



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

## **COMBINED AUTHORITY BOARD**

**Date: Wednesday, 05 August 2020**

**Democratic Services**

Robert Parkin Dip. LG.  
Chief Legal Officer and Monitoring Officer

**10:30 AM**

The Incubator  
Alconbury Weald  
Cambridgeshire  
PE28 4WX

**Due to Government guidance on social-distancing and the Covid-19 virus it will not be possible to hold physical meetings of the Combined Authority Board and the Combined Authority's Executive Committees for the time being. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 allows formal local government meetings to be held on a virtual basis, without elected members being physically present together in the same place. Meetings will therefore be held on a virtual basis and the procedure is set out in the "Procedure for Combined Authority Virtual Decision-Making" which will be available to view at the foot of the meeting page under the "Meeting Documents" heading ahead of the meeting. That document will also contain a link which will allow members of the public and press to observe the virtual meetings.**

**[Venue Address]**

# **AGENDA**

**Open to Public and Press**

## **Part 1 - Governance Items**

- |            |   |                |
|------------|---|----------------|
| <b>1.1</b> | <b>Announcements, Apologies and Declarations of Interest</b>  |                |
| <b>1.2</b> | <b>Minutes of the meeting on 3 June 2020</b>  | <b>7 - 28</b>  |
| <b>1.3</b> | <b>Petitions</b>  |                |
| <b>1.4</b> | <b>Public Questions</b><br>Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here - <a href="#">Cambridgeshire and Peterborough Combined Authority: Constitution</a> |                |
| <b>1.5</b> | <b>Forward Plan</b>   | <b>29 - 42</b> |
| <b>1.6</b> | <b>Membership of the Combined Authority Board and Committees 2020-21 - Update</b>   | <b>43 - 58</b> |
| <b>1.7</b> | <b>Registered Office Change - Cambridgeshire and Peterborough Combined Authority Companies</b>  | <b>59 - 60</b> |
| <b>1.8</b> | <b>Annual Report of the Chair of Audit and Governance 2019-20</b>   | <b>61 - 74</b> |
| <b>1.9</b> | <b>Overview and Scrutiny Committee Annual Report 2019-20</b>  | <b>75 - 92</b> |

## **Part 2 - Finance**

- |            |                              |                 |
|------------|------------------------------|-----------------|
| <b>2.1</b> | <b>Budget Monitor Update</b> | <b>93 - 102</b> |
|------------|------------------------------|-----------------|

## **Part 3 - Combined Authority Decisions**

- |            |   |                  |
|------------|---|------------------|
| <b>3.1</b> | <b>£100m Affordable Housing Programme Proposed Variations to Schemes that form investments from the £40m revolving fund</b> | <b>103 - 132</b> |
|------------|---|------------------|



<b>3.2</b>	<b>Proposal for a Corporate Vehicle to bring forward the Cambridgeshire Autonomous Metro (CAM)</b>	<b>133 - 280</b>
<b>3.3</b>	<b>A10 Junctions and Dualling</b>	<b>281 - 296</b>
<b>3.4</b>	<b>A141 Huntingdon Capacity Study and Third River Crossing</b>	<b>297 - 330</b>
<b>3.5</b>	<b>Market Towns Programme - Approval of Masterplans for East Cambridgeshire (Ely, Soham and Littleport)</b>	<b>331 - 414</b>
<b>3.6</b>	<b>Ox-Cam Arc Representation</b>	<b>415 - 418</b>

**By recommendation to the Combined Authority Board**

**Part 4 - Transport and Infrastructure Committee Recommendations to the Combined Authority Board**

<b>4.1</b>	<b>A1260 Junction 15 Transport Study - Outcomes of Outline Business Case</b>	<b>419 - 420</b>
<b>4.2</b>	<b>A1260 Junction 32 33 Transport Study - Outcomes of the Outline Business Case</b>	<b>421 - 422</b>
<b>4.3</b>	<b>March Area Transport Strategy Progress Report</b>	<b>423 - 424</b>

**Part 5 - Skills Committee Recommendations to the Combined Authority Board**

<b>5.1</b>	<b>University of Peterborough Full Business Case</b>	<b>425 - 428</b>
<b>5.2</b>	<b>Integrated Economic, Business and Skills Insight Programme</b>	<b>429 - 432</b>
<b>5.3</b>	<b>Careers and Enterprise Company Review</b>	<b>433 - 434</b>
<b>5.4</b>	<b>Growth Company Corporate Governance</b>	<b>435 - 438</b>

**Part 6 - Business Board Recommendations to the Combined Authority Board**

<b>6.1</b>	<b>Accelerated 2021 Local Growth Funding Allocated to the Cambridgeshire and Peterborough Combined Authority Business Board</b>	<b>439 - 446</b>
------------	---	------------------

<b>6.2</b>	<b>Growth Deal Project Proposals July 2020</b>	<b>447 - 450</b>
<b>6.3</b>	<b>Local Growth Fund Programme Management July 2020</b>	<b>451 - 454</b>
<b>6.4</b>	<b>Eastern Agri-Tech Growth Initiative Funding Review - July 2020</b>	<b>455 - 456</b>

The Combined Authority Board comprises the following members:

Mayor James Palmer

Austen Adams

Councillor Anna Bailey

Councillor Chris Boden

Councillor Steve Count

Councillor Ryan Fuller

Councillor Lewis Herbert

Councillor John Holdich

Councillor Bridget Smith

Jess Bawden

Councillor Ray Bisby

Councillor David Over

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Clerk Name: Richenda Greenhill

Clerk Telephone: 01223 699171

Clerk Email:       Richenda.Greenhill@cambridgeshire.gov.uk

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Monitoring Officer (Dermot Pearson) no later than 12.00 noon three working days before the day of the meeting at [dermot.pearson@cambridgeshirepeterborough-ca.gov.uk](mailto:dermot.pearson@cambridgeshirepeterborough-ca.gov.uk). The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Richenda Greenhill at [Richenda.Greenhill@cambridgeshire.gov.uk](mailto:Richenda.Greenhill@cambridgeshire.gov.uk) or on 01223 699171.





**Agenda Item 1.2**

**Date:** Wednesday 3 June 2020

**Time:** 10.30am – 1.45pm

**Venue:** Meeting held remotely in accordance with The Local Authorities (Coronavirus) (Flexibility of Local Authority Meetings) (England) Regulations 2020

**Present:** J Palmer (Mayor)

A Adams – Chair of the Business Board

Councillors A Bailey – East Cambridgeshire District Council,  
C Boden – Fenland District Council, R Fuller – Huntingdonshire District  
Council, S Count – Cambridgeshire County Council,  
L Herbert – Cambridge City Council, J Holdich – Peterborough City  
Council and B Smith – South Cambridgeshire District Council

**Co-opted Members:** Councillor D Over (Vice Chair, Cambridgeshire and Peterborough Fire Authority)

**Also in attendance:** Councillor K Price, Vice Chair, Overview and Scrutiny Committee

**526. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST**

Apologies were received from Jessica Bawden, representing the Cambridgeshire and Peterborough Clinical Commissioning Group.

There were no declarations of interest.

**527. MINUTES OF THE COMBINED AUTHORITY BOARD MEETING 29 APRIL 2020**

The Mayor invited Councillor Price, Vice Chair of the Overview and Scrutiny Committee, to share the Committee's question on this item. A copy of the question and response is attached at Appendix 1.

On being proposed by the Mayor, seconded by Mr Adams, it was resolved unanimously to:

Approve the minutes of the meeting on 29 April 2020 as an accurate record.

**528. PETITIONS**

No petitions were received.

## **529. PUBLIC QUESTIONS**

There were no public questions, but a number of questions had been received from the Overview and Scrutiny Committee which would be taken under the relevant agenda item. A copy of the written responses to questions is attached at Appendix 1.

## **530. FORWARD PLAN – 22 MAY 2020**

The Board reviewed the Forward Plan published with the meeting agenda on 22 May 2020. There were no requests to reserve any committee reports to the Board for decision.

Councillor Herbert asked for clarification of whether the CAM Metro Outline Business Case and outcome of the public consultation which ended on 3 April 2020 would still be brought to the Board in July 2020 or if this would be later in the summer or autumn. The Mayor stated that there was a need to consider the impact of Covid-19 on transport planning and to reflect during the next few weeks on whether the report should come in July 2020 or later in the year.

Councillor Herbert commented that the Forward Plan only covered the period to 24 June 2020 which he judged lacked transparency. The Monitoring Officer stated that the Forward Plan met the obligation to cover business planned during the following 28 days. It would usually cover a longer period, but the calendar of meetings for 2020/21 had not yet been approved and so these dates had not been included. The next iteration would be more comprehensive.

Councillor Smith commented that the possibility of a Board meeting being held on 24 June 2020 had been discussed informally, but she was unclear why this had been included on the published Forward Plan when it had not been agreed. The Monitoring Officer stated that this date remained provisional, but that it had been included in the published papers as a place holder to promote transparency. The alternative was to call an extraordinary meeting at much shorter if it was subsequently decided that the meeting should go ahead. The Mayor stated that it would be for the Board to decide whether a meeting should take place on 24 June 2020.

It was resolved to:

Approve the Forward Plan.

## **531. MEMBERSHIP OF THE COMBINED AUTHORITY**

The Board was invited to note the members and substitute members appointed by constituent councils to the Combined Authority Board for 2020/21, to appoint the Business Board's nominations as its representative and substitute for 2020/21 and to confirm co-opted member status as non-voting members of the Board for the Police and Crime Commissioner and representatives of the Cambridgeshire and Peterborough Fire Authority and Cambridgeshire and Peterborough Clinical Commissioning Group. The Board was further invited to agree that any late notifications of appointments to the Monitoring Officer should take immediate effect.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Note the Members and substitute Members appointed by constituent councils to the Combined Authority for the municipal year 2020/2021 (Appendix 1);
- b) Appoint the Business Board's nominations as Member and substitute Member to represent them on the Combined Authority for the municipal year 2020/21 (Appendix 1).
- c) Confirm that the following bodies be given co-opted member status for the municipal year 2020/21:
  - (i) The Police and Crime Commissioner for Cambridgeshire;
  - (ii) Cambridgeshire and Peterborough Fire Authority;
  - (iii) Cambridgeshire and Peterborough Clinical Commissioning Group.
- d) Note the named representative and substitute representative for each organisation as set out in the report.
- e) Agree that any late notifications of appointments to the Monitoring Officer shall take immediate effect.

#### **532. APPOINTMENTS TO EXECUTIVE COMMITTEES APPOINTMENT OF CHAIRS AND LEAD MEMBERS**

The Board was invited to note and agree the Mayor's nominations to Lead Member responsibilities and the membership of committees including the chairs of committees for 2020/21 as set out in Appendix 1.

Councillor Boden commented that Fenland District Council's annual meeting would take place on 17 June 2020 so the Council's committee nominations remained provisional at this stage.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

Note and agree the Mayor's nominations to Lead Member responsibilities and the membership of the committees including the Chairs of committees for 2020/21 as set out in Appendix 1.

#### **533. APPOINTMENT OF OVERVIEW AND SCRUTINY COMMITTEE**

The Board was invited to confirm the size and political balance of the Overview and Scrutiny Committee for 2020/21 as set out in the report, confirm the appointment of constituent councils' nominees and consider requesting that the Overview and Scrutiny Committee consider the co-option of an independent member from a constituent council.

Councillor Herbert welcomed the number of councillors contributing to the work of the Combined Authority's various committees. However, he noted that some councillors were appointed both to Executive Committees and to the Overview and Scrutiny Committee. His understanding was that this should not be the case and he sought clarification on this point. The Monitoring Officer stated that the Local Government Act 2000 did not apply to the Combined Authority in the same way as it did to local authorities. However, his advice would be that any Member involved in a decision taken by an Executive Committee should not be involved in the scrutiny of that decision. The Monitoring Officer undertook to raise this question with the Centre for Public Scrutiny and consider whether there was a need to discuss this further with constituent councils and review the Constitution. The Mayor stated that the Board would be updated on the outcome of this work.

On being proposed by the Mayor, seconded by Mr Adams, it was resolved unanimously to:

- a) Confirm that the size of the Overview and Scrutiny Committee should be 14 members; two members from each constituent council and two substitute members for the municipal year 2020/2021;
- b) Agree the political balance on the committee as set out in Appendix 1;
- c) Confirm the appointment of the Member and substitute Member nominated by constituent councils to the Overview and Scrutiny Committee for the municipal year 2020/21 as set out in Appendix 2.
- d) Request that the Overview and Scrutiny Committee consider the co-option of an independent member from a Constituent Council.

#### **534. APPOINTMENT OF AUDIT AND GOVERNANCE COMMITTEE 2020-21**

The Board was invited to confirm the size, composition and political balance of the Audit and Governance Committee for 2020/21, confirm the appointment of the Members and substitute Members nominated by Constituent Councils and re-appoint the existing independent person, Mr John Pye, to the Committee for 2020/21.

On being proposed by the Mayor, seconded by Councillor Boden it was resolved unanimously to:

- a) Confirm that the size of the Audit and Governance Committee should be eight members; one member and one substitute from each Constituent Council and confirm the reappointment of the existing independent person for the municipal year 2020/2021;
- b) Agree the political balance on the committee as set out in Appendix 1;
- c) Confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Committee for the municipal year 2020/2021 as set out in Appendix 2



- d) Appoint a Chair and Vice Chair of the Audit and Governance Committee for the municipal year 2020/2021.

#### **535. CALENDAR OF MEETINGS 2020-21**

The Board was invited to approve the draft calendar of meetings for 2020/21, subject to noting that the Board meeting scheduled for 24 June 2020 remained provisional and that the August Board meeting date had now been confirmed as Wednesday 5 August 2020. Once approved, the calendar of meetings would be shared with constituent councils' Democratic Services teams.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

Approve the Calendar of Meetings for 2020/2021 (Appendix 1).

#### **536. COMPLAINTS POLICY**

The proposed revisions to the Complaints Policy had been reviewed by the Audit and Governance Committee on 26 May 2020 and referred to the Board for approval, subject to a number of small changes. If approved, the Local Government and Social Care Ombudsman would be informed. The Board was reminded that the Monitoring Officer had delegated authority to make any changes recommended by the Local Government and Social Care Ombudsmen or resulting from the Audit and Governance Committee's function to monitor the complaints procedures.

Councillor Smith requested a change to paragraph 5 to revise or remove the statement, '*However, complainants who go public in the media may forfeit their right to anonymity and their right to confidentiality.*' She judged this to be threatening in tone and questioned whether it was consistent with the Combined Authority's policy on whistleblowing. The Monitoring Officer suggested that the Board's approval of the complaints policy be made subject to him refining this paragraph in consultation with the Mayor to take account of the public interest test. Councillor Smith expressed the hope that the proposed wording would be shared informally with the Board and Councillor Count asked that the final version be brought to the next Board meeting so that Members could see the final version.

Councillor Boden commented that he would welcome the introduction of a public interest test element, commenting that there could be occurrences of this being used for political purposes.

On being proposed by the Mayor, seconded by Cllr Boden, it was resolved unanimously to:

- a) Approve and adopt the complaints procedures subject, to any amendments made by the Audit and Governance Committee and to the Monitoring Officer refining the first paragraph of Section 5 regarding complainants' right to anonymity in consultation with the Mayor.
- b) Notify the Local Government and Social Care Ombudsman of its decision to approve and adopt the revised complaints procedures.

- c) Note that the Monitoring Officer has delegated authority to make any changes recommended by the Local Government and Social Care Ombudsmen or resulting from the Audit and Governance Committee's function to monitor the complaints procedures.

### **537. PERFORMANCE REPORT JUNE 2020**

The Board received a report providing an overview on delivery as of the end of April 2020. This included delivery against key metrics and the RAG status of the Combined Authority's key projects. Across the entire portfolio there was a net downward movement of two projects. The contract on the King's Dyke project had now been signed and the project was rated as green.

Councillor Herbert commented that the RAG ratings were useful, but that he would welcome a bit more information about the projects rated as amber. Officers undertook to provide this outside of the meeting. He further suggested that future reports might usefully include a couple of sentences about each project rated amber or red. Councillor Herbert also asked that an overarching update report on transport projects should be brought to a future Board meeting to allow Members to see how they all linked up and were progressing. The Mayor stated that this point would be noted and confirmed that Members would be updated in due course on the status of those projects rated amber and red.

The June Delivery Dashboard was noted.

### **538. BUDGET MONITOR REPORT – JUNE 2020**

The Chief Finance Officer stated that a commitment was given at the Board meeting on 25 March 2020 to look at the impact of Covid-19 as part of the review of the medium term financial plan (MTFP). This report discharged that commitment. There would be some adjustments in the move towards closedown and during the audit and the Board would be updated on these in the next budget monitor report. Carry forwards, due for example to project slippage, would also be subject to end of year adjustments.

#### Revenue Budget

The provisional revenue outturn position showed a favourable variance against the approved budget for the year of £6.7m. The majority of work streams showed some element of carry-forward due to having ring-fenced budgets or requiring additional work. Where this was not the case the practice was for underspends to be offered up so that they could be re-prioritised to meet need across the wider organisation. If all of the proposed project carry forwards were approved this would amount to £5.1m, leaving a net underspend of £1.6m against the approved budget and resulting in an increase in reserves going forward.

#### Capital Budget

The provisional capital outturn position showed a favourable variance of around £32m against the approved budget for the year. Most of this funding was ring-fenced or needed to be carried forward rather than representing an actual underspend.

### Response to Covid-19

On 25 March 2020 the Board had received an urgent report setting out the Combined Authority's proposed response to Covid-19. This included an undertaking to review all key projects to identify both risks to delivery and those projects most focused on economic recovery. This work had now been completed and the updated funding assumptions in the MTFP would enable the release of some previously allocated funding. The proposed re-modelled MTFP would re-focus funds towards the Covid-19 response and economic recovery whilst ensuring that the revenue and capital budgets would remain balanced and affordable. Should the Board adopt the re-modelled MTFP each proposed project would still remain subject to an outline business case (OBC) being brought before the Board for approval. Any additional savings would go to improving the overall position. The Combined Authority would remain in credit across each year of the MTFP and the budget remained balanced and affordable.

Councillor Herbert commended the clear and detailed reporting. Some significant underspends had been identified and he asked to take a hard look at the budget and opportunities to re-think some projects during informal discussions as the county began to emerge from Covid-19. In relation to the CAM project, he asked when the Board could expect to see fuller reports on all aspects of this very expensive project as Members needed to understand what the next stages would be and how these linked with the funding plan. The Mayor stated that the CAM Partnership Board would be meeting on 9 June 2020 and constituent council leaders would be meeting informally the following day to discuss this in detail. The report before the Board contained a clear and balanced budget. The CAM was an expensive but joined up scheme and it was important to move to the next stage, subject to the Board's approval. Councillor Herbert commented that he fully supported the CAM Partnership Board and wanted to see the CAM project succeed, but the sums involved were currently quite vague.

Councillor Smith commended the intelligible presentation of the budget report. She sought clarification of whether any monies would be returned to the funding body. The Chief Finance Officer stated that this would not impact on any carry-forwards at present. Should this change the Board would be updated. Councillor Smith further questioned the link drawn in the report between the CAM project and Covid-19 recovery given that the CAM would not be delivered for some time and asked what conversations on this had taken place with the OxCam Arc. The Mayor shared the hope that Covid-19 would be consigned to memory by the time the CAM was delivered. However, he judged that there was a need now to support the business community with bold and innovative solutions. The work of the OxCam arc was symbiotic with this.

Councillor Count expressed his disappointment that it had not been made clear to the Board that as the Lead Member for Finance and Investment he had not been involved in all aspects of the production of the report. Whilst it did represent a balanced report there were a number of questions which he had raised which had not been addressed. His main difficulty related to the way monies had been re-allocated at this stage. His expectation would have been that any identified underspends would be taken initially to the relevant Executive Committee to consider whether they represented true underspends and, if so, to make recommendations to the Board on how that money might be spent. Instead, this re-allocation had taken place at Director level without Member involvement, with

much of the identified underspend being directed to the CAM project. The rationale used for this approach was to show that projects were fully affordable, but this had resulted in a lot of budget lines which remained subject to the approval of the Board. Councillor Count expressed concerns about the CAM budget as there was now over £30m shown with reference to a secondary outline business case of which he was unaware and an unquantified reference to some of the money being for a full business case. Councillor Count confirmed that he had no problem with the addition contained in the report or with the report going forward. However, given that as Lead Member for Finance and Investment he had not been involved in drawing the report up and that it had still been issued with his name on it he felt he must abstain from the vote. The Mayor stated that he appreciated Councillor Count's position and offered his apologies that the report had been issued in Councillor Count's name. The Combined Authority Board had asked for solutions to deal with an immediate issue. The proposals before the Board would enable funds to be re-purposed from projects which were currently dormant and invest significant sums of money directly into the economy of Cambridgeshire. The Monitoring Officer stated that the online report had been updated to show the Mayor as Lead Member for this report and offered his apologies that this had not been conveyed to Board members.

Councillor Smith commented that she would be concerned if Executive Committees and Lead Members were not being involved in the process whilst Councillor Herbert commented on the significant contribution made by Councillor Count. The Monitoring Officer stated that Lead Members would be involved in the preparation of reports. The Chief Finance Officer stated that he had spoken to Councillor Count about this. Going forward, officers would make sure that there was sufficient time for him to be consulted on reports before they were published.

Councillor Herbert commented that in looking at the budget items for the CAM he felt that the Board had lost sight of some other priority transport projects. He would like to look at those too. The Mayor stated that all priority transport projects were still going forward. The funds which it was proposed to re-allocate had been drawn from dormant or completed projects.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved by a majority to:

- a) Note the provisional outturn position against budget for the year to 31 March 2020.
- b) Approve the carry forward of budget underspends to increase the 2020/21 budget to deliver the outcomes identified.
- c) Update the 2020/21 budget and Medium Term Financial Plan in accordance with the proposed changes made following the COVID-19 MTFP response review.

#### **539. CAMBRIDGE CITY COUNCIL £70M AFFORDABLE HOUSING PROGRAMME FORECAST 2020-21**

The Board's approval was sought for the carry forward of an underspend of £5,266,287 from the approved 2019/20 budget into the new financial year and to

approve a budget of £15,270,231 for 2020/21 for the £70 million Cambridge City programme. This would give a total budget for 2020/21 of £20,536,518, including carry forward.

Councillor Herbert commented that some sites had been subject to lockdown. However, there was an active building programme in place and it was expected to be back on site in the next few weeks.

