performance against delivery will be managed through the executive directors committee and the Transport and Infrastructure Committee.

4. Further Procurement Activity

- 4.1 The next procurement activity will follow the approval of the Delivery Strategy and, subject to successful approval, an integrated approach will be taken to support both the infrastructure and housing programme requirements. This is expected to take place over the coming six months, to support the delivery of the One CAM business case requirements over the next four years and, subject to approval of the Delivery Strategy, include:

Lot 4 – Commercial Delivery including land referencing, valuation & land value capture and commercial input

Lot 6 – Engineering Safety Advisory (independent assurance, guidance and advice on all operational safety elements pertaining to the CAM programme).

Lot 7 – Independent Technical Assurance (technical assurance of technical design proposals)

Lot 8 – Housing Technical Development - This lot is anticipated to be let in three parts – (a) town & country planning, (b) master planning and (c) landscape design.

Further information regarding these contracts will be made to the Combined Authority Board in June.

5. Finance Update

- 5.1 At its meeting of 27 January 2021, the CPCA Board approved its budget for 2021/22 and its Medium-Term Financial Plan (MTFP) for 2021/22 to 2024/25.
- 5.2 The MTFP earmarked capital funding of £2m to support the activities of One CAM limited in 2021/22, and a further £5m in 2021/22, £6.5m in 2022/23 and £6.5m in 2023/24 to support the development of the CAM Business Case.
- 5.3 Each of these earmarked balances in the MTFP were 'subject to approval', meaning that the release of funds would require further CPCA Board approval.
- 5.4 At its meeting of 11 March 2021, the One CAM Board agreed to request the CPCA Board to approve the £2m capital funding to provide equity investment into One CAM limited to fund the operational costs of the company for 2021/22.

- 5.5 These costs will include provision for staff directly employed by One CAM limited, support costs provided by CPCA including recharged staff time, recruitment costs and other costs of running the business such as IT, legal costs, finance and audit.

6. One CAM Limited Recruitment Activity

- 6.1 Work has been ongoing to appoint various key roles, at officer and director level, and to establish a supply chain of consultant advisors critical to the delivery of the Business Plan by One CAM Limited.

Company officer appointments

- 6.2 A shortlist was provided and the following interviews took place:

- 2 November 2020 for the Chief Executive Officer
- 29 January 2021 for the Chief Financial Officer
- 14 January 2021 for the Director of Strategy and Sponsorship

- 6.3 Written offers have been made to each of the following officers, subject to Board approval:

Chief Executive Officer 15 January 2021

Tim Keogh Chief Financial Officer 9 February 2021

Jo Dally Director of Strategy and Sponsorship 9 February 2021

CV's for Tim Keogh and Jo Dally will be tabled on the day of the meeting.

- 6.4 The Board should be aware there is a level of confidentiality relating to the appointment of the Chief Executive Officer. This level of confidentiality is maintained by agreement with the candidate's current employer and details of the Chief Executive have been included as an exempt appendix 3 to this report.

Financial Implications

- 6.5 The agreed base salary for the posts are:

Position	Maximum Salary (£ per annum)	Annual Performance Bonus*	Car Allowance (£)
CEO	250,000	50%	8,500
CFO	175,000	33.33%	8,500
Director of Strategy and Sponsorship	170,000	33.33%	No car allowance

* to be paid upon achievement of 'goals and objectives' agreed with the One CAM Board

- 6.6 Pension 10% employer contribution (to include four x salary death in service).
- 6.7 BUPA (family included) or other similar private health insurance is included within the benefits package.
- 6.8 Holidays at 25-30 days per annum plus bank-holidays.

Legal Implications

- 6.9 One CAM Limited will be registered as an employer with pension status in early Summer.

7. Legal Implications

- 7.1 The Cambridgeshire Autonomous Metro is listed as a Key Project for CPCA, who have a general power of competence to complete this project utilising the structures and the contracts as set out above.

8. Other Significant Implications

- 8.1 None

9. Appendices

Appendix 1 Chris Sexton CV

Appendix 2 Tim Keogh and Jo Dally CV's to follow

Appendix 3 Chief Executive Officer CV Exempt Appendix

10. Background Papers

- 10.1 None.

Chris Sexton

Chris Sexton BA (Hons) MA (Oxon) FInstRE FCQI is a senior construction executive and expert adviser on programme and project leadership with over 40 years of experience. He is an expert in the delivery of major infrastructure projects at all stages of the project life cycle, from initiation through to commissioning and handover.

Chris spent over 10 years with Crossrail Ltd., the company established to deliver the Elizabeth Line, a new railway for London and the South East of England, one of Europe's largest infrastructure programmes. As Chief Operating Officer (COO), he was one of only three C-Suite Executive Directors for the £17bn programme.

Prior to his appointment as COO, Chris served as the programme's Technical Director, a position he held for eight years, with responsibility and accountability for the client/employer's design of the entire railway, involving up to 1,500 designers at peak. He led the programme's core client technical functions to deliver the fully integrated, end-to-end scope in accordance with the Sponsors' Requirements and all applicable regulations – safely, sustainably and demonstrating value for money.

Chris holds a BA (Hons) and MA in Philosophy, Politics and Economics (PPE) from the University of Oxford. He is a Fellow of the Institution of Royal Engineers and a Fellow of the Chartered Quality Institute, of which he is a Past President.