Councillor Boden welcomed the statement in the report that there was a low risk of starts being significantly delayed. However, if that should change he would want to see that brought to the attention not just of the Housing and Communities Committee, of which he was the Chair, but also the Board.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Note the revised expenditure profile in respect of the £70 million Affordable Housing Programme led by Cambridge City Council, as part of the £170 million Affordable Housing Programme.
- b) Approve a carry forward of £5,266,287 from the approved 2019/20 budget into the 2020/21 financial year.
- c) Approve a budget of £15,270,231 for 2020/21, giving a total budget of £20,536,518 for the year once the carry forward.

#### **540. WISBECH RAIL**

The Board was advised that the identified options had been developed and that the recommended option would be for a heavy rail solution comprising of two trains per hour. The full business case was at the final drafting stage and would be published in due course. The table contained in the report would be subject to change as the proposals were finalised. Officers would continue to engage with the Department for Transport around the Ely North junction capacity issue, but capacity for an hourly direct service might already be in place. The project offered a benefit cost ratio (BCR) of between 2 and 2.5 which was deemed high.

Councillor Boden welcomed the proposal which moved the county closer to a restored rail link to Wisbech. He commended the Combined Authority's continued support for this project, noting that Wisbech was one of the largest towns in the country without a rail link. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) report had highlighted the importance of addressing inequality within the county. Restoring the rail link would make a significant contribution to this as Wisbech was one of the most deprived towns within the Combined Authority area.

Councillor Count commented that it was great news to see the proposals developed this far and to see the positive BCR. His preference would have been for the final report to have come to the Combined Authority Board for approval rather than to the Transport and Infrastructure Committee, but he understood the timing issues which had necessitated this. The biggest blockage to date had been the issues around the Ely North junction and the report clearly indicated that it was

possible to build an interim solution without Ely North which still offered a positive BCR. This meant it was still a good financial prospect to do it now. As well as making sound financial sense it would meet one of the core aims of the CPIER report in addressing multiple areas of deprivation and addressing inequality. Further engagement with Government was proposed following consideration by the Transport and Infrastructure Committee, but the report did not state when the Board would next be updated. The Mayor confirmed that he was content for an update report to be brought back to the Board in six months' time, if not before.

The Mayor stated that the Ely North junction was a problem, but that the Combined Authority now had a Grip 3 Business Case with a positive BCR which made a big difference. Subject to the report being approved he would be calling on Government to help progress this.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Note the headline conclusions of the draft Full Business Case that restoring a heavy rail link between Wisbech and Cambridge would be practicable and provide value for money;
- b) Delegate authority to the Transport and Infrastructure Committee to approve the final version of the Full Business Case; and
- c) Approve continued engagement with the Department for Transport, and other central government departments to explore the future funding of this project through the Restoring Railways Fund.

#### **541. PETERBOROUGH - TRANSPORT SCHEMES, STUDIES AND MONITORING**

The Mayor invited Councillor Price, Vice Chair of the Overview and Scrutiny Committee, to share the Committee's question on this item. A copy of the question and response is attached at Appendix 1.

The Board considered a request to approve the release of funding for the 2020/21 financial year to enable Peterborough City Council to undertake a further round of initial transport studies and develop a pipeline of future schemes. A full list of the studies which it was proposed to undertake was included in the report.

The Mayor commended Peterborough City Council and Cambridgeshire County Council's transport teams for their work in support of this project and expressed the hope that it would be possible to draw down more money for Government for active travel.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

Approve the release of £100,000 from the provisional allocation in the Medium Term Financial Plan.

This included votes in favour of the recommendations by the representatives of Cambridgeshire County Council and Peterborough City Council.

## **542. MARKET TOWNS PROGRAMME INVESTMENT PROSPECTUS 2020**

The Combined Authority was committed to supporting market towns within the county. The Market Towns Programme was approved by the Board in July 2018 and eleven Masterplans had been developed around the county, many of which had already been approved. The report before the Board set out an investment prospectus consisting of £10m capital funding plus £3.1m recycled funds which had been released following the decision not to progress the St Neots Footbridge project. Subject to the Board's approval, the aim was to launch the prospectus in June 2020. Funding applications would then be brought to a future Board meeting for approval.

Councillor Smith commented that Covid-19 had highlighted the value in being able to shop locally and of the county's micro economies. A report by Bill Grimsey exploring new models for town centres would be published later in the month and she expressed the hope that the Combined Authority would be sighted on this.

Councillor Holdich sought clarification of the criteria against which funding applications would be assessed and asked whether District Councils had been consulted. Officers stated that applications would be assessed against specific call specifications and criteria, including match funding and value for money, and set against the delivery and implementation of approved Masterplan priorities, actions and interventions to support Covid-19 economic recovery. District Councils had been consulted and the details would be finalised with partner organisations if the recommendation to grant delegated authority to the Director Business and Skills was approved.

Councillor Count commented that it would be important to ensure that the money was spent, noting that smaller projects might be faster to deliver. He suggested that this would also be an area where more money could be spent from the underspends reported in the Budget Monitor report. Significant sums of money could be attracted from Government as it saw the strong plans in place. In some cases this might take the form of match funding, so he asked whether there might be a need for the Combined Authority to re-focus its priorities in order to fund any suitable applications which could not be funded from the proposed £10m provision. He would like to look again at this when all of the applications had been received. Councillor Count further asked that the wording around the £10m being made available across the 10 market towns other than St Neots should be clarified.

On being proposed by the Mayor, seconded by Councillor Count, it was resolved unanimously to:

- a) Agree the below scope of the Investment Prospectus to in delivery of Market Town Masterplans, and delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Skills, to sign-off of the final version;
- b) Note that the Investment Prospectus will be launched to Market Town leads and partners in June 2020;

- c) Note that funding applications will be brought to the Combined Authority Board for approval from July 2020 onwards.

#### **543. COMBINED AUTHORITY RETRAINING SCHEME**

Government had invited Cambridgeshire and Peterborough to be a pilot area for a national retraining scheme. The Board's approval was sought to launch the pilot scheme and spend the £80k allocated by Government.

Councillor Holdich commented that this represented an important piece of work to ensure that the county was ready to resume business post Covid-19. The Mayor concurred, stating that some of the Combined Authority's best work related to investing in training. He thanked officers for their work on this.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Approve the development and launch of the Cambridgeshire and Peterborough Retraining Scheme Pilot.
- b) Give approval to spend the allocated budget of £80,100 from the Department for Education.

#### **544. SURRENDER OF LEASE - ALCONBURY**

This report was added to the Forward Plan as a Key Decision on 26 May 2020 under the General Exception arrangements set out in the Constitution. The Mayor invited Councillor Price, Vice Chair of the Overview and Scrutiny Committee, to share the Committee's question on this item. A copy of the question and response is attached at Appendix 1.

The report set out the first stage of a three stage process. The financial case for the proposed surrender of the lease on the Alconbury site had been set out by the Mayor in his response to the question from the Overview and Scrutiny Committee and also in the report. The second stage would be to identify suitable temporary accommodation and it was proposed that this would comprise a series of hubs across the Combined Authority area, preferably in existing local authority locations. Staff preferences would be taken into account during this process through engagement with the staff forum. Stage three would be the identification of permanent accommodation. The senior management team remained open about the location of this permanent accommodation and would want to take time to reflect with staff on what was needed. A shortlist would be drawn up based on accessibility, connectivity and public transport links and the final decision would rest with the Board.

Councillor Boden commented that he quite liked the Alconbury site and looked forward to the County Council moving there. However, the key consideration was that the Combined Authority was constrained on revenue funding so it was appropriate to take action now to ensure that these limited revenue resources were used to best effect. Officers had moved quickly when offered the opportunity to do this and he congratulated them on that. Councillor Boden expressed disappointment that decisions around the Combined Authority's temporary



accommodation would be made outside of the Board and expressed the view that this should be brought to the Board, or shared informally with Leaders.

Councillor Smith welcomed the hub approach proposed as an interim solution and asked whether this model might also be considered as one of the permanent accommodation options if it worked well, costed against the other options identified. The Mayor commented that this would be a sensible approach. Mr Hill, Joint Chief Executive, confirmed that it would be done.

Councillor Herbert commented that he had no difficulty with the recommendations, but that it was usual to decide where to move to before giving up existing accommodation. The Combined Authority would need an accessible base for staff and councillors where people could be brought together when it was safe to do so.

Mr Adams commented that he supported the proposals. The financial position made good sense and there would in any case be changes in working practices post Covid-19. He asked whether the figures included in the report included dilapidation costs. The Monitoring Officer stated his understanding that it was an inclusive figure, but undertook to check and update the Board if that was not the case.

Councillor Count commented that the figures in the report did not include the cost of the new accommodation or the cost of moving so the level of potential savings could perhaps have been toned down. However, he understood informally that the cost of potential sites could be substantially cheaper than the current accommodation so he was content to support the proposals on that basis. In his view, a core piece of work would be around the organisation's requirement for a permanent space for itself in a changed, post-Covid working environment. It was right that staff should be consulted, but the staff complement would change over time so he judged that cost should be the primary consideration.

The Mayor stated that there had been a lot of inaccurate comment around this issue and that comments attributed to him around the Alconbury site were not merited. This was a financial decision which had arisen in response to an opportunity which had presented itself. When the Combined Authority had entered into the lease for the Alconbury building it had a much larger staff, so it was right to revisit the provision required.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Agree to the surrender of the Lease of the Alconbury site, and to approve the payment of £151,537.50 in respect of the cost of the surrender.
- b) Note the updates provided in this report relating to the work to engage with staff on approaches to agile working, and to identify possible alternative sites,
- c) Note that a further report will be brought back to the Combined Authority Board proposing a shortlist of locations for a permanent HQ for the Cambridgeshire and Peterborough Combined Authority.

#### **545. LOCAL HIGHWAYS MAINTENANCE CAPITAL GRANT ALLOCATION 2020-21**

The report set out the capital funding allocations towards local transport for 2020/21 which had been advised by the Department for Transport. The Mayor was required to consult the Board before making a Mayoral decision to allocate this funding to Cambridgeshire County Council and Peterborough City Council as the two highways authorities in accordance with the Department for Transport formula. It was a condition of the grant that both of the highways authorities should provide assurances to the Chief Executives and the Chief Auditor to confirm that the conditions of the funding had been complied with.

Having consulted the Combined Authority Board, the Mayor allocated the grants as set below:

CCC - £17,781,000

PCC - £ 4,773,000

Total - £22,554,000

#### **BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD**

#### **BUSINESS BOARD RECOMMENDATIONS TO THE COMBINED AUTHORITY**

#### **546. LOCAL GROWTH FUND PROGRAMME MANAGEMENT JUNE 2020**

The report to the Business Board contained two appendices which were exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person, including the authority holding that information. The Mayor asked whether any member of the Board wished to discuss these exempt appendices as it would be necessary to consider whether to go into private session. No member expressed the wish to do so.

The report to the Business Board provided an operational update as of 1 May 2020. The annual grant payment for 2020/21 was split with one third being held back subject to review of those projects likely to be in delivery. £79.56m had been allocated so far and officers were working with the remaining projects to ensure that the final third of funding could be released. There were currently 18 completed projects, 14 live projects and 16 at pre-contract stage. Some delays had occurred arising from Covid-19, but work was now progressing again. There had been unprecedented demand for the Covid-19 Capital Grant Scheme with just under £5.3m awarded to date. That scheme had now closed. It was proposed to reallocate £320k of returned Local Growth Fund (LGF) funding into the new Adult Education Budget Innovation Fund to support the Further Education sector to deliver additional apprenticeships and retraining. If approved, this would mean that no match funding was required for that scheme. Monthly and quarterly monitoring was continuing to take place, but evaluation had been put on hold until now due to the focus on responding to Covid-19.

Mr Adams commended the Business and Skills team, commenting that the Covid Capital Grant Scheme had been hugely successful and had been recognised by

Ministers as an innovative and agile response. The Director of Business and Skills had been asked to produce a paper on this for Government with a view to it being replicated in other areas. The challenge now was to appropriately deploy all of the available LGF funding as Covid-19 had impacted on this. A contingency plan had been developed to backfill from the project pipeline should any current projects fall away to ensure that all funds were deployed.

Councillor Count commended the work which had been done in support of some great projects which would have real impact. He asked whether the monitoring and evaluation work would include looking at whether the money had been spent on what it was expected to be spent on and whether it had delivered the jobs planned. Officers confirmed that this would be the case.

The Mayor offered his personal congratulations and thanks to the Chair of the Business Board and the Business and Skills team for their work, commenting that there were people still in business today thanks to their efforts.

On being proposed by Mr Adams, seconded by Councillor Boden, it was resolved unanimously to:

approve of an allocation of £320,000 returned Local Growth Funding into the new Adult Education Budget Innovation Fund as capital match to that fund to support the Further Education Sector plus Apprenticeships and Retraining.

#### **547. BUSINESS BOARD CONSTITUTION REVIEW**

The Board was invited to approve the amendments to the Business Board Constitution set out as tracked changes at Appendix 1. These changes included the amendments arising from the Business Board governance review which had been reported in March 2020. A further report would be brought forward in due course proposing amendments to the Assurance Framework to ensure that both the Constitution and the Assurance Framework were fully aligned.

Councillor Count commented that the reference at paragraph 13A that women should make up at least a third of the membership of the Business Board by 2020 was inconsistent with paragraph 8 where this reference was removed. If the Board was serious about this he judged a new target was needed. Councillor Count further noted that the delegated authority to the Director of Business and Skills to approve small grants to small and medium sized enterprises (SMEs) did not define the sum involved and asked that this should be clarified. The Deputy Monitoring Officer stated that the Business Board had met its intention to increase the diversity of Business Board members which was why the 2020 date had been removed. This apparent contradiction would be addressed and included in the review of the Combined Authority Constitution which would be brought to a future meeting of the Board. The report recommending the delegation to the Director of Business and Skills which was approved by the Board on 27 November 2019 had defined this sum as up to £150k so this sum would be made explicit in the Constitution.

Councillor Smith sought clarification of the proposal to delete the requirement that *'Private Sector members should not have made substantial personal contributions to any recognised political party and must not serve as an officer in any recognised*

*political party.* The Deputy Monitoring Officer clarified that this requirement had not been removed, but that it had been included in Paragraph 9.3 which set out a number of other restrictions on Private Sector Board members. In relation to the composition of the Business Board, Councillor Smith commented that her understanding was that the Department for Business, Energy and Industrial Strategy (BEIS) required a 50/50 gender balance. She further asked about increasing democratic representation on the Business Board in line with neighbouring LEPs which had more elected members, commenting that as most Business Board meetings were held in private she was not even able to attend as an observer. Councillor Smith further commented that the report did not address the issue of co-terminosity. Mr Adams commented that the model which had been adopted in Cambridgeshire and Peterborough consisted of the Combined Authority Board acting as the Accountable Body and providing political involvement at that point. This allowed the Business Board's decisions to be uninfluenced by political considerations which he judged to be a more democratic approach than that taken by some LEPs. The Business Board Constitution was aligned to that objective. Business Board meetings were mainly held in private because of the sensitive nature of the matters discussed. However, there would be a public meeting of the Business Board later in the year and he would welcome Councillor Smith sitting in on any Business Board meetings if she so wished.

Councillor Herbert complimented the Business Board and the officer team which supported it on its achievements. However, BEIS had a clear expectation that co-terminosity with the Combined Authority's geographical area would be achieved together with equal gender representation. He was concerned that there would be less transparency around how vacancies on the Business Board would be filled and did not feel that this should be done wholly from a reserve list of candidates. The Deputy Monitoring Officer stated that all of those on the reserve list for appointment would have gone through a full and transparent recruitment process. Work was continuing around co-terminosity and the aim was for the Business Board to achieve equal gender representation by 2023. The Mayor commented that the Business Board was already working co-terminous with the Combined Authority area, but that the former LEP had had commitments beyond that geography which were being honoured.

Councillor Herbert further commented that he would also like to see greater representation of SMEs and for the Business Board to extend its network and become more visible. Mr Adams commented that he judged the Business Board had done well to get to 36% of Board members being female in quite a short time and, although there was still more work to do, this figure was better than most LEPs. The Business Board was mindful of sectorial representation amongst its membership and at present there were five members (36%) representing SMEs, including himself as Chair of the Board. Combined Authority Board members were welcome to sit in on a Business Board meeting if they wished. The Business Board would be holding a meeting in public later in the year, but it was not appropriate to share all of the financial information it discussed in the public domain. Mr Adams recognised that the Business Board had not so far communicated all of the good work that was being done. However, there was now a communication plan in place and two new Business Board members had expertise in this field and would be working with the communications team on this.

Councillor Count commented that he supported Mr Adams' comments regarding political involvement in the Business Board. He had been a long-serving member of the LEP which had preceded the Business Board and it had failed as an organisation with a governance deficit. He judged that the arrangements now in place in Cambridgeshire were running far better and he was comfortable with the local government element of the process being delivered through the Accountable Body arrangements. These arrangements and the Assurance Framework had also passed all examination by Government.

Councillor Smith expressed concern that there was a risk that the Combined Authority Board's role in approving Business Board recommendations could become a rubber stamp. The leaders of the constituent councils knew their local economies well and she judged that there was still a discussion to be had about how leaders engaged with the Business Board to the benefit of all.

The Mayor commented that Combined Authority Board members had access to all of the papers relating to Business Board decisions they were being asked to approve and that he agreed with Mr Adams that politics should be kept out of the Business Board.

On being proposed by Mr Adams, seconded by Councillor Bailey, it was resolved unanimously to:

Approve the amendments to the Constitution set out in Appendix 1, subject to specifying that the Director of Business and Skills had delegated authority to approve small grants to small and medium sized enterprises (SMEs) of up to £150k.

This included votes in favour of the recommendations by the eight voting members of the Board present when the vote was taken.

#### **548. EMERGENCY ACTIVE TRAVEL: ADVANCE PAYMENTS TO HIGHWAYS AUTHORITIES**

This key decision was added to the agenda under the special urgency arrangements set out in the Constitution and with the agreement of Councillor Dupré, Chair of the Overview and Scrutiny Committee. The Mayor as Chair of the Board had also agreed to add this item to the agenda as required by Section 100B(4)(b) of the Local Government Act 1972.

The request to bring this report under special urgency arrangements reflected the fast moving position on this. The Board was invited to review and endorse the programme of work relating to temporary active transport measures, to authorise payments to Cambridgeshire County Council and Peterborough City Council as local allocations under the Emergency Active Travel Fund and to agree that payments could be made in advance of the Combined Authority receiving full payment from the Department of Transport. Active travel had always been a priority for the Combined Authority, but the current social distancing requirements were significantly reducing the capacity of public transport which made this even more important. At the Mayor's request the two Highways Authorities had produced detailed lists of projects and they had already put some measures in place ahead of funding being released in order to progress this quickly.

Councillor Herbert welcomed the work which had been done to date in support of this. He judged there was a need to work with each business sector including the retail sector to look at the possibility of slightly different work times and patterns. Working in partnership with local authorities and the Greater Cambridge Partnership would provide the best possible support. The Mayor commented that staggered opening times would be a key factor and that he was pressing for this.

Councillor Bailey commented that East Cambridgeshire District Council had just closed an extensive survey of bus, cycling and walking habits and the results of this would be fed in to the Combined Authority's work. She judged that the current situation offered a real opportunity to look again at active travel. The first tranche of projects focused on Cambridge City and Peterborough and she understood the reasons behind that, but Cambridge City and South Cambridgeshire had the Greater Cambridge Partnership (GCP) to support this work and had already received significant funds to deliver active travel measures. Other districts had not had the benefit of this so she would want to see fairness in the distribution of this new funding, commenting that it should not be used to fund schemes which could and should be progressed via the GCP. Councillor Bailey asked what the GCP was doing now to further some of the innovative schemes being put forward in relation to Cambridge City and South Cambridgeshire from within its own resources to release the new funding available to those parts of the county which had not previously had the benefit of this. She would welcome a formal response from the GCP on this. Councillor Count commented that all parts of the county had been asked to submit proposals and that he would come back with a formal reply to the Board on how the money would be allocated. Councillor Herbert commented that the funding available offered an unprecedented opportunity to trial measures which would not have been considered under other circumstances and it would be great if all parts of the county could benefit from this funding. The GCP had a staffing and resource capacity and could use these to take a burden off of the county council by managing the schemes in the greater Cambridge area. This would free up capacity there to deliver schemes relating to other parts of the county.

Councillor Count welcomed the offer of officer support from the GCP. He commented that much of the previous funding from Government had been made specifically available to urban areas which had limited those areas which were eligible to apply. He was proud of what it had been possible to achieve with this funding in Cambridge City and expressed the hope that it might now be possible to replicate some of this good work in other parts of the county with the funding which had now been received. Looking forward, he anticipated that there would be a permanent change in the behaviours of both individuals and businesses following the experience of Covid-19. He would expect to see a greater emphasis on working from home and greater use of technologies such as e-bikes which would make cycling further distances a practical option for many more people. To this end he suggested that the Combined Authority might want to do some work around the size of future cycle lanes as part of the Local Transport Plan.

The Mayor judged that it would be right for the Combined Authority Board to ask the GCP for its immediate response to the Covid-19 crisis, what investment it was putting into cycle routes in the Cambridge area and whether it would be re-

purposing existing funding. He would be happy to write to the GCP on this basis on behalf of the Board.

Councillor Herbert commented that he would be happy to discuss this issue further with the Mayor, Councillor Bailey and their respective officers. The GCP was committed to working in partnership, but he emphasised that until recently a whole range of the schemes now under consideration could not have been possible. Councillor Herbert further commented that the GCP was not holding £400m in funding as had been suggested, but that it had received a commitment for £200m over the next five years, subject to a further gateway review. Nearly 90% of this funding would be for routes that would enable the CAM Metro and extend out to the surrounding areas.

On being proposed by the Mayor, seconded by Councillor Herbert, it was resolved unanimously to:

- a) Note and endorse the programme of work under way on temporary active travel measures;
- b) Agree payments of £2,093,346 to Cambridgeshire County Council and £781,654 to Peterborough City Council as local allocations under the Emergency Active Travel Fund;
- c) Agree that the payments can be made in advance of the Combined Authority receiving full payment from the Department for Transport.

This included votes in favour of the recommendations by the representatives of Cambridgeshire County Council and Peterborough City Council.

(Mayor)

**Combined Authority Board 3 June 2020: Questions from the Overview and Scrutiny Committee**

1. Agenda item 1.2: Minutes of the Meeting on 29 April 2020

The Overview & Scrutiny Committee received a written response following its question to the meeting of the Combined Authority Board on 29 April stating that 'productive discussions' were ongoing relating to the appointment of a Chair of the proposed Independent Commission on Climate Change. What have these discussions consisted of and have they resulted in the appointment of a Chair of the Independent Commission and other commissioners? What progress on this important piece of work has been made in the last month?

Response:

*The Chief Executive, in consultation with the Mayor, has appointed the Right Honourable Baroness Brown of Cambridge to lead the Independent Commission on Climate Change for Cambridgeshire and Peterborough. Baroness Brown is a Cambridge resident, an engineer with experience of senior leadership roles in industry and academia and a preeminent voice for climate change adaptation and mitigation and the low carbon economy.*

*Baroness Brown currently serves as Chair of the Carbon Trust; Vice Chair of the Committee on Climate Change and Chair of the Adaptation Sub-Committee; non-executive director of the Offshore Renewable Energy Catapult; and member of the WEF Global Agenda Council on Decarbonising Energy. She was non-executive director of the Green Investment Bank, she led the King Review on decarbonising transport (2008), and she is the UK's Low Carbon Business Ambassador.*

*Baroness Brown made a statement on her plans for the Commission on 3 June 2020 and there will be further announcements on the Commission's membership and work programme imminently. Baroness Brown is an independent chair with her own remit, but the Mayor has asked her to look specifically at mitigation of the impact of the Combined Authority's growth agenda and water shortages in the south of Cambridgeshire and how these might be addressed using re-directed water from the Fens.*



## 2. Agenda item 3.3: Peterborough – Transport Schemes, Studies and Monitoring

There is an increased emphasis on active transport modes and an increased level of importance attached to cycling, walking and equestrian transport as a result of the Covid-19 pandemic. What steps are being taken to prioritise active travel not only in the light of Covid-19 but more generally?

### Response:

*Active travel is a priority for the Combined Authority's Local Transport Plan. The likely effects of Covid-19 on travel choices have also made urgent short term interventions to support active travel necessary. The Mayor asked the Highways authorities to develop a package of such measures at the beginning of May 2020 and the first of those are being implemented now. An urgent report to the Combined Authority Board on 3 June 2020 set out details of how that work is being funded and led.*

## 3. Agenda item 3.6: Surrender of Lease - Alconbury

The paper accompanying this item refers to savings that will be achieved as a result of the surrender of the lease on the Combined Authority headquarters in Alconbury. However, there are no assumptions included in terms of the costs associated with alternative accommodation. Can the Board provide a more accurate savings figure which takes into account such costs? Secondly, why is the Combined Authority paying a whole year's rental costs to terminate the lease at Alconbury?

### Response:

*The Combined Authority is looking to pay the £151,537.50 settlement figure because it represents a substantial saving over the total accommodation liability that would be incurred during the three year period until the next break option date on the existing lease (July 2023). The settlement figure represents less than six months of the total annual accommodation cost (£307,651).*

*The current situation is evolving and aside from a temporary space, freehold options will be considered which would accommodate a mix of work practices and locations. These will be consulted with staff and assessment of space requirements and costs will follow as part of any future proposal put to the Board. A more accurate savings figure will be provided to the Board when these options and costs are better known.*





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

# **CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY'S FORWARD PLAN OF EXECUTIVE DECISIONS**

PUBLISHED TUESDAY 28 JULY 2020

## FORWARD PLAN

### PURPOSE

The Forward Plan sets out all of the key decisions which the Combined Authority Board and Executive Committees will be taking in the coming months. This makes sure that local residents and organisations know what key decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

### WHAT IS A KEY DECISION?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

### NON-KEY DECISIONS

For transparency, the Forward Plan also includes all non-key decisions to be taken by the Combined Authority Board and Executive Committees.

### ACCESS TO REPORTS

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from Robert Parkin, Chief Legal Officer and Monitoring Officer for the Combined Authority at [Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk](mailto:Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk).

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact Robert Parkin, Chief Legal Officer and Monitoring Officer at [Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk](mailto:Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk) at least five working days before the decision is due to be made.

### NOTICE OF DECISIONS

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

### STANDARD ITEMS TO COMMITTEES

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

#### Housing and Communities Committee

1. £100m Affordable Housing Programme Update
2. £70m Cambridge City Council Affordable Housing Programme: Update
3. £100k Homes and Community Land Trusts Update

#### Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

#### Transport and Infrastructure Committee

1. Budget Monitor Update
2. Performance Report

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
<b>Combined Authority Board 5 August 2020</b>									
<b>Governance Items</b>									
1.	Minutes of the meeting on 3 June 2020	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To approve the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
2.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
3.	Membership of the Combined Authority 2020/21: Update	Cambridgeshire and Peterborough Combined Authority	5 August 2020	Decision	To provide an update on appointments to the Combined Authority Board and Committees since Annual Meeting on 3 June 2020.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
4.	Registered Office Change: Cambridgeshire and Peterborough Combined Authority Companies	Cambridgeshire and Peterborough Combined Authority	5 August 2020	Decision	To approve the change of registered office for Cambridgeshire and Peterborough Combined Authority Companies	Relevant internal and external stakeholders, including the Audit and Governance Committee	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
5.	Audit and Governance Committee Annual Report 2019/20	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To receive the Audit and Governance Committee's Annual Report 2019/20.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
6.	Overview and Scrutiny Committee Annual Report 2019/20	Cambridgeshire and Peterborough Combined Authority	5 August 2020	Decision	To receive the Overview and Scrutiny Committee's Annual Report 2019/20	Relevant internal and external stakeholders	Robert Fox Interim Scrutiny Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
7.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Combined Authority Decisions</b>									
8.	£100m Affordable Housing Programme Proposed Variations to schemes that form investment from the £40m Revolving Fund	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/044	To request Board approval of a scheme that forms a part of and will require an investment from the £40m revolving fund and approval of changes to the terms and conditions of pre-existing loans in response to the impacts of COVID-19.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
9.	Cambridgeshire Autonomous Metro (CAM) Special Purpose Vehicle	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/022	To approve the Innovation Body outline business case.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
10.	A10 Junctions and Dualling Strategic Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To receive the Strategic Outline Business case and consider next steps.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
11.	A141 Huntingdon Capacity Study and Third River Crossing	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/056	To provide the Board with the outcomes of the A141 and Huntingdon Third River Crossing and recommend next steps.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
12.	Market Towns Programme – Approval of Masterplans for East Cambridgeshire (Ely, Soham and Littleport)	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/018	To approve Market Town Masterplans for East Cambridgeshire (Littleport, Ely and Soham)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
13.	OxCam Arc Representation	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To make proposals for the Combined Authority's representation on Arc governance groups.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
By recommendation to the Combined Authority Board									
By recommendation from the Transport and Infrastructure Committee									
14.	A1260 Junction 32/33 Transport Study: Outcomes of the Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/050	To approve the drawdown of £500,000 from the 'Subject to Approval' budget within the Medium-Term Financial Plan to produce the Full Business Case and detailed design.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
15.	A1260 Junction 15 Transport Study: Outcomes of Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/049	To present the outcomes of the A1260 Junction 15 Transport Study Outline Business Case and seek approval for the project to move to the Full Business Case and detailed design stage.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
16.	March Area Transport Strategy Progress Report	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/051	To present the outcomes of the Strategic Outline Business Case and public consultation and seek approval for the project to move to the Outline Business Case.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
By recommendation from the Skills Committee									
17.	University of Peterborough – Full Business Case	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/014	To approve the full business case for the new University of Peterborough.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
18.	Integrated Economic, Business & Skills Insight Programme	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/039	To consider proposals to re-profile the Medium Term Financial Plan budget to establish an Integrated Economic, Business & Skills Insight Programme for Cambridgeshire and Peterborough.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices.
19.	Careers And Enterprise Company Review	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To review the results of the pilot project.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
20.	Growth Company Corporate Governance	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To approve the recommended governance arrangements for the Growth Company.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Recommendations from the Business Board</b>									
21.	Growth Deal Project Proposals July 2020	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/054	To review and approve the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
22.	Local Growth Fund Programme Management July 2020	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Key Decision 2020/046	To review the Local Growth Fund Budget and amend as required.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich	It is not anticipated that there will be any documents other than the report and relevant appendices to be published



DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
								Lead Member for Economic Growth	
23.	Eastern Agri-Tech Growth Initiative Funding Review: July 2020	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To approve a change in the criteria for the Eastern Agri-Tech Growth Initiative scheme raising the grant intervention rate from 25% to 50% on the Growth Grant part of the scheme.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
24.	Accelerated 2021 Local Growth Funding Allocated to the Cambridgeshire and Peterborough Combined Authority Business Board	Cambridgeshire and Peterborough Combined Authority Board	5 August 2020	Decision	To note a Mayoral decision, on the recommendation of the Business Board, to accept the allocation of £14.6m accelerated Local Growth Funding from the Cities and Local Government Unit and to approve recommendations for its deployment.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Transport and Infrastructure Committee</b>									
25.	CAM Outline Business Case Non-Statutory Consultation Summary	Transport and Infrastructure Committee	9 September 2020	Decision	To provide an overview of the consultation and engagement undertaken by the Combined Authority in respect of the proposals for the CAM between 21 February and 3 April 2020.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
26.	Response to England's Economic Heartlands Transport Strategy consultation	Transport and Infrastructure Committee	9 September 2020	Decision	To consider the Combined Authority's draft response to the England's Economic Heartlands Transport Strategy and make recommendations to the	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
					Combined Authority Board				
<b>Housing and Communities Committee 14 September 2020</b>									
27.	Community Land Trusts Grant Scheme	Housing and Communities Committee	14 September 2020	Decision	To approve the grant policy for awarding start up grants for Community Land Trusts.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
28.	Housing Market Assessment Update	Housing and Communities Committee	14 September 2020	Decision	To receive an update on the study into the Housing Needs of Specific Groups commissioned by the local authorities.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Skills Committee 14 September 2020</b>									
29.	Skills Strategy Delivery Plans	Skills Committee	14 September 2020	Decision	To report on the Delivery Plans associated to the three key interventions that underpin the Combined Authority Skills Strategy.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
30.	University of Peterborough – Phase 2 Update	Skills Committee	14 September 2020	Decision	To provide a progress check and update on the creation of Phase 2 for the University of Peterborough Campus.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Combined Authority Board</b>									
<b>Governance Items</b>									
31.	Minutes of the meeting on 5 August 2020	Cambridgeshire and Peterborough	30 September 2020	Decision	To approve the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic	Mayor James Palmer	It is not anticipated that there will be any documents other than the

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
		Combined Authority Board					Services Officer		report and relevant appendices.
32.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
33.	Governance Update and Constitution Review	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To advise the Board of the outcome of the governance review and present proposed updates to the Constitution for adoption.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
34.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
35.	Business Plan 2020/21 Mid-Year Update	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To consider and approve the mid-year update of the Business Plan which was originally approved by the Board in January 2020.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
36.	Performance Report	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To provide performance reporting updates.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Combined Authority Board Decisions</b>									
37.	£100m Affordable Housing Programme (Non-Grant) September 2020	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/045	To Request Board approval of a scheme that forms a part of and will require an investment from the £40m revolving fund.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
38.	Cambridgeshire Autonomous Metro (CAM) Special Purpose Vehicle: Shareholder Agreement	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/057	To approve the Shareholder Agreement for the Special Purpose Vehicle	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
39.	Market Towns Programme Investment Prospectus – Approval of First Tranche of Recommended Projects	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/041	To approve the first tranche of recommended projects under the Market Towns Programme Investment Prospectus.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>By recommendation to the Combined Authority Board</b>									
<b>Recommendations from the Transport and Infrastructure Committee</b>									
40.	Response to England's Economic Heartlands Transport Strategy consultation	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To approve the Authority's response to the England's Economic Heartlands Transport Strategy	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Recommendations from the Business Board</b>									
41.	Local Growth Fund Programme Management September 2020	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/047	To review the Local Growth Fund Budget and amend as required.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
42.	Growth Deal Project Proposals: September 2020	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/055	To review and approve the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
								Lead Member for Economic Growth	
43.	Covid-19 Economic Recovery Strategy	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To recommend the Combined Authority Board approve the Economic Recovery Strategy for Cambridgeshire & Peterborough.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
44.	Growth Service - Full Business Case  [May include exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Key Decision 2020/029	To approve the Full Business Case for mobilisation of the Growth Service.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
45.	Local Enterprise Partnership Partnering Strategy – 2020 Update	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To approve the Local Enterprise Partnership Partnering Strategy	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
46.	Coterminous and Strategic Partnership Agreements Update	Cambridgeshire and Peterborough Combined Authority Board	30 September 2020	Decision	To approve Memorandums of Understanding with the remaining seven neighbouring Local Enterprise Partnerships.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board  Councillor John Holdich	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
								Lead Member for Economic Growth	
<b>Combined Authority Board</b>									
<b>Governance Items</b>									
47.	Minutes of the meeting on 30 September 2020	Cambridgeshire and Peterborough Combined Authority Board	28 October 2020 <i>[Reserve meeting date]</i>	Decision	To approve the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
48.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	28 October 2020 <i>[Reserve meeting date]</i>	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
49.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	28 October 2020 <i>[Reserve meeting date]</i>	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Combined Authority Board</b>									
<b>Governance Items</b>									
50.	Minutes of the meeting on 28 October 2020	Cambridgeshire and Peterborough Combined Authority Board	25 November 2020	Decision	To approve the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
51.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	25 November 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
52.	Budget Monitor Update	Cambridgeshire and Peterborough	25 November 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member	It is not anticipated that there will be any documents other than the report and relevant

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
		Combined Authority Board						for Investment and Finance	appendices to be published.
<b>Combined Authority Decisions</b>									
53.	Market Towns Programme Investment Prospectus – Approval of Second Tranche of Recommended Projects	Cambridgeshire and Peterborough Combined Authority Board	25 November 2020	Key Decision 2020/042	To approve the second tranche of recommended projects under the Market Towns Programme Investment Prospectus.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

**SUBMIT YOUR COMMENTS OR QUERIES TO  
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED  
AUTHORITY**

Please send your comments or queries to Robert Parkin, Chief Legal Officer and Monitoring Officer, at [Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk](mailto:Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk)

Your comment or query:

How can we contact you with a response?  
(please include a telephone number, postal and/or e-mail address)

Name .....

Address .....

.....

Tel: .....

Email: .....

Who would you like to respond?





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No:</b>
<b>5 August 2020</b>	<b>PUBLIC REPORT</b>

## **MEMBERSHIP OF THE COMBINED AUTHORITY BOARD AND COMMITTEES 2020/21: UPDATE**

### **1.0 PURPOSE**

- 1.1. To appoint the Members and substitute Members nominated by the Constituent Councils as set out in Appendix 1 following amendments made at some constituent council Annual General Meetings since the last meeting of the Combined Authority Board.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer and Author:</b>	<b>Robert Parkin, Chief Legal Officer and Monitoring Officer</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) appoint the Members and substitute Members nominated by constituent councils to the Combined Authority Board, Executive Committees, Business Board, Overview &amp; Scrutiny Committee and Audit &amp; Governance Committee for the municipal year 2020/2021 (Appendix 1);</p> <p>(b) Note the named representative and substitute representative for each organisation as set out in the report.</p>	<p><b><i>Voting arrangements</i></b></p> <p>(a) A simple majority</p> <p>(b) No vote required</p>

## **2.0 BACKGROUND**

### **Membership**

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each Constituent Council must appoint one of its elected members and a substitute member to the Combined Authority.
- 2.2. There were no local elections in May 2020. Each constituent council either rolled-forward its appointments from last municipal year or, where there have been annual Council meetings, affirmed appointments at these. However, since the last meeting of the Combined Authority Board Fenland District Council and Huntingdonshire District Council have held Annual General Meetings and affirmed appointments to Combined Authority Boards and Committees. The appointments for these two Constituent Councils remain the same as last year.
- 2.3. The Board agreed at its last meeting that any last nominations to the Monitoring Officer will take immediate effect. The Members and substitute Members appointed by the Constituent Councils are set out in Appendix 1.
- 2.4. In July 2018, the Combined Authority Board agreed a new system of decision making through the establishment of three committees. The terms of reference of the Transport and Infrastructure Committee, the Skills Committee and the Housing and Communities Committee were also agreed. The confirmed Members and substitute Members appointed by the Constituent Councils are set out in Appendix 2.
- 2.5. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 states that the Combined Authority must appoint such a number of members of each of the constituent councils to an overview and scrutiny committee, so that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together. The confirmed Members and substitute Members appointed by the Constituent Councils are set out in Appendix 3.
- 2.6. In accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, the Combined Authority is required to establish an Audit Committee. The confirmed Members and substitute Members appointed by the Constituent Councils are set out in Appendix 4.
- 2.7. Confirmed Business Board Membership is set out in Appendix 5.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its members.

### **4 LEGAL IMPLICATIONS**

- 4.1 These are dealt with in the report.

### **5 SIGNIFICANT IMPLICATION**

- 5.1 These appointments are made by the constituent councils according to statutory rules. They are not a matter of choice for the Combined Authority, other than the appointment of organisations as co-opted members.

### **6 APPENDICES**

- 6.1 Appendix 1 – Membership of Combined Authority Board  
6.2 Appendix 2 – Membership of Executive Committees  
6.3 Appendix 3 – Membership of the Overview & Scrutiny Committee  
6.4 Appendix 4 – Membership of the Audit & Governance Committee  
6.5 Appendix 5 – Membership of the Business Board

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Council reports of each of the Constituent Councils	Constituent Council websites



**Membership of the Combined Authority Board 2020/21**

<b>Nominating Body</b>	<b>Member</b>	<b>Substitute</b>
	Mayor James Palmer	Statutory Deputy Mayor
Cambridge City Council (Annual meeting 28 May 2020)	Cllr Lewis Herbert	Cllr Mike Davey
Cambridgeshire County Council	Cllr Steve Count	Cllr Roger Hickford
East Cambridgeshire District Council	Cllr Anna Bailey	Cllr Joshua Schumann
Fenland District Council	Cllr Chris Boden	Cllr Jan French
Huntingdonshire District Council	Cllr Ryan Fuller	Cllr Jon Neish
Peterborough City Council	Cllr John Holdich	Cllr Wayne Fitzgerald
South Cambridgeshire District Council	Cllr Bridget Smith	Cllr Aidan van de Weyer
Business Board (Meeting 26 May 2020)	Austen Adams	Professor Andy Neely



**Lead Member Responsibilities and Committee Membership: August 2020**

**Lead Member Responsibilities**

<b>Lead Member Responsibilities</b>	<b>Board Member</b>
Mayor, Chair of the Combined Authority Lead Member for Policy Lead Member for Governance	James Palmer, Mayor
Lead Member for Economic Growth	Cllr John Holdich, Deputy Mayor
Lead Member for Spatial Planning Chair of Land Commission	Cllr Chris Boden
Lead Member for Skills Chair of Skills Committee	Cllr John Holdich, Deputy Mayor
Lead Member for Investment & Finance	Cllr Steve Count
Lead Member for Housing Chair of Housing and Communities Committee	Cllr Chris Boden
Lead Member for Transport Chair of Transport Committee	James Palmer, Mayor

## Committee Allocation

### Transport Committee (8 seats)

		Lead Member Responsibilities/Member	Board Member	Substitute
1	Chair	Lead Member for Transport	James Palmer, Mayor	
2	Member	Member for Cambridge City Council	Cllr Nicky Massey	Cllr Mike Sargeant
3	Member	Member for Cambridgeshire County Council	Cllr Ian Bates	Cllr Roger Hickford
4	Member	Member for East Cambridgeshire District Council	Cllr Joshua Schumann	Cllr David Brown
5	Member	Member for Fenland District Council	Cllr Chris Seaton	<del>Cllr Chris Boden</del> Cllr Steve Tierney
6	Member	Member for Huntingdonshire District Council	Cllr Jon Neish	Cllr Ryan Fuller
7	Member	Member for Peterborough City Council	Cllr Peter Hiller	Cllr Graham Casey
8	Member	Member for South Cambridgeshire District Council	Cllr Dr Aidan Van de Weyer	Cllr Neil Gough

### Skills Committee (7 seats)

		Lead Member Responsibilities/Member	Board Member	Substitute
1	Chair	Lead Member for Skills	Cllr John Holdich	Cllr Lynne Ayres
2	Member	Member for Cambridge City Council	Cllr Mike Davey	Cllr Mike Sargeant
3	Member	Member for Cambridgeshire County Council	Cllr David Ambrose-Smith	Cllr Roger Hickford
4	Member	Member for East Cambridgeshire District Council	Cllr Lis Every	Cllr Joshua Schumann
5	Member	Member for Fenland District Council	Cllr Chris Seaton	Cllr David Mason



6	Member	Member for Huntingdonshire District Council	Cllr Jon Neish	Cllr Ryan Fuller
7	Member	Member for South Cambridgeshire District Council	Cllr Eileen Wilson	Cllr Neil Gough

### Housing and Communities Committee (7 seats)

		<b>Lead Member Responsibilities/Member</b>	<b>Board Member</b>	<b>Substitute</b>
1	Chair	Lead Member for Housing	Cllr Chris Boden	Cllr Dee Laws
2	Member	Member for Cambridge City Council	Cllr Mike Sargeant	Cllr Mike Davey
3	Member	Member for Cambridgeshire County Council	Cllr Roger Hickford	Cllr Ian Bates
4	Member	Member for East Cambridgeshire District Council	Cllr David Ambrose -Smith	Cllr Anna Bailey
5	Member	Member for Huntingdon District Council	Cllr Ryan Fuller	Cllr Jon Neish
6	Member	Member for Peterborough City Council	<del>Cllr Irene Walsh</del> Cllr Steve Allen	<del>Cllr Steve Allen</del> Cllr Irene Walsh
7	Member	Member for South Cambridgeshire District Council	Cllr Bridget Smith	Cllr Hazel Smith

### Notes

(a) Lead Member should also be Chair

(b) Vice Chair to be agreed by committee as and when required



Membership of O&S 2020/21

<b>Constituent Council</b>	<b>Member</b>	<b>Substitute</b>
Cambridgeshire County Council	<u>Cllr David Connor</u> <u>Cllr Jocelynn Scutt</u>	<u>Cllr Mac Maguire</u> <u>Cllr Linda Jones</u>
Peterborough City Council	<u>Cllr Andy Coles</u> <u>Cllr Ed Murphy</u>	<u>Cllr Lynne Ayres</u> <u>Cllr Katia Yurgetene</u>
Fenland District Council	<del><u>Cllr Alex Miscandlon</u></del> <u>Cllr David Mason</u> <u>Cllr Anne Hay</u>	<u>Cllr Steve Tierney</u> <u>Cllr Alex Miscandlon</u>
Huntingdonshire District Council	<u>Councillor Patricia Jordan</u> <del><u>Councillor Douglas Dew</u></del> <u>Councillor Stephen Corney</u>	<u>Councillor Mike Humphrey</u> <del><u>Councillor Stephen Corney</u></del> <u>Councillor Eric Butler</u>
South Cambs DC	<del><u>Cllr Pippa Heylings</u></del> <u>Cllr Peter Fane</u> <u>Cllr Grenville Chamberlain</u>	<del><u>Cllr Peter Fane</u></del> <u>Cllr Dr Ian Sollom</u> <u>Cllr Heather Williams</u>
East Cambs DC	<u>Cllr Alan Sharp</u> <u>Cllr Lorna Dupre</u>	<u>Cllr David Ambrose-Smith</u> <u>Cllr Charlotte Cane</u>
Cambridge City Council	<u>Cllr Kevin Price</u> <u>Cllr Markus Gehring</u>	<u>Cllr Carla McQueen</u> <u>Cllr Dan Summerbell</u>

--	--	--

**Appointments to the Audit & Governance Committee – Confirmed following Constituent Council AGMs in June 2020**

<b>Constituent Council</b>	<b>Member</b>	<b>Substitute</b>
Cambridgeshire County Council	<u>Cllr Mark Goldsack</u>	<u>Cllr David Wells</u>
Peterborough City Council	<u>Cllr Nick Sandford</u>	<u>Cllr Simon Barkham</u>
Fenland District Council	<u>Cllr Ian Benney</u>	<u>Cllr Samantha Hoy</u>
Huntingdonshire District Council	<del>Cllr Mac McGuire</del> <u>Cllr Graham Bull</u>	<u>Cllr Dr Phillip Gaskin</u>
South Cambs DC	<u>Cllr Tony Mason</u>	<u>Cllr Peter Fane</u>
East Cambs DC	<u>Cllr David Brown</u>	<u>Cllr David Ambrose-Smith</u>
Cambridge City Council	<u>Cllr Mike Davey</u>	<u>Cllr Kevin Price</u>



**Business Board Membership: August 2020**

<b>Private Sector</b>	<b>Designation</b>
Austen Adams	Chair
Professor Andy Neely	Vice Chair
Nitin Patel	
Nicki Mawby	
Al Kingsley	
Rebecca Stephens	
Jason Mellad	
Faye Holland	
Kelly Swinger	
Aamir Khalid	
Tina Barsby	
Mark Dorset	
<b>Public Sector</b>	Substitute
James Palmer (Mayor)	Cllr Anna Bailey
Cllr John Holdich (Statutory Deputy Mayor and Lead Member for Economic Growth)	Cllr Wayne Fitzgerald







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.7</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **REGISTERED OFFICE CHANGE: CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY COMPANIES**

### **1.0 PURPOSE**

1.1. The purpose of this report is to:

Inform Members of the recent change to the registered office of the Combined Authority and its companies.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer and Author:</b>	<b>Robert Parkin, Chief Legal Officer and Monitoring Officer</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  note the change of the registered office of the Cambridgeshire and Peterborough Combined Authority and its subsidiary companies.	<b><i>Voting arrangements</i></b>  No vote required

### **2.0 BACKGROUND**

2.1 The Cambridgeshire and Peterborough Combined Authority previous registered office at Incubator 2, Alconbury Weald has now been vacated.

2.1. The Combined Authority's new registered office is the Combined Authority Mayor's office at:

72 Market Street  
Ely  
Cambridgeshire  
CB7 4LS

2.3 The registered offices of the Combined Authority Trading Companies have also changed to the Mayor's office. Notification of the registered office amendment has been provided to Companies House.

2.4 The registered address has been amended on the Combined Authority website.

### **3 FINANCIAL IMPLICATIONS**

3.1 None.

### **4 LEGAL IMPLICATIONS**

4.1 Companies House have been notified of the change of registered address.

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.8</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **ANNUAL REPORT OF THE CHAIR OF AUDIT AND GOVERNANCE COMMITTEE FOR 2019/20**

### **1.0 PURPOSE**

- 1.1 The Audit & Governance Committee has a wide-ranging remit that underpins the Combined Authority's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework. These are detailed in its terms of reference.
- 1.2 It is important for the Audit and Governance Committee to review annually the work undertaken by the committee to ensure best practice and effectiveness for the Combined Authority is being achieved. The Annual Report of the Chair of Audit & Governance Committee shows the work carried out by the Committee over the 2019/20 municipal year.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>John Pye, Chair of Audit &amp; Governance Committee</b>
<b>Lead Officer:</b>	<b>Robert Parkin, Chief Legal Officer and Monitoring Officer</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <p>a) Note the Annual Report of the Chair of Audit and Governance Committee for 2019/20 (Appendix 1) and provide any feedback to the Committee.</p>	<p><b>Voting arrangements</b></p> <p>n/a</p>

## **2.0 BACKGROUND**

- 2.1 It is recommended by relevant professional bodies that audit and governance committees should produce an annual report which details the work of the Committee for the Municipal Year. At its meeting on 26 May 2020 the Audit and Governance Committee approved the Annual Report of the Chair of Audit & Governance Committee for submission to the Combined Authority. The Annual Report forms Appendix 1 to this report.
- 2.2 The Annual Report shows:
- 2.2.1 Background to the Committee, its roles, responsibilities and membership;
  - 2.2.2 An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
  - 2.2.3 Training provided to ensure that suitable challenge and scrutiny is adopted.
  - 2.2.4 Records of complaints, Freedom of Information requests and attendance levels for the committee to consider.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications arising from this report.

## **4.0 LEGAL IMPLICATION**

- 4.1 There are no legal implications arising from this report. It is good practice for Audit & Governance Committees to submit an annual report to their parent body.

## **5.0 APPENDICES**

- 5.1 Appendix 1 – Annual Report of the Chair of Audit and Governance Committee for 2019/20

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Not applicable	



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

# **ANNUAL REPORT FROM THE CHAIRMAN OF AUDIT & GOVERNANCE COMMITTEE FOR THE COMBINED AUTHORITY OF CAMBRIDGESHIRE AND PETERBOROUGH 2019/2020**

**To review and scrutinize the authority's  
financial affairs**

**To make reports and recommendations  
to the CA on these reviews**

**To review and assess the economy,  
efficiency and effectiveness of the  
authority's use of resources**

**To review and assess the authority's risk  
management, internal control and  
corporate governance arrangements**

**To ensure high standards of conduct  
amongst Members**

# **AUDIT AND GOVERNANCE COMMITTEE: ANNUAL REPORT 2019/2020**

<b>FOREWORD AND INTRODUCTION .....</b>	<b>Section 1</b>
<b>MEMBERSHIP AND MEETINGS .....</b>	<b>Section 2</b>
<b>KEY ACTIVITIES DURING THE MUNICIPAL YEAR .....</b>	<b>Section 3</b>
<b>MEMBER DEVELOPMENT AND ATTENDANCE .....</b>	<b>Section 4</b>
<b>GOVERNANCE MONITORING .....</b>	<b>Section 5</b>
<b>PLANS FOR 2020/2021 .....</b>	<b>Section 6</b>

## **1. FOREWORD AND INTRODUCTION**

### **1.2 Foreword by the Chair of the Audit and Governance Committee.**

This Annual Report of the Audit and Governance Committee (A&G) for the municipal year 2019/2020, sets out against its terms of reference the work done to scrutinise the governance arrangements across the Combined Authority. The Committee found no need during the year to make recommendations to the Combined Authority Board - other than comments on routine papers and reports.

The Combined Authority's continued action to develop and improve its governance and internal controls in a transparent way is positive and welcome. The Committee took a careful look at the Authority's new governance arrangements, including those for the Business Board, and it continued to monitor Treasury Management developments. The response to a potential fraud incident was effective (see 5.1).

Establishing the elements of good governance in a new organisation is a challenge and takes time to mature. This remains work in progress and is helped by the open approach taken by officers and their responsiveness to the A&G Committee's questions and comments.

The year saw the delays experienced across local government to the external audit of the Accounts (see 3.2), and the need to cancel the March 2020 A&G meeting owing to COVID 19. There was some inevitable discontinuity due to the turnover of interim monitoring and scrutiny officers during the year. There was limited progress in the development of the Committee's effectiveness, whilst quoracy remains a challenge (see 4)

Looking ahead, the Committee will continue to look at new areas as they emerge as well as the standard cycle of reports and reviews (See 6).

The Committee would welcome any feedback from the Combined Authority Board.

**John Pye**  
**Audit and Governance Chair**

## 1. INTRODUCTION

This is the A&G Committee's third annual report. The Committee was established by the Combined Authority in May 2017. The membership comprises seven elected members representing each of the Combined Authority's constituent councils, together with an Independent Person. The Combined Authority Board decided that the Independent Person should act as the A&G Committee's Chair.

The purpose of the A&G Committee is to provide: independent assurance of the adequacy of the risk management framework and the associated control environment; independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weaknesses; and to oversee the financial reporting process.

The key benefits of an A&G Committee can be seen as:

- Raising greater awareness of the need for internal control and the implementation of both internal and external audit recommendations;
- Increasing public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and similar review processes; and
- Providing additional assurance through a process of independent and objective review.

The A&G Committee's Terms of Reference are at **Annex A** of this report.

This Report sets out the work undertaken by the A&G Committee for 2019/20. The Committee has seen good progress in all areas under its remit, as the Combined Authority continues to develop and embed its governance arrangements and internal controls.

It is reassuring that the Committee found no need during the year to make recommendations to the Combined Authority Board - other than comments on routine papers and reports.

## 2. MEMBERSHIP AND MEETINGS

During 2019/20, the A&G Committee met on the following dates:

- 31 May 2019
- 19 July 2019
- 27 September 2019
- 16 December 2019

The meeting scheduled for 27 March 2020 was cancelled because of COVID 19. Business was rolled forward into 2020/21.

The cross representation of all parties accords with the make-up of the constituent councils across the Combined Authority area. The Committee decided not to co-opt an independent member from a constituent council

The members for 2019/2020 were:

Table 1: Councillor Audit Committee Membership 2019/2020 as at 8 May 2020:

Independent Person	Conservative	Liberal Democrats	Labour
John Pye (Chair)	Cllr Ian Benney Cllr David Brown Cllr Mark Goldsack Cllr Mac McGuire (Vice-Chair)	Cllr Tony Mason Cllr Nick Sandford	Cllr Mike Davey

Senior officers from the Combined Authority are also present at the A&G Committee meetings, including the Chief Finance Officer, Chief Legal and Monitoring Officer, Chief Executive Officer and Chief Internal Auditor.

Dependent on the agenda, other officers attend as do the External Auditors, Ernst & Young.

The A&G Committee was well supported by the Combined Authority's senior officers, in an open and transparent manner.

### **3. KEY ACTIVITIES DURING THE MUNICIPAL YEAR**

#### **3.1 Background**

The A&G Committee's terms of reference cover six main areas:

- Annual Accounts
- Review Corporate Governance
- Internal Audit
- External Audit
- Financial Reporting
- Code of Conduct

The work of the A&G Committee to fulfil its terms of reference is summarised below.

#### **3.2 Annual Accounts and External Audit**

##### **Terms of Reference**

- 3.1 Approve the annual statement of accounts.
- 3.11 Review the annual accounts;
- 3.12 Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

#### **Audit & Governance Committee Actions:**

##### **31 May 2019**

*Draft Statement of Accounts:* The A&G Committee considered and commented on the draft accounts for the Combined Authority 2018/19

##### **19 July 2019**

*Final Statement of Accounts (unaudited):* At this meeting, the A&G Committee would have expected to receive and approve the audited Statement of Accounts 2018/19, together with the Annual Governance Statement. However, the external audit was incomplete. The Committee:



- Approved the Annual Governance Statement.
- Approved the Statement of Accounts in principle.
- Noted that if should it not be possible to publish the audited Statement of Accounts by the end of July 2019, then the law required the Combined Authority issue a notice explaining the reasons and publish them as soon as reasonably practicable thereafter.

27 September 2019

#### *Final Statement of Accounts*

- The External Auditor advised the Committee that they expected to issue an unqualified audit opinion on the financial statements.
- The number of delayed audit opinions in local government had risen from 13% in 2017/28 to over 40% in 2018/19.
- The Chair had approached External Auditor's lead partner and been told that: "We are confident that our ongoing focus on recruitment alongside our actions on staff retention, will enable us to deliver your 2019/20 audit in line with your expectations."

### **3.3 Corporate Governance**

#### **Terms of Reference**

- 3.2 Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;
- 3.3 Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- 3.4 Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.5 Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.6 Monitor the anti-fraud and whistleblowing policies and the complaint process;

#### **Audit & Governance Committee Actions:**

31 May 2019

- *Business Board Governance Review:* The Committee received an update on the governance arrangements for the Business Board, which was subject to both internal and external reviews.
- *Corporate Risk Register:* The Committee reviewed the revised Corporate Risk Register
- *Assurance Framework Report:* The Committee received and noted a report on the revised single Assurance Framework for both the Business Board and the Combined Authority. A Local Assurance Framework for the LEP had been created to document practices and standards to provide Government and local partners with assurance that decisions over funding were robust, transparent and able to deliver value for money. The single Assurance Framework for both the Business Board and the Combined Authority was developed in line with the revised Government guidance, ensuring clarity, transparency and openness to the decision-making process of both Boards
- *Staffing Structure:* The Committee received a report and noted the staffing structure approved by the Employment Committee for consultation on 13 February 2019

### 19 July 2019

- *Human Resources Update Report:* The Committee welcomed a positive report on progress, in response the Internal Auditors having given Human Resources a 'no assurance' rating.

•

### 27 September 2019

- *Corporate Risk Register Review and Performance Update:* The Committee reviewed the Combined Authority Corporate Risk Register and suggested changes they would like to put forward as a recommendation to the Board
- *Governance Review Report:* The Committee considered a report setting out the key priorities in the governance review which reflected the final part of the re-design of the Combined Authority including the delegation of powers to the Executive Committees
- *Report on Freedom of Information, Whistleblowing and Fraud:* Following receipt of the report the Committee asked that it be advised how the Combined Authority communicated the Whistleblowing Policy and encouraged its use
- *Transport Acceleration and Risk Report:* The Committee received and noted assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk
- *Business Board Update:* The Committee received an update following the review at the meeting of 31 May

### 16 December 2019

- *Review of the Corporate Management Strategy and Risk Register:* The Committee recommended the revised Strategy and Corporate Risk Register that was presented to them: it included a more effective approach to the management and mitigation of risk across the Combined Authority's activities
- *Assurance Framework Report:* The Committee received and noted the updates Assurance Framework previously agreed in May 2019 by the Business Board and the Combined Authority Board, which was then renegotiated with central government
- *Review of the Data Protection Policy:* As the law requires a review and update of the Data Protection policy the Committee received a report which outlined the Combined Authority had taken an approach of looking at how other combined authorities deal with data protection policies

## **3.4 Internal Audit**

### **Terms of Reference**

- 3.7 Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.8 Review internal audit requirements undertaken by the Combined Authority;
- 3.9 Approve the internal audit plan;
- 3.10 Consider reports and assurances from the Chief Finance Officer in relation to:
  - (a) Internal Audit performance;
  - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of

governance, risk management and control;

(c) Risk management and assurance mapping arrangement;

(d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable

#### **Audit & Governance Committee Actions:**

31 May 2019

- *Internal Audit Governance:* The Committee received a report on the Combined Authority's effectiveness in managing risk management, governance and control environment

19 July 2019

- *Internal Audit Annual Report and Opinion:* The Committee received the report which provided notice of the Annual Audit Report and Opinion. This was seen as reasonable assurance, but Internal Audit emphasised that this could only be judged on the work undertaken and not the whole organisation.

27 September 2019

- *Internal Audit – Progress Report:* The Committee received the report which provided details of the progress made in delivering the approved Audit Plan for 2019/20

16 December 2019

- *Internal Audit – Progress Report:* The Committee received the report which provided details of the progress made in delivering the approved Audit Plan for 2019/20

### **3.4 Financial Reporting**

#### **Terms of Reference**

- 3.13 Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.14 Consider any issues arising from External Auditor's audit of the account;
- 3.15 Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.16 Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

#### **Audit & Governance Committee Actions:-**

19 July 2019

- *Treasury Management Report:* The Committee received a progress report.

27 September 2019

- *Medium-Term Financial Plan and Business Plan Report:* The Committee received a report and noted the proposed mid-year update to the 2019/20 budget and the 2019-2023 Medium-term Financial Plan; and the mid-year update on the 2019-20 Business Plan

16 December 2019

- *Treasury Management Strategy Update*: The Committee received the report which provided the Audit and Governance Committee with an update on the Combined Authority's Treasury Management
- *Adult Education Budget Audit and Assurance Programme*: The Committee received a report following the proposal that the Combined Authority support the devolution of the Adult Education Budget in 2019/20 with Audit and Assurance, Fraud and Investigations and Financial Health with the Combined Authority responsible for the delivery of Adult Education since 1st August 2019

### **3.5 Code of Conduct**

#### **Terms of Reference**

- 3.17 Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.18 Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.19 Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.20 Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

## **4. MEMBER DEVELOPMENT AND ATTENDANCE**

- 4.1 Regular member' development sessions were held during the year to help improve the skills of the Committee. Officers provided presentations on:
- Business Board and its Governance Arrangements
  - Combined Authority Budget
  - Combined Authority Board updates
- 4.2 Unfortunately it was not possible to take a more structured approach to Committee development and improvement. There was insufficient response from members to both a skills audit and a self-assessment questionnaire that would have helped focus a development programme.
- 4.3 Development was also hindered by the discontinuity in the support to the Committee because of the turnover of interim monitoring and scrutiny officers during the year.

Table 2: Councillor Audit & Governance Committee Attendance by meeting:

<b>Date of Meeting</b>	<b>Number of members attended</b>	<b>Substitutes sent</b>	<b>Meeting Quorate</b>
31 May 2019	6	2	Yes
19 July 2019	8	1	Yes
27 September 2019	6	0	Yes
16 December 2019	6	1	Yes

Following the final meeting of municipal year 2018/19, the Chair circulated a letter to Council Leaders, Monitoring Officers and Chief Executives of constituent Councils reminding them of the high threshold of two-thirds attendance needed for quoracy (6 out of 8).. Three of the 4 meetings

were only just quorate, and the start of one meeting had to be delayed due to lack of numbers.

## **5. GOVERNANCE MONITORING**

### **5.1 Fraud**

5.1.1 On 6 September 2019, the Combined Authority implemented its fraud prevention policy after it was made aware by its bankers of a potential attempted fraud. The Chair of A&G was briefed at a meeting 16<sup>th</sup> Sept 2019. A paper on the 'anti-fraud, bribery and corruption policy' was presented to the A&G Committee on 27<sup>th</sup> September, at which the incident and the Authority's response were reviewed.

5.1.2 Management notified staff of the potential risk and provided guidance materials on identifying potential frauds, minimising the risk of being the victim of fraud, and on the specific phishing attack on the Combined Authority. The bank also provided a training session on anti-fraud protection to an 'all staff' team meeting.

5.1.3 The money was eventually recovered.

### **5.2 Freedom of Information (Fol)**

5.2.1 The Combined Authority for Cambridgeshire and Peterborough is a public body for the purpose of the Freedom of Information Act 2000. (Schedule 1 Part 2 S19B); and as such must respond to requests for information held by the authority.

5.2.2 There have been 17 requests from 27 September 2019 and 30 April 2020. All responses are published on the Cambridgeshire and Peterborough Combined Authority website. Of these one is still in process at the time of publication.

5.2.3 A member of the public has the right to ask for an internal review if they are dissatisfied with the handling of a Freedom of Information request. Over the last year the Combined Authority received no requests for internal reviews the results of these were that no of the review requests were denied and the original response was upheld; on receipt of further clarification by the requester none were sent the information requested.

5.2.4 The table below shows how many Freedom of Information request were received this year and details whether they were responded to within the statutory deadline required of 20 working days.

**Table 3: Freedom of Information Requests Received 27 September 2019 – 30 April 2020**

Number of FOI received between 27 September 2019 – 30 April 2020	Responded within deadline	Late responses	Internal review undertaken	Outcome of internal review
17	9	7	0	0

5.2.5 The categories the requests have been made are: transport funding, procurement awards, financial, staffing costs/issues/resources, copies of correspondence, grants, and antisemitism.

5.2.6 Late responses have been due to waiting for information from a third party; requests received on the same day which asked for copies of correspondence sent/received; and the start of the Coronavirus pandemic which resulted in staff working at home.

### **5.3 Complaints**

5.3.1 The Combined Authority has a two stage complaints process which is published on the website.

- Stage One follows an informal complaints process where the relevant officer will do their best to settle the complaint without further action being taken
- Stage Two follows a more formal process which allows for a complainant to make a formal complaint in writing to the Monitoring Officer, which will then be thoroughly investigated

5.3.2 The Combined Authority has received no informal or formal complaints this year and, consequently no referrals to the local ombudsman.

### **5.4 Whistleblowing**

5.4.1 Whistleblowing is where an individual who has concerns about a danger, risk, and contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds.

5.4.2 The concerns can include something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for Cambridgeshire and Peterborough Combined Authority Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

5.4.3 The procedure that must be followed was approved by the A&G Committee and is published on the Combined Authority website.

5.4.4 There have been no instances of whistleblowing received by the Combined Authority this year.

## **6. FUTURE DEVELOPMENTS AND PLANS FOR 2020/21**

6.1 The Committee has a clearly define work plan for the year. This covers regular reviews, such as treasury management and the risk register, together with commissioned work. For example, during 2020/21 the Committee will be:

- Seeking more assurance that environmental measures are in place and how they are being incorporated into the work of the Combined Authority
- Improving their understanding of governance relationship between the Combined Authority and subsidiary in holding companies, including whether or not it is good practice for members of a combined authority to be on the board of a holding company
- Reviewing any issues the Combined Authority experienced following the introduction of its new governance arrangements
- Look at the timeline and implementation of a significant major project
- Continue to look for ways to develop the A&G's effectiveness

- end -







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.9</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **ANNUAL REPORT OF THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE FOR 2019/20**

### **1.0 PURPOSE**

- 1.1 The Overview & Scrutiny Committee has a wide-ranging remit to review or scrutinise decisions made, or other action taken, in connection with:
- (i) the discharge of any functions which are the responsibility of the Combined Authority;
  - (ii) the discharge by the Mayor of any general functions;
  - (iii) any Combined Authority decision in its role as accountable body for the Business Board.
- The Committee also makes reports or recommendations to the Combined Authority Board:
- (i) with respect to the discharge of any functions that are the responsibility of the authority;
  - (ii) on matters that affect the authority's area or the inhabitants of the area;
- Furthermore, the Committee makes reports or recommendations to the Mayor:
- (i) with respect to the discharge of any general functions;
  - (ii) on matters that affect the authority's area or the inhabitants of the area.
- 1.2 It is important for the Overview & Scrutiny Committee to review annually the work undertaken by the committee to ensure best practice and effectiveness for the Combined Authority is being achieved. This is the first time the Committee has presented an Annual Report to the Combined Authority Board and the report highlights the work carried out by the Committee over the 2019/20 municipal year.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Lorna Dupré, Chair of the Overview &amp; Scrutiny Committee</b>
<b>Lead Officer:</b>	<b>Robert Parkin, Chief Legal Officer and Monitoring Officer</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>a) Note the Annual Report of the Chair of the Overview and Scrutiny Audit and Governance Committee for 2019/20 (Appendix 1) and provide any feedback to the Committee.</li> <li>b) Consider the recommendations of the Bus Review Task &amp; Finish Group approved by the Overview &amp; Scrutiny Committee at its meeting on 24 April 2020 and provide a response within two months of receipt of these recommendations as per the Constitution of the Combined Authority. The response should indicate what (if any) action the Combined Authority or the Mayor proposes to take and publish such response.</li> <li>c) Note the recommendations of the CAM Task &amp; Finish Group to the Overview &amp; Scrutiny Committee</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## **2.0 FOREWORD FROM THE CHAIR, COUNCILLOR LORNA DUPRE**

- 2.1 I am pleased to present the Overview & Scrutiny (O&S) Committee's Annual Report for the year 2019/20. I would like to thank the Members of the Committee for their hard work, knowledge and understanding of the issues that have come before the Committee, as well as the support they have provided me in my role as Chair. I would also like to thank the various officers who have supported the Committee throughout the year, and the expertise of the contributors who have spoken to the Committee as well as the Task and Finish Groups.

- 2.2 It has been a privilege to chair this Committee which scrutinises decisions and issues affecting the everyday lives of the people of the Combined Authority area. This report highlights the key work it has undertaken in the past year and shows some excellent examples of scrutiny.
- 2.3 As Chair I have actively sought on behalf of the Committee to seek a working solution to quoracy issues that have affected the Committee and this is work in progress.
- 2.4 Conducting effective scrutiny will always require us to move beyond simple challenge, working instead as a critical friend to the Mayor and the decision-making Committees. As Members we are ambassadors for our own communities, and as such are able to give genuine local insight. Members of the Committee have worked constructively and positively to add real value to the areas the Committee has considered. As a Committee we have looked at many issues including the Combined Authority's Local Transport Plan, housing standards, and the Combined Authority's budget, and I am particularly proud of how we have been reflective in our understanding of scrutiny. I should recognise that the Members of the Committee have given a significant commitment as many are also Members of parish councils, city or district councils and the County Council. I would like to particularly thank all those who have volunteered for additional Task and Finish Group work, the reports of which are included in this Annual Report. My thanks are also extended to the Lead Members who have shadowed the work of the Combined Authority Committees. I hope, and expect, that the level of commitment shown by Members of the Committee will continue in years to come and that our ambitions as a Committee can develop still further.

### **3.0 CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY OVERVIEW AND SCRUTINY COMMITTEE 2019/20**

- 3.1 The O&S Committee has held nine full Committee meetings since May 2019. It has considered 20 reports covering policy development, pre-scrutiny, progress monitoring, governance, the Combined Authority budget, and performance.
- 3.2 In addition the O&S Committee has standing items on the Combined Authority Board agenda, the Combined Authority Forward Plan, the Committee's own work programme, and Lead Member Questions to the Combined Authority Committees.
- 3.3 By month the work of the Committee is highlighted below:

#### May 2019

- 3.4 The Committee voted not to co-opt an independent Member. Updates were received on the University of Peterborough and the Combined Authority Budget. The Mayor was in attendance and answered questions put to him by

O&S Members. The Project Register and Board Performance Report was also received and noted by the Committee.

#### June 2019

- 3.5 The Committee received a Transport briefing covering passenger transport, strategic transport schemes, transport planning, and engagement with national and regional bodies. It also received a report on affordable housing and resolved to receive regular updates on this area of policy.

#### July 2019

- 3.6 At this meeting the O&S Committee received standing item reports only.

#### September 2019

- 3.7 The Mayor had been due to attend this meeting but was required to attend a Ministerial meeting. The Committee received three substantive items: a further update on the Project Register, the Combined Authority's Governance Review on which the Committee requested information be published on the Combined Authority website signposting where and how questions from the public at Committee and Board meetings can be raised. Additionally, the Committee noted a Mid-Term Financial and Business Plan.

#### October 2019

- 3.8 The Mayor was in attendance and responded to questions from the Committee. The Committee received a further update on the Governance Review and appointed Lead Members to shadow the work of the Combined Authority Committees. The Committee accepted the recommendations within the review. The Task and Finish Groups updated the Committee on their work to date.

#### November 2019

- 3.9 The Committee received the draft Combined Authority Budget and Medium-Term Financial Plan to 2024, which was noted as further reports would be received in the next two months. A further update on the Affordable Housing Programme was also noted.

#### December 2019

- 3.10 A further update on the draft Combined Authority Budget and Medium-Term Financial Plan to 2024 was received. This time the update was for the draft budget which had been approved by the Combined Authority Board. A period of four weeks consultation had commenced. As well as noting the report the O&S Committee raised concerns with the Combined Authority Board about two identified jumps in the draft Budget costs. It did this in its role as a formal consultee to the budget process. The Committee also noted a report from the Combined Authority Transport and Infrastructure Committee.

#### January 2020

- 3.11 The substantive item was a final report on the Combined Authority Budget and Medium-Term Financial Plan to 2024. The Committee noted the budget and financial plan but requested, in future explanations if different versions of financial papers showed significant differences between figures. The Committee also received a report on the role descriptions for the O&S Lead Members. It was agreed that Members questions and answers be published on the Combined Authority website.

#### February 2020

- 3.12 The Committee noted a report on the Trading Companies of the Combined Authority and requested access to the minutes of the company meetings. The Committee recognised that exempt papers and items, which may be commercially sensitive, would have to clear the normal processes to be made available. Additionally, the Committee received a presentation on the Affordable Housing Programme and agreed a recommendation to the Combined Authority Housing and Communities Committee thus:
- The Overview & Scrutiny Committee heard evidence that developers routinely complete dwellings which are of lifetime standards even though the additional costs for an accessible dwelling is around £1,500 per unit. Given the CPCA invests significant funds into additional new homes, the Overview & Scrutiny Committee recommend that the Housing and Communities Committee:
    - a) Consider whether the Combined Authority should only fund developments that include homes that meet the criteria of creating a lifetime accessible home and minimise CO<sup>2</sup> emissions; or whether the Combined Authority adopt an approach whereby a percentage of investment funding for additional new homes is allocated to lifetime accessible and CO<sup>2</sup> reduction homes.
    - b) Collate data on the number of dwellings which the Combined Authority has invested in and plans to invest in, which: a) are accessible dwellings; and b) contribute to CO<sup>2</sup> emission reduction including quantifiable analysis of the annual direct (gas) and indirect (electricity) emissions from housing in which the combined authority had invested, with an indication of how this fits into local and national 2050 decarbonisation targets.
- 3.13 There was a meeting planned for March 2020 but due to the Coronavirus pandemic it was not possible to hold this meeting as, at the time, the necessary regulations to enable public meetings to be held virtually had not been published.

## **4.0 TASK AND FINISH GROUP OF THE OVERVIEW AND SCRUTINY COMMITTEE REPORTS**

### **4.1 BUS REVIEW TASK AND FINISH GROUP**

#### **4.1.1 BACKGROUND**

4.1.2 In November 2017 the Cambridgeshire and Peterborough Combined Authority (CPCA) commissioned a Strategic Bus Review to undertake a high-level study of the bus network and to make recommendations for the way forward for bus provision across the region. In January 2019 the Strategic Bus Review Options Report was published and is available at:

<https://www.cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Strategic-Bus-Review.pdf>

4.1.3 The report recommendations included:

- i) Procurement and completion of a business case to assess different delivery model options, including engagement with operators around likely Enhanced Partnership and Franchising options
- ii) Basic establishment of Transport for Cambridgeshire and Peterborough (TfCP), including preparation to deliver outcomes of the business case – scope of responsibilities, what will be delivered in-house, what will be contracted out, governance arrangements, etc.
- iii) Consultation on business case, completion of an independent audit
- iv) Decision on the delivery model by the mayor, and implementation of switch to new delivery model
- v) Expanded role for TfCP across the delivery of projects that follow
- vi) Engage with operators to improve city bus services – define gaps, identify how to fill those gaps
- vii) Exercise targeting immediate improvements to busway services
- viii) Identify opportunities for modern, urban demand responsive services
- ix) Improvements to Inter Urban bus services – start to create the network of hubs into which the modernised rural transport will link, and the services which will link those hubs (some exist already)
- x) Restructuring of Rural Transport Delivery – begin to identify holistic future model, combining best aspects of existing provision and targeting consistency of rural service across the area
- xi) Expanded and targeted bus priority network, particularly in Cambridge but also as required in Peterborough (and elsewhere)
- xii) Delivering Cambridgeshire Autonomous Metro (CAM) – preliminary work to deliver proposals
- xiii) Expansion of Urban demand responsive transport, in conjunction with local operators

xiv) Progressive roll-out of holistic and consistent rural transport services  
xv) Rural Hubs – completion of a series of rural hubs, providing comprehensive facilities for their local areas, and linked into the upgraded inter-urban bus network

xvi) Delivery of CAM and revision of bus services to complement CAM operations

xvii) Restructure internally to engage with emerging Mobility as a Service (MaaS) opportunities – process continues into medium term

xviii) Branding & Information Provision – establish unique and identifiable branding and promotion for all public transport in CPCA area

xix) Develop integrated networks with other modes, particularly rail

xx) Begin switch to a modern, Mobility as a Service (MaaS)-based public transport service, with harmonised payment systems, information provision, etc

xxi) Completion of switch to modern, MaaS-based public transport service

4.1.4 A Bus Reform Officer Task Group with officers from Cambridgeshire County Council, Peterborough City Council, the Greater Cambridge Partnership and the Combined Authority has been established by the CPCA which meets on a monthly basis and is tasked with delivering a Business Case to assess the benefits of operational models open to the Combined Authority including enhanced partnerships and franchising opportunities in line with Department for Transport (DfT) guidelines and legislation. The Business Case is to be completed in Quarter 1 of 2021.

4.1.5 Additionally, a Bus Reform Member Task Group has been established, Chaired by the Mayor, which held its first meeting in December 2019. This group is made up of elected members from across the Combined Authority area together with external experts on bus services. This Group provides external expertise and stakeholder input to the bus review.

4.1.6 The Task Group workstreams are identified are:

- Review of Subsidies
- Tactical Improvements
- Strategic Delivery Options Business Case

4.1.7 At its meeting on 7 November 2019 the CPCA Transport & Infrastructure Committee received an update on the work on the Task Group.

4.1.8 Given the above the CPCA Overview & Scrutiny Committee agreed the establishment of a Task & Finish Group (T&FG) for the municipal year 2019/20 on the Combined Authority's Bus Review.

4.1.9 Membership of the Task and Finish Group was established as:

- Councillor Anne Hay, Fenland District Council (Chair)
- Councillor Grenville Chamberlain, South Cambridgeshire District Council
- Councillor David Connor, Cambridgeshire County Council
- Councillor Doug Dew, Huntingdonshire District Council
- Councillor Ed Murphy, Peterborough City Council (substitute)

4.1.10 The Task & Finish Group began by scoping its initial priorities in order to ensure it addressed the following issues raised by the Strategic Bus Review:

- How consultation with service users will be handled
- Sequencing of the Task Group's work.
  - The T&FG/O&S need to understand this to ensure that they are able to contribute in a timely manner to any decision making
- Roles of Transport & Infrastructure Committee, Cambridgeshire County Council, Peterborough City Council and the Task Groups.
- How the Bus Review is to be coordinated with the CAM project
- How will the review work and ensure good bus services in both the urban and rural areas; and whether there is a case to look at two different models, with urban areas being commercially viable but rural not?

4.1.11 It was agreed that particular emphasis and depth be given to the final issue. The other issues, if time constraints allowed would be looked at with a lighter touch.

## **5.0 T&FG FINDINGS**

5.1 The T&FG found from evidence sessions that there were concerns about infrequent bus services in rural areas that fail to necessarily serve the working population. Questions about what is the best model to pick up and choose?

### **5.2 The CPCA and Bus Services**

The T&FG was informed about the following with regard to the CPCA and bus services throughout the Combined Authority area:

- As part of the Devolution Agreement, the Cambridgeshire and Peterborough Combined Authority received statutory responsibility for public transport
- Operational responsibility for current arrangements for subsidising bus services and routes delegated by the CPCA to Peterborough City Council and Cambridgeshire County Council
- Nov 2017 - CPCA commissioned a Strategic Bus Review to undertake a high-level study of the bus network and make recommendations for the way forward for bus provision across the Combined Authority area
- Jan 2019 - CPCA Board approved the establishment of a cross-organisational group to respond to the Strategic Bus Review by developing an implementation strategy



- Mar 2019 - Board approved £400,000 within the 2019/20 budget to commence work and delegated authority to the Transport and Infrastructure Committee
- Sept 2019 – Board approved further £400,000

### 5.3 Progress to date of the Strategic Bus Review

The T&FG has been kept up-to-date on the progress to date on the Strategic Bus Review and was informed of the following:

- April 2019 - Bus Reform Officer Task Group established with officers from Cambridgeshire County Council, Peterborough City Council and Greater Cambridge Partnership. A programme board meets monthly and comprises senior officers from Cambridgeshire County Council, Peterborough City Council, the Greater Cambridge Partnership (GCP) and the CPCA
  - July 2019 - Programme Initiation Document (PID) for a Bus Reform Programme (update from 7 November 2019)
  - 'A better deal for bus users' – government's £220m funding announced in Sept 2019 to boost buses. Close liaison is being maintained with DfT to ensure that CPCA secures its fair share of the available funding
- a) Review of subsidies
- Five-stage Bus Service Assessment Framework designed to evaluate the impact of changes in the level of subsidy on communities
  - this framework applied to subsidised bus routes in both Cambridgeshire and Peterborough to identify the potential for optimising the allocation of bus subsidy across the region
- b) Tactical improvements (Tangible improvements that can be implemented in the short term; will require close cooperation with bus operators and will explore operators' appetite for partnership approaches such as Enhanced Partnerships, providing experience to inform the Delivery Options Review)
- Longer minimum contracts for contracted services, thereby giving more certainty to bus operators to invest in better buses and offer more attractive prices
  - Optimisation of the contracted services network, to optimise the return gained from public sector investment in bus services
  - Provide better information to bus users and non-users, eg on bus timetables and bus facilities, to encourage bus usage and increase ridership
  - Improved bus stop signage and infrastructure, particularly in rural areas, to make it easier to use buses, thereby increasing ridership

- Marketing the bus as a mode of transport, in particular to drive mode shift from cars – co-ordinating with the marketing campaigns of bus operators, in particular Stagecoach
- c) Strategic delivery options business case
  - will develop the business cases for a number of possible delivery options for bus services in the CPCA region, including Enhanced Partnership(s) between CPCA and the regional bus operators, and Franchising; business cases will be developed to Outline Business Case (OBC) level using the Treasury's five-case model approach
  - Integrated Transport Planning Ltd (ITP) were appointed in early October 2019 to develop the business cases and have started work by conducting a number of stakeholder workshops to start to develop the vision for improved bus services across the region

<u>Milestone</u>	<u>Timescale</u>
Vision; stakeholder insights; benchmarking report	End December 2019
Future bus delivery environment report	Mid-February 2020
Specification of appraisal options	End March 2020
Draft Economic Case and preferred option identified	End April 2020
Final Outline Business Case	End June 2020
Independent audit of OBC complete	September 2020
Public consultation on recommended option complete	End December 2020
Mayoral decision on option to adopt	Early 2021

5.4 The T&FG heard that a reform programme is a follow-up from the options coming out of a survey in 2017 which was undertaken with 5,000 bus users and non-bus users throughout the Combined Authority area. In total 1,200 people were interviewed in the streets, over 3,000 online, and a focus group drawn together from each of the individual local authority areas. The survey was statistically valid. The data is being gathered for benchmarking, forecasting and optioneering to provide the possible future options for how the bus network will operate, which are:

- Business as usual
- Advanced Quality Partnerships – the Combined Authority commits to take steps to support local bus services and in exchange the bus operators are required to meet specific local standards. Commitments are legally binding and enforceable. They usually apply to a specific route or corridor, but it is possible to cover a wide geographical area, such as an entire local authority or city region
- Enhanced Partnerships – which brings with it the ability for local authorities to set fares

- Franchising – contracting in bus companies to operate services designed, scheduled and funded by the Combined Authority

Outline Business Cases will be developed for all four options. The work will continue with a view to a Mayoral briefing in January 2021.

- 5.5 The 2017 survey found priorities for bus users were reliability, frequency, service start and end times, (first bus time, last bus time), directness of services in rural areas and reliability in urban areas. There was less importance attributed to the passenger environment.
- 5.6 Amongst non-bus users 23% would not consider using a bus service at all. Respondents indicated buses were infrequent, take too long, and do not go to the destinations they would want. Cars are more convenient, faster and cheaper were amongst the reactions.
- 5.7 Service improvement suggestions were prioritised thus:
  - Service reliability
  - Service frequency
  - Value for money/cost
  - Earlier start and later end times of buses
- 5.8 Over 80% of users and non-users alike were supportive of the following potential improvements:
  - Access to employment destinations within 30 minutes
  - Expansion of the network
  - More frequent services

The survey indicated there was little support for autonomous vehicles.

- 5.9 Better integration with railway stations is being looked at alongside combining excellence in delivery with visionary thinking to produce a best-in-class service.
- 5.10 Some 93% of bus mileage in the Combined Authority area is commercially provided. The number of new homes in the area means that employment areas will need an improved bus service (as well as public transport generally). The bus services will need to be provided whilst the new homes are being built not after they have become established. There are considerations for providing better services in rural routes to become more demand responsive.
- 5.11 National policy changes have recently been announced with an additional £170m of additional funds for bus services in 2020/21. A National Bus Strategy will be part of the Comprehensive Spending Review. Announcements have indicated this will include an additional £5bn of funding for bus and cycle routes, over five years. Additionally, as a result of the Coronavirus pandemic there has been an announcement of more

Government funding with around £3million of intervention monies coming into the Combined Authority area.

- 5.12 Last year it was agreed that the Combined Authority will delegate to Cambridgeshire County and Peterborough City Councils Transport Levy funds amounting to £3.8m for Peterborough City Council and £8.5m for Cambridgeshire County Council.
- 5.13 Decisions about which of the four future operating models is to be adopted will be made by the Mayor in the new year 2021 and there is a lot of will to get things done. There is not expected to be any significant slippage to the Mayoral decision as a result of the Coronavirus pandemic.
- 5.14 There were 'quick wins' indicated in an Options Report published in January 2019 of which the following have already been implemented:

- Improvement of side of the road bus stop signage
- Both the Stagecoach and Whippet operators have improved bus stops with a budget available for further improvement

Current one-year contracts for bus operators are being rolled forward by a year.

- 5.15 Future developments will include:

- Better information being available on apps
- Smaller operators will be provided with electronic ticket machines to:
  - Help with the audit of lost mileage
  - Help the auditing of concessionary fares
  - Give accurate GPS information for apps
  - Enable contactless ticketing throughout the Combined Authority area

- 5.16 The T&FG heard about the Bus Services Operators Grant (BSOG) which measures mileages and fuel consumption rates throughout the country. This enables the CPCA to have a good understanding of network mileage and whether this goes up or down – this is a consistent measurement as it is DfT audited.

- 5.17 The DfT requires public consultation to take place and this will be held between September and December 2020. The consultation will ascertain the thoughts of the general public on the available options outlined in 2.4 above.

## **6.0 BUS REVIEW TASK AND FINISH GROUP RECOMMENDATIONS**

- 6.1 The T&FG commends the follow recommendations to the CPCA Overview & Scrutiny Committee for approval:

1. The T&FG requests the O&S Committee approves the extension of the work of the Group until the Mayoral decision in January 2021; and, if approved, would wish to see the business cases for each of the four options being considered;

2. The T&FG recommends bus services are in place in advance of the launch of the CAM to ensure services run to destinations served by the CAM;
3. The T&FG recommends better marketing of services, particularly in rural areas. This would include marketing of timetables and unified branding;
4. The T&FG recommends the use of bus informatics throughout the Combined Authority area – this is lacking in rural areas currently;
5. The T&FG recommends subsidised fares particularly in rural areas. This would go some way to addressing the issue of 23% of survey respondents stating they would never use a bus service. The increased use of public transport over private vehicles would also address the climate change agenda;
6. The T&FG recommends a separate review of the bus routes currently used and consultation with employers, employer groups and large clusters of businesses relevant to bus routes;
7. The T&FG recommends future bus contracts be for greater than one-year to enable greater medium and long-term investment into those services;
8. The T&FG recommends the eventual elimination of cash-handling on bus services; whilst recognising the difficulties this might cause some members of society. This could be achieved through contactless or pre-paid fares. The Combined Authority should look into the introduction of a pre-paid card that could integrate with train services, along similar lines to the *Transport for London Oyster Card*;
9. The T&FG recommends there is uniformity throughout the Combined Authority area regarding the age of use for bus passes; it also recommends scrapping the 09:30 commencement for use of bus passes, as this is an issue for rural bus services;
10. The T&FG recommends the Strategic Bus Review ensures its work is complete to enable a Mayoral decision by January 2021, or sooner if this is possible.

## **7.0 CAM METRO TASK AND FINISH GROUP**

### **7.1 BACKGROUND**

7.1.1 At its meeting on 24 June 2019 the Combined Authority Overview & Scrutiny Committee agreed the establishment of a Task & Finish (T&F) Group to scrutinise the Cambridgeshire Autonomous Metro (CAM) with a view to report back to the Committee with recommendations by the end of the municipal year.

7.1.2 In March 2019 at the Combined Authority Board (CAB) the Outline Business Case (OBC) was issued and made public. There was also a change in the Engineering Consultant Company, with the previous consultants retained to provide technical assurance.

7.1.3 The aim is to have the final OBC ready by the summer 2020 with all OBC deliverables from the Engineering Consultants going to the CAM Programme Board and then the CAB.

7.1.4 Membership of the Task and Finish Group was established as:

- Councillor Kevin Price, Cambridge City Council (Chair)
- Councillor Markus Gehring, Cambridge City Council
- Councillor Pippa Heylings, South Cambridgeshire District Council
- Councillor Alan Sharp, East Cambridgeshire District Council
- Councillor Jocelynn Scutt, Cambridgeshire County Council

7.1.5 The T&F Group considered the scope of its initial priorities in order to ensure it addressed key issues and to consider how it could make a good contribution to the whole process and what fell within the scope of the review. Amongst the issues the T&F Group considered were within its scope were, *inter alia*:

- How the unique circumstances of a mass transit system which extends into rural areas rather than operating within a metropolitan area will be dealt with in the OBC process
- How the CAM project links with and be co-ordinated with the ongoing Bus Review
- Findings related to utilisation of the CAM rather than continued use of private vehicles
- The findings and issues related to the three sub-committees established for the overall CAM project

## **8.0 TASK AND FINISH GROUP FINDINGS**

- 8.1 The T&F Group has held four evidence sessions along with two sessions to establish progress and advance the review.
- 8.2 The T&F Group learned the OBC should be ready by summer 2020. The OBC consultants were asked during the tender stage if they could identify any efficiencies. There is hierarchical decision-making involved in the process with all OBC deliverables from the consultants going to the CAM Programme Board and then onto the Combined Authority Board.
- 8.3 There are three advisory sub-committees are in place, each with terms of reference:
- Finance
  - Delivery
  - Technology
- 8.4 There is ongoing integrated working with the Greater Cambridge Partnership (GCP) with communication lines with other relevant parties, such as Cambridge Ahead, HSBC, Department for Transport, central government and academia.
- 8.5 The T&F Group would wish to understand more about setting of fares. The Group heard this will be worked out through discussion with the assumption being that attractive, useable, and convenient systems should see significant demand for the CAM as an attractive alternative to private vehicles. The T&F

Group has stated £7 would get a passenger a county day ticket. If the CAM were to be any more expensive, passenger numbers might not live up to such expectations. The T&F Group heard the CAM will need to cover its costs, but not make profit.

## 8.5 Consultation

- 8.5.1 In March 2019 the CPCA invited the Transport and Infrastructure Committee to authorise an initial non-statutory public consultation in early 2020 to inform the Cambridgeshire Autonomous Metro (CAM) programme Outline Business Case (OBC), in line with the requirements of the government's transport appraisal requirements guidance. This is an approach that is required under the Combined Authority Assurance Framework.
- 8.5.2 The findings of the consultation will influence the development of the scheme and support the preparation of the application for a Transport and Works Act Order for the project. Further public consultation will be conducted at the later stages of the project.
- 8.5.3 The scope of the consultation focussed on identifying the level of public support for:
  - (a) the overall CAM network; and
  - (b) elements of the route alignment, especially the tunnelled section
- 8.5.4 The consultation responses are currently confidential and its use is in line with all applicable laws concerning the protection of personal data, including the General Data Protection Regulation (GDPR) as it contains personal data from the various consultees. The outputs from the first public consultation will be made available in a Consultation Report (or similar document) prior to the release of the OBC. This report will then be shared with the T&F Group.
- 8.5.5 The questions contained in the public consultation feedback form were either 'very important to 'not important at all'/'strongly agree' to 'strongly oppose' or free text statements. The data will be evaluated statistically, geographically and qualitatively. The free form statements will be reviewed and reported generally on a frequency of occurrence basis. The various comments and requests and suggestions will then be reviewed against the current OBC requirements, assumption and engineering and as appropriate incorporated into the forward thinking of the project.
- 8.5.6 A website has been established, which has been 'live' since the commencement of the consultation period.
- 8.5.7 By key deliverable (finance, delivery and technology) the T&F Group has found the following during evidence sessions, and in follow-up communication.

## 8.6 Finance

- 8.6.1 It is vital that the financial viability of the project is established and would wish to know how this will be addressed in the final OBC. The T&F Group is aware that significant money is being spent on this and already and is concerned that this has been done without carrying out an initial assessment of whether tunnelling can be carried out under the city of Cambridge.
- 8.6.2 The T&F Group heard that all appropriate funding mechanisms will be explored during the OBC stage, which could include revenue from advertising and on-selling rights to broadband etc.
- 8.6.3 The T&F Group understands that financing the project will be fully explained within the OBC with appropriate funding mechanisms being explored. This financial modelling report should be ready by the end of June 2020. All funding aspects for CAM are currently being developed as part of the OBC process.
- 8.6.4 The T&F Group is aware that benefit:cost ratios have been developed on the core CAM tunnels as well as those being developed by the GCP. Passenger numbers are being based upon the inner core of the Metro.
- 8.6.5 The T&F Group was content to hear that the CAM is not being designed on the basis of making a profit and that benefits for the economy will be generated
- 8.6.6 With regard to financing the T&F Group is aware the national infrastructure plan did not include the CAM Metro. As a result the T&F Group has concerns about project feasibility. However, the T&F Group heard funding of the CAM does not rely on one specific funding source. The capital costs for the delivery of the CAM will be paid for through a series of different funding mechanisms. This may include local contributions and innovative approaches to funding. A mixture of funding mechanisms will be required to cover the overall capital and financing requirements for the implementation of CAM and to ensure public and business confidence.

## 8.7 Delivery

- 8.7.1 The T&F Group is still to understand one of its key areas of scope, namely how the unique circumstances of a mass transit system which extends into rural areas rather than operating within a metropolitan area will be dealt with in the OBC process. It is aware the CAM project is based on tried and tested approaches and technology and there will be an engineering solution to any safety issues and concerns that are raised. The details will be included in the OBC it is assured.
- 8.7.2 The T&F Group has expressed concern on the consequences if the GCP cannot build one of its four inner core stops. This will be included on the CAM Risk Register along with other interdependencies to ensure contingencies are in place.



- 8.7.3 A joined-up narrative covering the joint working with the GCP, East-West Rail and the Bus Review is being developed to align all the projects in the Combined Authority area. The OBC will view CAM as a countywide network in terms of benefits and demand modelling.
- 8.7.4 The T&F Group received evidence that there are a number of non-engineering-based experts currently involved in the CAM via the CAM Programme Board, and the CAM sub-committees. Moving forward the CAM delivery organisation might develop further expertise in line with the emerging requirements of the project.
- 8.7.5 The T&F Group has heard the overall strategy for the ongoing development and delivery of the CAM is under constant review. For large projects such as CAM (i.e., HS2, 2012 London Olympics, Crossrail) normal practice is to have an overarching entity who is responsible for the overall delivery of the project, external engagement at a strategic/national level, key stakeholder engagement etc. The Delivery sub-group will develop an action plan to deliver the promoter body which it will bring back to a future meeting of the CAM Partnership Board. This activity is currently underway and details will be provided to the T&F Group in due course.
- 8.7.6 The T&F Group has heard that the proposals for the preferred portal locations sites are being developed as part of the current OBC activities. Further details will be provided when the draft OBC is release later in the summer or during the second non-statutory consultation which is planned for the end of 2020.
- 8.8 Technology
- 8.8.1 There are ongoing talks with the Police and Fire Service related to any concerns over tunnelling.
- 8.8.2 The T&G Group heard there may be a potential case for limited intensive surveys to be made on the proposed CAM city centre route. This will be advised by the OBC Engineering Consultants if required. This would include heritage and conduct surveys as well as geological issues.
- 8.8.3 The CAM project will be based on tried and tested technology and approaches and will include an engineering solution to any safety issues and concerns raised the T&F Group learned.
- 8.8.4 T&F Group heard that technological solutions in terms of bus driving through a tunnel exist and best-practice from elsewhere is being brought together to make it work for the CAM. Electric buses running through tunnels happens in many cities.
- 8.8.5 For security reasons there will be two tunnels with one route the T&F Group heard.
- 8.8.6 The T&F Group heard that technology for autonomous driving is not available currently. Electric buses are an option being considered but options need to be identified for charging points.

## 9.0 T&F GROUP RECOMMENDATIONS

9.1 The T&F Group would wish to thank the officers who have provided updates to the Group. It is, however, unanimous in its view that work is incomplete. Therefore, the T&F Group commends the follow recommendations to the CPCA Overview & Scrutiny Committee:

1. The T&FG requests approval from the Overview & Scrutiny Committee to continue its work into this municipal year. The T&F Groups work cannot be concluded as the full initial public consultation results remain confidential and there are still outstanding key questions on delivery, financing and the technology to deliver the project that will likely remain unanswered until the final OBC is published.
2. If recommendation 1, above be approved that the T&F Group updates the Overview & Scrutiny Committee on a quarterly basis on progress on the review.

## 10.0 APPENDICES

No appendices.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Overview and Scrutiny Committee agendas, reports and minutes	<a href="#"><u>Overview and Scrutiny Committee</u></a>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **BUDGET MONITOR UPDATE**

### **1.0 PURPOSE**

- 1.1 This report provides an updated budget position for 2020-21 including the revised budget and carry forwards approved by the Combined Authority Board in June.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Lead Member for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Jon Alsop, Chief Finance Officer (Section 73 Officer)</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to: a) Note the revised budget for the 2020-21 financial year.  b) Note the reduction in expected costs for the Garden Villages project in 2020-21 per paragraph 3.7.	<b>Voting arrangements</b>  A simple majority of members

### **2.0 BACKGROUND**

- 2.1. At its January meeting the Combined Authority Board approved the 2020-21 budget; however, in response to the COVID-19 pandemic the Combined Authority revised its priorities to better promote economic recovery and approved an updated budget, along with proposed budget carry forward from 2019-20.

- 2.2. This paper provides the Combined Authority Board with a summary of the revised budget position, along with other changes to budgets due to Board decisions since January or additional funding being awarded by Government.

### 3.0 REVENUE BUDGET POSITION

- 3.1. A summary of the 2020-21 revenue budget is shown below, a detailed breakdown of the revenue budget can be seen at **Appendix 1**.

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000	Para Ref.
<b>Total Grant Income</b>	<b>(34,339.0)</b>	-	<b>(1,378.6)</b>	<b>(35,717.6)</b>	<b>3.2</b>
Total Mayor's Office	466.8	-	-	466.8	
Total CA Gross Staffing Costs	5,201.9	-	-	5,201.9	
Total Other Employee Costs	418.2	-	-	418.2	
Total Externally Commissioned Support Services	359.4	-	-	359.4	
Total Corporate Overheads	600.0	28.4	-	628.4	
Total Governance Costs	164.0	-	-	164.0	
Total Other Corporate Budgets	(686.0)	-	-	(686.0)	
Total Recharges to Ringfence Funded Projects	(1,940.1)	-	-	(1,940.1)	
<b>Total Corporate Services Expenditure</b>	<b>4,117.3</b>	<b>28.4</b>	-	<b>4,145.7</b>	
Total Business and Skills	18,382.6	3,220.4	739.9	22,342.9	<b>3.4</b>
Total Strategy and Delivery	14,031.3	1,193.8	776.5	16,001.6	<b>3.5</b>
Total Housing	83.4	696.2	-	779.6	
<b>Total Workstream Expenditure</b>	<b>32,497.4</b>	<b>5,110.4</b>	<b>1,516.3</b>	<b>39,124.1</b>	

- 3.2. While the table above indicates an increase in approved expenditure of £6.66m none of this represents an increased pressure on the CPCA's funding compared to the original budget. This is due to the increase being made up of £5.14m of reprofiled budgets from 19-20, £1.36m of new or increased expenditure matched by new and increased grant awards from Government, and £150k of funding moved from subject to approval to approved expenditure.

- 3.3. As the table above shows there have been a number of new and amended revenue grants received announced by Government:

- £265k increase in the Adult Education Budget
- £290k for a one-year Growth Hub supplement grant
- £440k for the COVID-19 Bus Services Support Grant
- £384k for the Better Deal 4 Buses Grant

- 3.4. As each of these grants are ringfenced for a specific purpose these will have corresponding increases in expenditure within the equivalent Directorate budget.

- 3.5. The increase in Business and Skills budget is due to the following:

- £450k due to the increase in the AEB grant allocation, combined with a reduction in the management topslice approved at April's Skills Committee (split across AEB direct provision, programme management, and the new National Retraining Scheme).

- £290k increase in the Growth Hub budget due to increased grant allocation from Government.

3.6. The increase in Delivery and Strategy budget is due to the following:

- £187k for subsidising the X3 Bus route per Mayoral Decision Notice 24-2020
- £440k of payments to bus service operators funded by the new COVID-19 Bus Services Support Grant.
- £150k sustainable travel budget moved from subject to approval to approved per the April Combined Authority Board decision.

3.7 There have been no identified changes in the approved revenue Housing budgets however the expected requirement for revenue funding for the Garden Villages project has been reduced by £200k to £2.8m resulting in a reduction against the overall revenue requirement for the year. This reflects the likely timescales and speed of progressing several garden village sites across the area in 2020/21, where it is unlikely that they will all proceed at the same pace and time. – this can be seen in **Appendix 3**.

#### 4.0 CAPITAL BUDGET

4.1. The updated budget position of the Combined Authorities Capital Programme is shown at **Appendix 2**. Following feedback from the budget setting process the presentation of the programme has been updated to group projects by directorate, in line with the revenue budget and the MTFP but, in contrast to the 2019-20 budget monitoring reports.

4.2. There have been three material changes to the capital grant income since the budget was approved in January:

- £15.0m – the payment of the £100m Cambridgeshire and Peterborough Housing Capital grant due in 2019-20 has been deferred pending a further review in September 2020 in order for MHCLG to be satisfied that sufficient progress has been made with the £100m Housing programme delivery at that time. It is anticipated that this will now be received in 20-21, in addition to the 20-21 allocation.
- £2.94m – the Department for Transport announced the Active Travel Fund in May 2020. This is a mixture of revenue and capital funding but is being reported together for simplicity as the funding is passported to the local Highways Authorities.
- £12.55m – the Department for Transport announced the Pothole and Challenge funds for 20-21, this was a much smaller value (c. £500k) in prior years and was reported within the Highways Capital Maintenance Grants.

4.3. The majority of changes to the Business and Skills capital programme are due to Growth Fund projects approved by the Combined Authority Board on the recommendation of the Business Board between January and June (£41.26m), changes outside of these are reported below:

- -£697k - the Sci-Tech container village has withdrawn, and its Growth Funding allocation has been returned to be allocated to another project.
- £500k - awarded to fund the COVID micro grant scheme.

- 4.4. There have been two material changes to the Delivery and Strategy project budgets:
- £2.94m – expenditure matched to the newly announced active travel fund reflecting the funding to be passported to the two local Highways Authorities.
  - The M11 Junction upgrade project has withdrawn from the Local Growth Fund programme and released its £1m allocation.
- 4.5. The only change to the Housing directorate capital budget is a reduction of £1.12m in profiled expenditure against the Cambridge City Housing Fund as was reported to the Combined Authority Board in June.

## 5.0 FINANCIAL IMPLICATIONS

- 5.1. There are no other financial implications other than those included in the main body of the report.

## 6.0 LEGAL IMPLICATIONS

- 6.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

## 7.0 Significant Implications

- 7.1. There are no other significant implications.

## APPENDICES

Appendix 1 - Breakdown of the 2020/21 revenue budget

Appendix 2 – Breakdown of the 2020/21 capital programme budget.

Appendix 3 – Summary of subject to approval budget lines.

<u>Source Documents</u>	<u>Location</u>
None	n/a



## **Appendix 1: Breakdown of the 2020/21 revenue budget**

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
<b>Grant Income</b>				
Revenue Gainshare	(8,000.0)			(8,000.0)
Mayoral Capacity Fund	(1,000.0)			(1,000.0)
Skills Advisory Panel Grant	(75.0)			(75.0)
Enterprise Zone receipts	(605.3)			(605.3)
Careers Enterprise Company Funding	(52.0)			(52.0)
Adult Education Budget	(11,513.1)		(265.2)	(11,778.3)
Growth Hub Grants	(246.0)		(290.0)	(536.0)
LEP Core Funding	(500.0)			(500.0)
Transport Levy	(12,347.6)			(12,347.6)
COVID-19 bus services support grant	-		(439.5)	(439.5)
Better Deal 4 Buses grant	-		(383.9)	(383.9)
<b>Total Grant Income</b>	<b>(34,339.0)</b>	<b>-</b>	<b>(1,378.6)</b>	<b>(35,717.6)</b>
<b>Mayor's Office</b>				
Mayor's Allowance	85.0			85.0
Mayor's Conference Attendance	10.0			10.0
Mayor's Office Expenses	40.0			40.0
Mayor's Office Accommodation	77.4			77.4
Mayor's Office Staff	254.4			254.4
<b>Total Mayor's Office</b>	<b>466.8</b>	<b>-</b>	<b>-</b>	<b>466.8</b>
<b>Corporate Services</b>				
<b>Combined Authority Gross Staffing Costs</b>				
Business and Skills	1,749.8			1,749.8
Chief Executive	288.1			288.1
Corporate Services	1,517.7			1,517.7
Delivery and Strategy	1,240.7			1,240.7
Housing	405.6			405.6
<b>Total CA Gross Staffing Costs</b>	<b>5,201.9</b>	<b>-</b>	<b>-</b>	<b>5,201.9</b>
<b>Other Employee Costs</b>				
Travel	100.0			100.0
Apprenticeship Levy	19.9			19.9
Conferences, Seminars & Training	90.0			90.0
Change Management Reserve	208.3			208.3
<b>Total Other Employee Costs</b>	<b>418.2</b>	<b>-</b>	<b>-</b>	<b>418.2</b>
<b>Externally Commissioned Support Services</b>				
External Legal Counsel	100.0			100.0
Finance Service	61.4			61.4
Democratic Services	90.0			90.0
Payroll	8.0			8.0
HR	25.0			25.0
Procurement	25.0			25.0
ICT external support	50.0			50.0
<b>Total Externally Commissioned Support Services</b>	<b>359.4</b>	<b>-</b>	<b>-</b>	<b>359.4</b>
<b>Corporate Overheads</b>				
Accommodation Costs	340.0			340.0
Software Licences, Mobile Phones cost	20.0			20.0
Communications	40.0			40.0
Website Development	10.0	28.4		38.4
Recruitment Costs	40.0			40.0
Insurance	30.0			30.0
Audit Costs	85.0			85.0
Office running costs	25.0			25.0
Corporate Subscriptions	10.0			10.0
<b>Total Corporate Overheads</b>	<b>600.0</b>	<b>28.4</b>	<b>-</b>	<b>628.4</b>
<b>Governance Costs</b>				
Committee/Business Board Allowances	144.0			144.0
Miscellaneous	20.0			20.0
<b>Total Governance Costs</b>	<b>164.0</b>	<b>-</b>	<b>-</b>	<b>164.0</b>

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
<b>Other Corporate Budgets</b>				
COVID Pressures	120.0			120.0
Capacity Funding	125.0			125.0
Contribution to the A14 Upgrade	89.0			89.0
Interest Recievable on Investments	(1,020.0)			(1,020.0)
<b>Total Other Corporate Budgets</b>	<b>(686.0)</b>	-	-	<b>(686.0)</b>
<b>Recharges to Ringfence Funded Projects</b>				
Directly Grant Funded Staff	(1,691.2)			(1,691.2)
Directly Grant Funded Overheads	(248.9)			(248.9)
<b>Total Recharges to Ringfence Funded Projects</b>	<b>(1,940.1)</b>	-	-	<b>(1,940.1)</b>
<b>Total Corporate Services Expenditure</b>	<b>4,117.3</b>	<b>28.4</b>	-	<b>4,145.7</b>

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
<b>Business and Skills</b>				
AEB Devolution Programme	10,948.9	336.7	360.7	11,646.3
AEB Innovation Fund - Revenue		336.7		336.7
AEB Programme Costs	388.6		9.1	397.7
Apprenticeship Levy Fund Pooling				-
National Retraining Scheme	-		80.1	80.1
Marketing and Promotion of Services	95.0			95.0
Careers and Enterprise Company (CEC)	80.5			80.5
Energy Hub	697.8	124.8		822.6
EU Exit Funding	181.8	(50.3)		131.5
Growth Hub	246.0		290.0	536.0
HAT Work Readiness Programme	51.0			51.0
Health and Care Sector Work Academy	2,167.8	1,067.8		3,235.6
LEP Capacity Funding	-	188.0		188.0
LIS Implementation	195.0	(18.7)		176.3
Local Growth Fund Costs	480.0			480.0
Market Town Implementation of Strategies	175.0	47.9		222.9
Rural Community Energy Fund (RCEF)	1,713.2	1,052.5		2,765.7
Skills Advisory Panel (SAP) (DfE)	75.0	39.0		114.0
Skills Brokerage	75.0	9.0		84.0
Skills Strategy Implementation	125.0	(4.5)		120.5
SME Observatory	40.0			40.0
St Neots Masterplan	167.0	87.1		254.1
Trade and Investment Programme	100.0			100.0
EZ Funded Growth Company Contribution	230.0			230.0
University of Peterborough	-	4.2		4.2
University of Peterborough - Legal Costs	150.0			150.0
<b>Total Business and Skills</b>	<b>18,382.6</b>	<b>3,220.4</b>	<b>739.9</b>	<b>22,342.9</b>
<b>Strategy and Delivery</b>				
A10 Dualling SOBC	250.0	47.1		297.1
Bus Review Implementation	-	644.0		644.0
Bus Service Subsidisation	-		187.0	187.0
CAM Metro OBC	965.0	391.4		1,356.4
CAM Metro Post OBC Tunnels	-			-
CAM Innovation Company	-			-
Climate Change	125.0			125.0
COVID Bus Service Support Grant			439.5	439.5
Land Commission	-	40.0		40.0
Monitoring and Evaluation Framework	168.7			168.7
Non-Statutory Spatial Framework (Phase 2)	-	71.4		71.4
Public Service Reform	75.0			75.0
Schemes and Studies	100.0			100.0
Sustainable Travel	-		150.0	150.0
Transport Levy	12,347.6			12,347.6
<b>Total Strategy and Delivery</b>	<b>14,031.3</b>	<b>1,193.8</b>	<b>776.5</b>	<b>16,001.6</b>
<b>Housing</b>				
CLT and £100k Homes	83.4			83.4
Garden Villages	-	696.2		696.2
<b>Total Housing</b>	<b>83.4</b>	<b>696.2</b>	-	<b>779.6</b>
<b>Total Workstream Expenditure</b>	<b>32,497.4</b>	<b>5,110.4</b>	<b>1,516.3</b>	<b>39,124.1</b>





## Appendix 2: Breakdown of the 2020/21 capital programme budget

	2020-21 Budget	Carry Forward	Budget Adjustments	Revised Budget
	£'000	£'000	£'000	£'000
<b>Grant Income</b>				
£100m Housing Fund	(30,000.0)		(15,000.0)	(45,000.0)
£70m Cambridge City Housing Fund	(15,000.0)			(15,000.0)
Active Transport Grant	-		(2,942.4)	(2,942.4)
Pothole and Challenge Funding	-		(12,554.0)	(12,554.0)
Capital Gainshare	(12,000.0)			(12,000.0)
Highways Maintenance Capital Grant	(23,080.0)		526.0	(22,554.0)
Local Growth Funding	(35,737.6)			(35,737.6)
Transforming Cities Funding	(22,000.0)			(22,000.0)
<b>Total Grant income</b>	<b>(137,817.6)</b>	<b>-</b>	<b>(29,970.4)</b>	<b>(167,788.0)</b>
<b>Business and Skills</b>				
Aerotron Relocation	-		847.5	847.5
Ascendal New Technology Accelerator (Equity)	500.0		465.0	965.0
Cambridge Biomedical MO Building	-		3,000.0	3,000.0
COVID and Capital Growth Grant Scheme	3,000.0	200.0	2,793.9	5,993.9
COVID micro-grants scheme	-		500.0	500.0
Eastern Agritech Initiative	2,189.0	316.8	(810.0)	1,695.8
Endurance Estates	-		2,400.0	2,400.0
Hauxton House Redevelopment (Grant)	-		215.8	215.8
Haverhill Epicentre (Grant)	1,350.0	(187.1)		1,162.9
Illumina Accelerator	2,000.0	1,000.0	(2,000.0)	1,000.0
March Adult Education	-		400.0	400.0
Market Town Master Plan Implementation	-	500.0		500.0
Metalcraft (Advanced Manufacturing)	-		3,160.0	3,160.0
NIAB - Agri-Tech Start Up Incubator (Grant)	2,000.0		442.2	2,442.2
NIAB - Hasse Fend (Grant)	300.0		299.9	599.9
Photocentric	-		1,875.0	1,875.0
Sci-Tech Container Village (Loan)	697.0		(697.0)	-
Small Grants Programme	100.0		(93.4)	6.6
Smart Manufacturing Association	-		715.0	715.0
South Fen Business Park	-		997.0	997.0
Start Codon (Equity)	-		3,342.3	3,342.3
The Growth Service Company (Equity)	-		5,407.0	5,407.0
TTP Incubator	-		2,300.0	2,300.0
TWI - Innovation Ecosystem (Grant)	1,230.0			1,230.0
University of Peterborough - Business Case/Phase 1	11,150.0	1,150.0		12,300.0
University of Peterborough - LGF investment	-		12,500.0	12,500.0
West Cams Innovation Park	-		3,000.0	3,000.0
<b>Total Business and Skills</b>	<b>24,516.0</b>	<b>2,979.7</b>	<b>41,060.1</b>	<b>68,555.8</b>

	2020-21 Budget £'000	Carry Forward £'000	Budget Adjustments £'000	Revised Budget £'000
<b>Delivery and Strategy</b>				
A10 Dualling	-			-
A1260 Nene Parkway Junction 15	-	183.8		183.8
A1260 Nene Parkway Junction 32/3	-	17.0		17.0
A141 capacity enhancements	-	478.0		478.0
A16 Norwood Dualling	80.0	(19.0)		61.0
A47 Dualling	-	40.0		40.0
A505 Corridor	-	422.0		422.0
A605 Oundle Rd Widening - Alwalton-Lynch Wood	795.0	(2.5)		792.5
A605 Stanground - Whittlesea	-	1,110.2		1,110.2
Active Travel Grant payments to Highways Authorities	-	-	2,942.4	2,942.4
CAM Innovation Company Set up	-			-
CAM Delivery to OBC	-			-
CAM FBC Preperation	-			-
Cambridge South Station	-	385.3		385.3
Coldhams Lane roundabout improvements	-	409.1		409.1
Digital Connectivity Infrastructure Programme	-			-
Ely Area Capacity Enhancements	-	2,163.3		2,163.3
Fengate Access Study - Eastern Industries Access - Phase 1	-	344.1		344.1
Fengate Access Study - Eastern Industries Access - Phase 2	100.0	46.6		146.6
Highways Maintenance (with PCC and CCC)	23,080.0			23,080.0
King's Dyke	5,922.9	2,696.9		8,619.8
Lancaster Way	2,604.2			2,604.2
M11 Junction 8	1,000.0		(1,000.0)	-
March Junction Improvements	112.0	624.8		736.8
Regeneration of Fenland Railway Stations	1,500.0	207.5		1,707.5
Soham Station	6,000.0	(263.3)		5,736.7
St Neots Masterplan Capital	2,626.0	260.0		2,886.0
Wisbech Access Strategy	9,500.0	494.5		9,994.5
Wisbech Rail	-	341.4		341.4
<b>Total Delivery and Strategy</b>	<b>53,320.2</b>	<b>9,939.8</b>	<b>1,942.4</b>	<b>65,202.3</b>
<b>Housing</b>				
Cambridge City Housing Programme	21,678.9		(1,115.4)	20,563.5
Affordable Housing Grant Programme	17,999.5	5,346.6		23,346.1
Housing Investment Fund - contracted	5,205.3			5,205.3
<b>Total Housing</b>	<b>44,883.7</b>	<b>5,346.6</b>	<b>(1,115.4)</b>	<b>49,114.9</b>
<b>Total Capital Programme</b>	<b>122,719.9</b>	<b>18,266.1</b>	<b>41,887.1</b>	<b>182,873.1</b>



### Appendix 3: Summary of subject to approval budget lines

		Original Subject to Approval budget				Increase/Decrease in requirements				Revised Subject to Approval budget			
		2020-21	2021-22	2022-23	2023-24	2020-21	2021-22	2022-23	2023-24	2020-21	2021-22	2022-23	2023-24
<b>Corporate Services Directorate</b>													
Capital	Investment in Finance System	150.0	-	-	-	-	-	-	-	150.0	-	-	-
<b>Business and Skills Directorate</b>													
Revenue	Skills Brokerage	23.0	-	-	-	-	-	-	-	23.0	-	-	-
Capital	Market Town Masterplans	5,000.0	2,500.0	2,000.0	-	-	-	-	-	5,000.0	2,500.0	2,000.0	-
<b>Delivery and Strategy Directorate</b>													
Revenue	Bus Review Implementation	1,200.0	-	-	-	-	-	-	-	1,200.0	-	-	-
	CAM Metro Post OBC Tunnels	2,500.0	-	-	-	-	-	-	-	2,500.0	-	-	-
	CAM Innovation Co.	4,415.2	-	-	-	-	-	-	-	4,415.2	-	-	-
	Local Transport Plan	-	100.0	-	-	-	-	-	-	-	100.0	-	-
	M&E Framework	-	-	36.0	70.0	-	-	-	-	-	-	36.0	70.0
	NSSF2	144.9	100.0	100.0	-	-	-	-	-	144.9	100.0	100.0	-
Capital	A10 Dualling	1,000.0	1,000.0	-	-	-	-	-	-	1,000.0	1,000.0	-	-
	Kings Dyke	2,100.0	-	-	-	-	-	-	-	2,100.0	-	-	-
	Regeneration of Fenland Railway Station	874.0	1,059.0	-	-	-	-	-	-	874.0	1,059.0	-	-
	Wisbech Rail	987.6	2,000.0	3,000.0	5,000.0	-	-	-	-	987.6	2,000.0	3,000.0	5,000.0
	A16 Norwood Dualling	320.0	730.0	12,000.0	-	-	-	-	-	320.0	730.0	12,000.0	-
	A141 Capacity Enhancements	500.0	1,000.0	5,000.0	3,000.0	-	-	-	-	500.0	1,000.0	5,000.0	3,000.0
	A1260 Nene Parkway J15	224.6	8,000.0	-	-	-	-	-	-	224.6	8,000.0	-	-
	A1260 Nene Parkway J32-3	4,530.1	3,500.0	-	-	-	-	-	-	4,530.1	3,500.0	-	-
	Coldhams Land Roundabout	700.0	1,500.0	-	-	-	-	-	-	700.0	1,500.0	-	-
	Digital Connectivity Infrastructure	2,682.0	1,867.5	-	-	-	-	-	-	2,682.0	1,867.5	-	-
	Lancaster Way Phase 2	1,168.2	-	-	-	-	-	-	-	1,168.2	-	-	-
	Ely Area Capacity Enhancement	4,141.4	-	-	-	-	-	-	-	4,141.4	-	-	-
	Fengate access 1	1,000.0	4,890.0	-	-	-	-	-	-	1,000.0	4,890.0	-	-
	Fengate access 2	120.0	700.0	1,280.0	-	-	-	-	-	120.0	700.0	1,280.0	-
	March Junc Improvements	3,198.0	1,550.0	-	-	-	-	-	-	3,198.0	1,550.0	-	-
	Wisbech Access Strategy	930.0	3,000.0	-	-	-	-	-	-	930.0	3,000.0	-	-
<b>Housing Directorate</b>													
Revenue	Garden Villages	3,000.0	-	-	-	(200.0)	-	-	-	2,800.0	-	-	-
<b>Total required revenue budget</b>		<b>11,283.1</b>	<b>200.0</b>	<b>136.0</b>	<b>70.0</b>	<b>(200.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,083.1</b>	<b>200.0</b>	<b>136.0</b>	<b>70.0</b>
<b>Total required capital budget</b>		<b>29,626.0</b>	<b>33,296.5</b>	<b>23,280.0</b>	<b>8,000.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,626.0</b>	<b>33,296.5</b>	<b>23,280.0</b>	<b>8,000.0</b>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.1</b>
<b>05 AUGUST 2020</b>	<b>PUBLIC REPORT</b> <i>This report contains Appendices 1, 6,7,8,9 and10 which are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).</i>

**£100M AFFORDABLE HOUSNG PROGRAMME: PROPOSED VARIATIONS TO SCHEMES THAT FORM INVESTMENT FROM THE £40M REVOLVING FUND, SPECIFICALLY APPROVAL OF CHANGES TO THE TERMS AND CONDITIONS OF PRE-EXISTING LOANS IN RESPONSE TO THE IMPACTS OF COVID 19**

**1.0 PURPOSE**

- 1.1. As part of the Devolution Deal, the Combined Authority secured £170 million from Government to deliver an affordable housing programme. Of this £100 million available to deliver 2,000 new affordable homes across the rest of Cambridgeshire and Peterborough by 31 March 2022.
- 1.2. Within the Combined Authority Housing Strategy approved by board in Sept 2018 the £100m was divided into two parts, £60m for traditional grant funding and £40m to be used for the Mayor's innovative Revolving Fund to deliver additional affordable housing through loans, joint ventures and other toolbox initiatives.
- 1.3. This report seeks approval from the Combined Authority Board to re-structure the profile of the five loans already agreed from the £40m revolving fund.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Chris Boden, Lead Member for Housing</b>
<b>Lead Officer:</b>	<b>Roger Thompson, Director of Housing and Development</b>
<b>Forward Plan Ref: KD2020/044</b>	<b>Key Decision: Yes</b>

**Voting arrangements**

Simple majority of all Members

The Combined Authority Board is recommended to approve variations to schemes that form investment from the £40m revolving fund, specifically approval of changes to the terms and conditions of pre-existing loans in response to the impacts of COVID 19 as shown in a) to d) below;

- a) Approve extensions to the duration of the existing facility agreements with Laragh Homes and The East Cambridgeshire Trading Company as shown in the table below:

<b>Scheme Name</b>	<b>Borrower</b>	<b>Proposed extension to facility agreement in months</b>
Haddenham CLT (Loan)	ECTC	24
Ely MOD Site (Loan)	ECTC	20
Alexander House Ely (Loan)	Laragh Developments	4
Linton Road, Great Abingdon (Loan)	Laragh Developments	6
Histon Road (Loan)	Laragh Developments	7

- b) Approve the grant of interest free periods with Laragh Homes and The East Cambridgeshire trading company as shown in the table below:

<b>Scheme Name</b>	<b>Provider / Lead Partner</b>	<b>Interest free period in months</b>	<b>Starting from</b>
Haddenham CLT (Loan)	ECTC	24	01/04/2020
Ely MOD Site (L, Cambridge loan)	ECTC	6	01/08/2020
Alexander House Ely (Loan)	Laragh Developments	2	01/08/2020
Linton Road, Great Abingdon (Loan)	Laragh Developments	3	01/08/2020
Histon Road, Cambridge (Loan)	Laragh Developments	5	01/08/2020

<p>c) Interest free periods referred in b) above will be subject to a 'clawback' provision. Upon a final project reconciliation between the borrower and CPCA, the interest forgone through the interest free period will be recovered on a sliding scale if at the end of the project the actual profit is above the revised profit now being forecast for each project as a result of the Covid-19 impact.</p> <p>d) Increase the permitted number of drawdowns in each facility agreement to reflect the longer term of each loan facility.</p> <p>e) The Director of Housing and Development to be given authority to document the variations to the facility agreements as outlined in a)-d) above and undertake the end of project reconciliation/s assessing the potential recovery of the benefit of the interest free period against final project profit outcome for each project.</p>	
--	--

## 2.0 BACKGROUND AND CONTEXT

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth. This is reflected in the 2030 Ambition for coordinated interventions and investment tailored to local need across housing, transport and infrastructure, planning and land use and skills.
- 2.2. The Covid-19 pandemic has had significant impact upon the construction and housebuilding sectors. Work on most sites was abruptly halted in mid-March 2020 following nationwide stay at home guidance being issued by government and uncertainty about the implications for construction sites and their supply chains.
- 2.3. Housing and construction businesses countrywide have been opening up gradually since mid-May 2020 whilst also taking precautionary measures involving new working practices to minimise employees risk of contracting Covid-19. A key issue and concern is about whether housing developers will be able to perform their contractual obligations and the knock on financial, programme and other implications.
- 2.4. There has been a significant impact on the projects we are funding, both on anticipated delivery programmes and additional costs being incurred due to the existing impacts and ongoing risk of disruption being caused by the Covid-19 pandemic.
- 2.5. The primary objective of our housing strategy is to support and enable the delivery of additional housing units, both market and affordable. We therefore want to support our developers through this period, to encourage and get the housing developments that are planned completed, to have our capital successfully returned with interest and where contracted receive profit share, in order to be able to re-cycle and re-invest the revolving fund monies into new housing projects in 2021 and beyond.

- 2.6. The objective of the actions in this paper is to put appropriate measures in place so the borrowers will be encouraged to keep building the housing schemes out as originally planned, delivering the housing and re-paying the loans

## **SIGNIFICANT IMPLICATIONS**

- 2.7. Generally with the type of industry wide disruption we have seen there would be concerns about borrowers' ability to complete the developments on time and meet their repayment obligations. Typically under borrowing agreements, a failure to meet the obligations to repay a loan facility constitutes an event of default, invoking a lender's right to exercise its remedies towards recovery of the entire outstanding debt. In the prevailing circumstances, especially with the possibility of further intermittent lockdown, moving for recovery will be more challenging if lenders find themselves having to exercise their statutory power of stepping in and sale or other remedies. Such action is highly likely to be more damaging as it results in additional disruption to construction contracts, increases costs, lengthens programmes and usually results in worse outcomes when compared to supporting borrowers through the current uncertainty, especially if the primary objective is to get the residential units successfully delivered and to then move on with supporting more opportunities.
- 2.8. The most critical measure is to extend the duration of the loans in order to enable the borrowers to successfully complete the construction of each development and sell the units.
- 2.9. The borrowers are incurring additional costs to complete their developments as a result of the Covid-19 outbreak that is having a negative impact on the projected financial outturn through no fault of their own. There is a danger of this affecting commercial decisions to either commence or continue with the originally intended programme of development if risks have increased and the likelihood of receiving expected returns has decreased. The risk v reward equation. This will be putting the delivery of houses at risk.
- 2.10. The borrowers have requested additional financial aid in the form of interest free periods that vary from project to project. See the table in Exempt Appendix 1.
- 2.11. Ideally any other changes to the existing facility agreements should be kept to a minimum, for example no change to the interest rate when it is being applied, the methodology of the interest calculation and the provisions of any profit share. There was a request from ECTC on the MOD Ely scheme to vary the methodology on which interest was being calculated from a compounded to a simple interest methodology. Officers are not recommending this as compounded interest is an industry standard approach.
- 2.12. State aid implications have been considered, advice taken from Bevan Brittan and attached in Appendix 4.
- 2.13. Attached in Appendix 3 is a commercial and private creditor test paper that articulates how these proposals sit alongside actions being taken in response to Covid-19 elsewhere.



### **3.0 FINANCIAL IMPLICATIONS**

- 3.1. Our borrowers have been in the process of implementing and preparing for full project re-start. They have revised their development programmes, appraisals and cashflows to reflect the new situation, to still successfully deliver the developments. The revised projected financial out-turn for each project is shown in the table in Exempt Appendix 1. Also attached in Exempt Appendices 6 to 10 are copies of the borrowers' applications for variation including their revised development appraisals and cashflows.
- 3.2. The table in Exempt Appendix 1 summarises the current facility terms and what is being requested as a variation by the developer for each project. The borrowers have identified specific requests for each project to extend the duration of the facility agreements and request further aid through interest free periods.
- 3.3. Appendix 2 shows the previously anticipated cashflow profile of the £40m revolving fund and the new profile in the event that the borrowers' requests on each project are agreed by the Board. As might be expected, anticipated repayments are delayed and the maximum drawdown is expected in April 2021 before then steadily falling.
- 3.4. Interest free periods are being requested. We will seek to apply a claw back condition. So, for example, if upon assessment at the end of the project the final project outcome returns to the level of profit that was originally projected when the loan was first granted before Covid-19, then the full amount of interest as originally intended would still be paid. If at the end of the project the profit has fallen from that originally intended, then calculation of the claw back of interest will be in direct proportion to the relationship between development profit that was projected when the loan was first granted before Covid-19 and the projected revised profit as a result of the Covid-19 impact. So for example, if the original projected profit was say £500,000, the revised projected profit is now £200,000 and the cost of the interest free period (interest being forgone) is £100,000, if the final end of project out-turn results in a profit of £400,000, 66% of the cost of the interest free period would still be paid, so £66,666 of interest free would be recovered.
- 3.5. The lost interest by granting interest free periods will not impact on other areas of the Combined Authority. i.e. the revenue budget does not rely on these funds, but as mentioned earlier in the paper, any interest earned on these loans would be recycled and re-invested into new housing projects. i.e. the loss of interest just impacts on future funds available to support the £100m affordable housing programme.

### **4.0 LEGAL IMPLICATIONS**

- 4.1. The variations can be documented through variation to each of the existing facility agreements on each scheme.

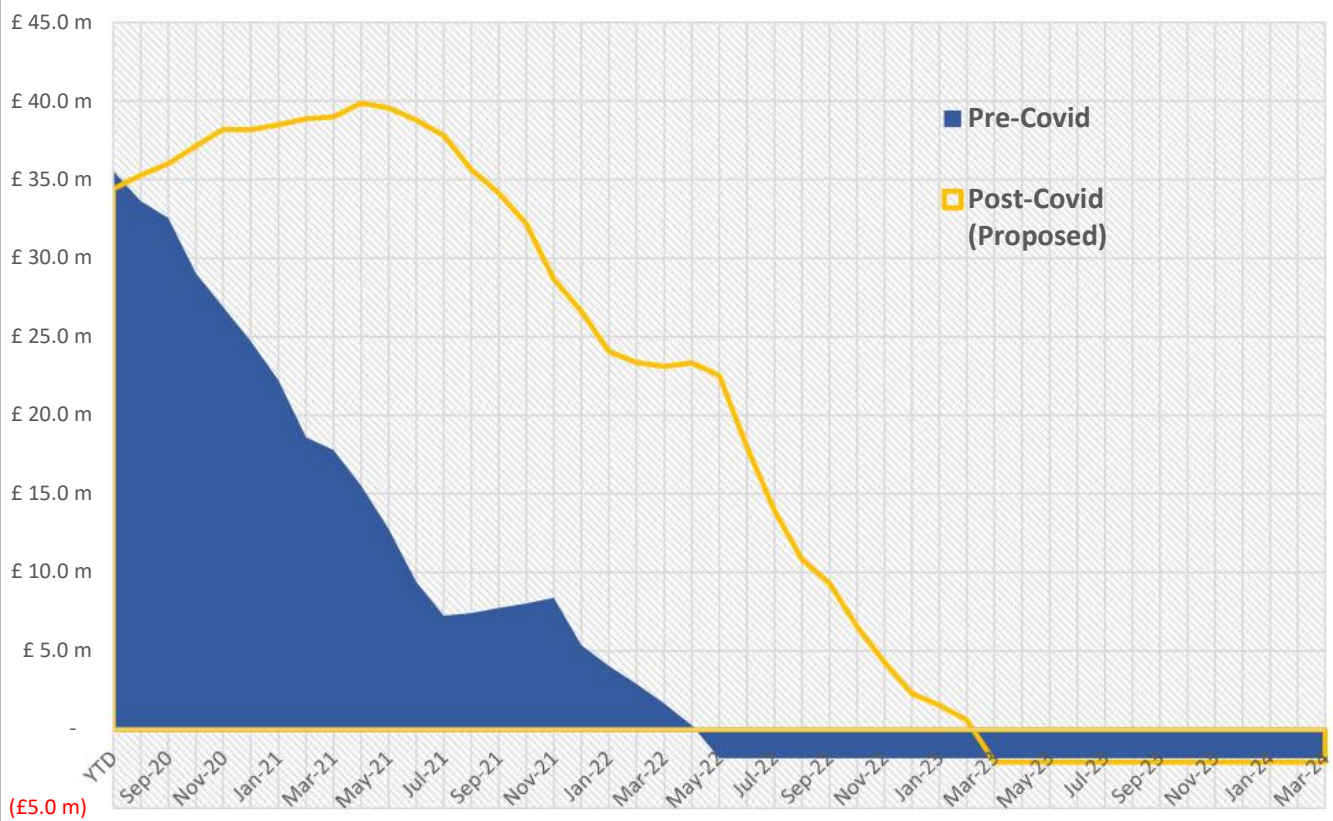
- 4.2. The Assurance Framework, as reflected in the devolution deal, requires the Combined Authority to demonstrate that the funds have been used for the objectives of the devolution deal.

## 5.0 APPENDICES

- 5.1. EXEMPT Appendix 1 - Summary of existing revolving fund loans and developer requests
- 5.2. Appendix 2 - £40m Revolving Fund Cumulative Cashflow Graph
- 5.3. Appendix 3 – Commercial and Private Creditor Paper
- 5.4. Appendix 4 – Loan variations State Aid Advice from Bevan Brittan
- 5.5. Appendix 5 - £40m Revolving Fund Loan Portfolio Scheme Details Summary Document
- 5.6. EXEMPT Appendix 6 - MoD Ely Facility Variation Application
- 5.7. EXEMPT Appendix 7 – Haddenham Facility Variation Application
- 5.8. EXEMPT Appendix 8 – Histon Road Cambridge Facility Variation Application
- 5.9. EXEMPT Appendix 9 – Alexander House Ely facility variation application
- 5.10. EXEMPT Appendix 10 - Great Abingdon facility variation application

<u>Source Documents</u>	<u>Location</u>
<p><i>DCLG Approved Business Case</i></p> <p>Devolution Deal 2016</p> <p>Assurance Framework</p> <p>Monitoring and Evaluation Framework</p>	<p>Cambridgeshire and Peterborough Combined Authority, Incubator 2, Alconbury Enterprise Campus, Alconbury Weald, Huntingdon PE28 4WX</p> <p><a href="http://cambridgeshirepeterborough-ca.gov.uk/">http://cambridgeshirepeterborough-ca.gov.uk/</a></p>
<p>Combined Authority Board reports. Decision summary and minutes September 2018</p>	<p><a href="https://cambridgeshirepeterboroughca.gov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx">https://cambridgeshirepeterboroughca.gov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx</a></p>

### £40m Revolving Fund Cash Flow Projection (Net)







## **Agenda Item 3.1 – Appendix 3**

### **£40m Revolving Fund loan Programme**

#### **Impact of the Coronavirus on the CPCA £40m Revolving Fund Loan Book – Proposals for Restructuring of Facility Agreements**

##### **1. CPCA's Objectives – Delivery of Additional Housing Units**

It is worth referencing the original reasons for the CPCA to create its £40m revolving fund which are embedded in its housing strategy approved by board in Sept 2018. The primary objective is to support and enable the delivery of additional housing units, both market and affordable. It was not to make money or profit, though if that could also be achieved as an outcome it would be welcomed, increasing the size of the fund over time for future investments.

##### **2. How Covid -19 is Impacting So Far**

Housing and construction businesses countrywide are opening up whilst also taking precautionary measures involving new working practices to avoid employees contracting Covid-19. A key issue and concern is about whether housing developers will be able to perform their contractual obligations and knock on financial and other implications for them.

##### **Loans and real estate transactions**

In supporting their borrowers, banks in the United Kingdom have introduced payment holidays and suspended loan repayment obligations during the coronavirus Covid-19 impacted periods. This is backed by a commitment by the UK government to guarantee loans to businesses in certain situations.

For construction and other real estate transactions, cash flow for financing projects and for servicing any development loans is being severely constrained. Shortages and lower efficiency of labour may also pose a problem as employees have to adhere to new social distancing rules on site. Shortage of supply of certain building materials is an added concern that is starting impact upon anticipated pre-covid delivery programmes. There is a real probability that contractors will be unable to complete construction projects within agreed timelines, rendering developers in potential default of their obligations to project lenders.

Loans and real estate contracts usually permit the parties to renegotiate the terms of the contract where changes in circumstances arise. This is typically the preferred way to mitigate a project arising from significant changes in circumstances. It is therefore anticipated and there are indications now appearing from the market that many property lenders and borrowers will pursue debt restructures and variations to existing facility agreements in order to help developers to complete their developments in this new environment.



It is too early to comment on the long term effects of Covid-19 on property lending but we are aware that senior lenders (banks like Lloyds, Barclays and RBS) are still principally focusing on supporting, by extending terms and lending amounts to existing clients as part of the support required to still enable successful project outcomes. I understand they are however largely avoiding new deals for now.

In the construction sector, pricing is being impacted by supply chain issues. We expect there to be an inclination towards 'open book' pricing due to extent of 'unpriceable unknowns', problems sourcing materials and global supply chain disruption. So the developer may carry the risk, not the contractor, requiring more financial flexibility and bigger contingency sums.

Post 2022, inflationary Construction costs pressures are anticipated to increase as full recovery comes on line. There is also potential for an increase in labour costs under the new points based immigration system.

M&G's Head of Property Lending John Barakat stated on 1<sup>st</sup> June that "I will be shocked if anyone emerges from this unscathed".

Some banks in Germany are reported to be using borrowers covenant breaches to increase interest rates (reported end May).

City University of London Business school predicted in a report on 22<sup>nd</sup> April "that £22 billion of development loans face delays and losses and write-off's could reach £10 billion"

Redrow, one of Britains biggest housebuilders has been reported to be in negotiation with six banks for financing support due to the impacts being felt due to Covid-19 and is also seeking to secure funding from the government under an emergency state aid package for businesses. "These are unprecedented times," Executive Chairman John Tutte said, "The actions we have announced today will give us the flexibility to manage the business through this turbulent period".

On 18th May 2020 the Scottish Government has launched a £100 million Emergency Loan Fund for Scottish SME housebuilders with liquidity issues due to the temporary closure of the housebuilding sector. The fund's aim is to safeguard jobs and protect suppliers, ensure a continued supply of homes, support post-COVID-19 economic recovery and retain diversity within the housebuilding sector.

The fund offers short-term loan funding to applicants to cover three months of liquidity support to their business.

The key terms of the loans are:

- Loans of between £50,000 up to £1 million will be available
- Majority of loans expected to be repaid within 24 months
- Fixed interest rates set at 2%
- Security on loans will be assessed on a case-by-case basis, which will help improve the risk profile for the Scottish Government.



In May 2020 regional housebuilder Aquinna Homes has been able to support its future with a multi-million-pound Coronavirus Business Interruption Loan Scheme (CBILS) loan from Lloyds Bank. The business employs 25 people and with Covid-19 bringing an abrupt halt to the housing market, the company turned to longstanding banking partner, Lloyds Bank, for support, securing a seven-figure CBILS loan.

Stephen Brazier, founder and managing director at residential developer Aquinna Homes, said: "Current circumstances are affecting developers....It's uncertain how quickly demand will return and this funding, together with the renewal of the revolving credit facility, will not only enable us to re-start quickly once the lockdown is eased but support the company until consumer confidence returns. Importantly, the RCF will also allow us to keep buying land so we can build new homes in the future and keep the business moving. All this has been possible thanks to the team at Lloyds Bank."

In June 2020 housebuilder Rural Renaissance Limited (RRL) has secured a six-figure funding package from Bank of Scotland to support its working capital, enabling it to continue to pay suppliers and honour its contractual commitments during the coronavirus crisis.

The funding from Bank of Scotland has safeguarded 35 jobs for the future, with the company eager to commence three new development projects once lockdown has ended.

Michael Crawford, managing director at RRL, said:

"We were set for further success this year until the COVID-19 crisis hit. As with many other businesses, much of our activity is now on hold.

"The team at Bank of Scotland has been by our side, helping us navigate our way through our cash flow challenges, ensuring we have the financial headspace needed to continue to trade."

Douglas Spowart, relationship director at Bank of Scotland, added: "RRL is an example of a business that has performed well over the past decade and had a promising year ahead of it. The coronavirus crisis brought everything to a standstill, meaning Michael and his team needed additional support.

"We've worked with RRL to put a package in place that, critically, the business can afford to repay. The funding has secured the future of the business."

For loan facilities, there are concerns about borrowers' ability to meet their repayment obligations. Typically under borrowing agreements, a failure to meet the obligations to repay a loan facility constitutes an event of default, invoking a lender's right to exercise its remedies towards recovery of the entire outstanding debt. In the prevailing circumstances, especially with the possibility of further intermittent lockdown, moving for recovery will be more challenging if lenders find themselves having to exercise their statutory power of stepping in and sale or other remedies. Such action is highly likely to be more damaging as it results in additional disruption to construction contracts and programmes and usually results in programme delays and increased costs when compared to supporting borrowers through the current uncertainty, especially if the primary objective is to get the residential units successfully delivered.

It is also very likely that any lender moving to aggressively recover a debt will incur a dent to their public image and perception as being overly aggressive and unfair.





Our Borrowers are in the process of planning and initiating the full re-start. They have revised their development programmes, appraisals and cashflows to reflect the new situation and to still successfully deliver the development of the housing units.

### **3. What sort of actions or interventions could CPCA consider?**

1. **Do nothing** – The implications of this cannot be clearly predicted, but the potential types of scenarios might look as follows ;

- If the project has not yet been fully started/committed, it is unlikely that the developer would be able to start without knowing that he has funding for a sufficient period to complete the development, as no contractor would take this on. So the borrower would have to look to sell the site before the facility agreement expires and look to repay any money drawn down from the sales receipt. No new housing would be developed for the foreseeable future.
- If the borrower has started beyond the point of no return, then they may try to sell the site “as is” or whilst construction is ongoing. They will most likely re-programme the works to only finish building what they have enough time to complete and leave the remainder to be sold and maybe developed by a purchaser at a much later date.
- The borrower may have no obligation but to progress, but in the knowledge that they will have to re-finance in order to be able to complete the development. This will carry significant risk and potentially high costs. If re-financing is not available, the borrower will default and the lender will be left to pick up a partially constructed project. Normally there are disputes, costs and time escalate and the project outcome is rarely satisfactory.

2. **Support our borrowers with a package of interventions to increase the likelihood of housing delivery and successful re-payment of loans**

- The most critical measure is to extend the duration of the loan in order to enable the borrower in the anticipated ‘Covid’ environment to successfully complete the construction of the development and sell the units.
- Ideally the financial “metrics” should not be changed from those when the loan was granted, for example no change to the proposed interest rates being applied, provisions for any profit share etc.
- The borrower is incurring other additional costs to complete the planned development as a result of the Covid outbreak that are having a negative impact on the projected financial out-turn. This maybe affecting their commercial decision/s to either commence or continue with the development if risks have increased and the normal level of expected returns may not be achieved. This will be putting the delivery of additional houses at risk. then consider any additional measures like an ‘interest holiday’ to keep the borrower motivated to deliver the development. If the risk/reward profile





worsens, there will be an increasing -risk of the project not proceeding.

- Objective – put an appropriate set of measures in place, so the borrower will be encouraged and confident to keep building the scheme out as originally planned.

### **3. Use the Borrowers potential distress as an opportunity to improve the deal**

- Some lenders might view the borrower's predicament as an opportunity to increase their margin by increasing the interest rate in return for an extended lending facility. Justification might be because of an increase in the perceived risk. However, by increasing the borrower's costs there is a greater chance of 'creating a self-fulfilling prophecy' in that it reduces the developers margin and increases the chance of the development failing and the borrower defaulting, or the scheme just not being progressed and built.

### **3 What are our Borrowers Asking For?**

The good news is that all of our Borrowers are indicating that they want to proceed and complete their developments, delivering the new housing schemes as originally intended.

They have been in the process of implementing and preparing for full project re-start. They have revised their development programmes, appraisals and cashflows to reflect the new Covid situation, to still successfully deliver the developments.

As a result, they have identified specific requests for each project to extend the duration of the facility agreements and further financial support through requests for interest holiday periods. There is also a request from ECTC on the MOD Ely scheme to change the method by which interest is calculated from a compounded to simple basis.

The table in Appendix 1 summarizes the current facility terms and what is being requested as a variation by the developer for each project.

Appendix 2 shows the previously anticipated cashflow profile of the £40m revolving fund and the new profile in the event that the borrowers requests on each project are agreed. As expected, anticipated repayments are delayed and the maximum drawdown is projected to rise to £40.1m in March 2021 before then steadily falling.

Interest free periods are being requested. We will seek to apply a claw back condition. So, for example, if the final project outcome returns to the level of profit that was originally projected when the loan was first granted, then the full amount of interest as originally intended would still be paid. Effectively we are saying that if in hindsight the interest free period was not required, then the interest as originally anticipated and being due will be paid. Calculation of the claw back of interest will be in direct proportion to the relationship between development profit that was projected



when the loan was first granted, and the projected revised profit as a result of the Covid-19 impact.

These variations can be documented through variation to each of the existing facility agreements.

### **State Aid Implications – Private Creditor Test**

Under State aid law, varying the terms of a state funded loan to the benefit of the debtor is potentially aid, as this is an advantage flowing from state resources. Housebuilding has been regarded as an area where there is a potential impact on trade between EU member states. The Private Creditor test is an aspect of the more general Market Economy Operator Principle, which identifies that where a public body is acting in the same way as a private market operator could reasonably be expected to act, there is no aid, as on comparable facts the private sector would give similar benefits.

Applying this to the current situation, it is apparent from the factual background above that the market of development funding is supporting existing schemes by allowing interest variations and loan extensions where satisfied this is a sensible approach on the facts. Here it is suggested that the approach can be applied and will be lawful as long as we are satisfied that the developments where support has been requested are sufficiently viable for the support to improve the likelihood of recovery over a non-intervention stance. In this context it is suggested that careful consideration is given to the suggest in section 3 above that there is a claw back arrangement if the development returns to the original levels of profitability.

Appendix 1 - Summary of existing schemes and developer requests

Appendix 2 - £40m revolving fund cumulative cashflow graph

Credentials: The author of this paper Roger Thompson is the Director of Housing and Development at CPCA, is a Member of the Royal Institution of Chartered Surveyors and has 34 yrs experience of working in the property industry. Between 2007 and 2012 Roger ran a team at EC Harris that supported and advised Lloyds and RBS about strategies and support for property lenders/borrowers as a result of the credit crunch which included team members being seconded into the banks.

Bevan Brittan 

# CAMRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Loan variations State aid advice

June 2020

## 1 INTRODUCTION

- 1.1 We have been asked to advise Cambridgeshire & Peterborough Combined Authority (**CPCA**) whether it can accept a number of proposed loan variations without breaching the State aid rules. We consider that it can do so, subject to being able to demonstrate that a comparable private lender could be prompted to do so. We set out our advice below in the following order: summary, background, an overview of the rules and an analysis of how they apply in these circumstances.

## 2 SUMMARY OF ADVICE

- 2.1 The State aid rules<sup>1</sup> apply when State resources are used in a way that subsidises market operators and distorts competition or affects trade within the European Union. The consequences of breaching the rules are potentially serious, and can result in an order to repay the aid plus interest and / or damages. It is therefore important to consider how any particular arrangement that involves State funding will be compliant.
- 2.2 The simplest and most robust method for CPCA to agree the proposed variations without breaching the State aid rules is to satisfy the private creditor test. This can be done by ensuring that a private sector lender under similar conditions and in similar circumstances could have been prompted to agree them. CPCA will need to complete a financial assessment that can be relied on to demonstrate compliance with the test. This can be done internally if there are suitable skills and experience in house (which we understand is the case). External advice is not essential under the private creditor test, but will provide additional, and independent, evidence, and should be considered if the variations are likely to be controversial, or otherwise attract public interest.
- 2.3 There is no reason in principle why extending repayment periods, introducing interest holidays and changing from compound to simple interest would not satisfy or be consistent with the private creditor test. In our view, these are the type of changes that a comparable private lender would be willing to agree to protect its overall position. However, this is subject to completing an assessment of the variations and their impact that is broad enough to show that CPCA has considered all the options for protecting its interests as a creditor. The Commercial Commentary contains much of the information that we would expect to see in an assessment, but could be strengthened by more detail in the last section (3).
- 2.4 If there is any doubt whether CPCA can satisfy the private creditor test, there are a number of other options that could be considered. For example, the UK government's umbrella scheme, which allows a wide range of State aid compliant financial support to undertakings in financial difficulty as a result of the pandemic, including grants of up to €800,000 per undertaking (not per project).

## 3 BACKGROUND

- 3.1 As part of its devolution deal with government, CPCA received £100m to support the delivery of affordable housing in its administrative area. It resolved to use this by providing up to £60m in direct grants and up to £40m as loan funding. CPCA subsequently entered into the loan facilities summarised below:<sup>2</sup>

Loan	Borrower	Project	Amount	Date of facility	Interest rate p.a.

<sup>1</sup> Please note that our advice is based on State aid law as at the date of writing. The law may change after 31 December 2020 upon expiry of the transition period, depending on whether a free trade agreement is reached with the European Union, or whether the Government adopts a different regime.

<sup>2</sup> Please note that this is based on a high level review of the documents provided to us rather than a detailed analysis and so may not be 100% accurate. There are also various related documents such as guarantees and certificates not listed. We would be happy to update the table and include them if required.

1	East Cambs Trading Company Limited ( <b>East Cambs</b> ).	Haddenham. 54 residential units including 19 affordable.	£6,500,000.	26.11.18	2%
2	East Cambs.	Ely MOD site. 92 residential units including 15 affordable.	£24,400,000.	31.7.19	2.61%
3	Fore Hill Ely LLP <sup>3</sup> .	Alexander House, Ely. 25 units including 4 affordable.	£4,840,000.	7.1.20	3.29%
4	Linton Road (Great Abington) LLP.	Linton Road, Great Abington. 15 units including 5 affordable.	£5,780,000.	24.2.20	3.29%
5	Histon Road Development LLP.  (together the <b>Borrowers</b> )	Histon Road. 27 units including 10 affordable.	£9,647,000.	31.3.20	4.94%

3.2 The Borrowers have requested variations to the terms of their respective facilities in response to financial pressures arising from the coronavirus pandemic. For example, the need to close development sites and the consequent impact this will have on completing and selling properties. Although the exact details are different for each loan, the Borrowers have requested two main types of variations:

3.2.1 extensions to the repayment term; and

3.2.2 interest rate holidays.

3.3 East Cambs has also requested a variation so that it is charged simple rather compound interest on the Ely MOD development (loan 2 above).

3.4 We understand that there are no other lenders on the developments, although East Cambridgeshire District Council has invested equity in East Cambs.

3.5 CPCA would like to support the Borrowers, who are planning how best to re-start developments and updating delivery programmes and financial plans. CPCA is currently reviewing its options for doing so, but wishes to ensure that any support will comply with the State aid rules. We note that each loan facility contains a general obligation to comply with the aid rules, including a clawback provision in favour of CPCA.

3.6 To help it consider the options, CPCA has prepared a commercial commentary (**Commercial Commentary**) on the proposed variations, including how market lenders are responding to the pandemic, and the financial impact on CPCA if it agrees to them, for example, in foregone interest and later repayments. The Commercial Commentary also states that it would be reasonable to include a clawback mechanism that would operate if interest holidays are agreed and a project subsequently

<sup>3</sup> We understand that Laragh House Developments Limited (registered number 6080115) is the parent company of Fore Hill Ely LLP, Linton Road (Great Abington) LLP and Histon Road Development LLP.

returns the amount of profit originally expected. We have included the Commercial Commentary and its appendices in Schedule 2 as they are an important part of CPCA's decision making process.

#### 4 STATE AID OVERVIEW

4.1 The State aid rules will be engaged when a public sector body such as CPCA renegotiates the terms of loans to private sector entities. However, loans can usually be varied compliantly by relying on what is known as the market economy operator principle, which in effect means that there will be no aid because the variations are on market terms. This is explained in more detail below.

4.2 As context for our advice, we have included an overview of the rules in Schedule 1. In summary, aid is unlawful unless permitted under the Treaty on the Functioning of the European Union (**Treaty**), or by the European Commission (**Commission**). Article 107 states:

*"Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market."*

4.3 This definition can be reduced to four limbs (**State Aid Conditions**), each of which must be satisfied for there to be aid:

4.3.1 the assistance must be granted by the State or through State resources (**Limb One**);

4.3.2 the assistance must favour a certain "*undertaking*" / group of "*undertakings*" (i.e. an entity / entities engaged in economic activity) or the production of certain goods (**Limb Two**);

4.3.3 the assistance must distort or threaten to distort competition (**Limb Three**); and

4.3.4 the assistance must affect trade between Member States, or be capable of having an effect on cross-border trade (**Limb Four**).

4.4 The definition of "*undertaking*" (used in Limb Two) is broad, and is determined by whether an organisation's activities are economic or not, rather than its legal status, for example, as a local authority or a local authority owned company.<sup>4</sup> It includes any entity that offers goods or services on a market.<sup>5</sup>

#### 5 ADVICE

5.1 The starting point in deciding whether the variations could result in unlawful State aid is to work through the State Aid Conditions to decide whether or not they will each be satisfied. As the loans and therefore the variations involve State resources, Limb One will be met. In this respect, although the variations involve CPCA foregoing interest and allowing later repayment rather than positive support such as grant payments, the State aid rules will still apply.<sup>6</sup> The rationale is that aid can be provided in any form, and this includes foregoing revenue due to the State (for example, tax or by undervalue property disposals).

5.2 The Commission and courts recognise residential (and commercial) property development as economic activity, and the Borrowers will therefore qualify as "*undertakings*" under the rules. Limb Two of the State Aid Conditions will as a result also be met. However, another critical component of Limb Two is that State resources must provide an advantage for there to be aid. Decisions by the Commission and the courts confirm that there will be no advantage if a transaction is in line with normal market conditions.<sup>7</sup> This broad principle has become known as the market economy operator principle

<sup>4</sup> *Van Landewyck* (Joined Cases C-180/98 to C-184/98).

<sup>5</sup> *Case 118 / 85 Commission v Italy* [1987] ECR 2599.

<sup>6</sup> *Commission v Buczczek Automotive*, C-405/11 P.

<sup>7</sup> For example, *SFEI and Others*, C-39/94, ECLI:EU:C:1996:285, *Commission v EDF*, C-124/10 P, ECLI:EU:C:2012:318.

(MEOP), although there are different variations of it depending on the particular circumstances, for example, the market economy investor principle, the private creditor test, the private vendor test and the market economy guarantor principle.

- 5.3 To rely on the MEOP, CPCA must demonstrate that it is acting like a market operator in similar circumstances would act, which is broadly interpreted to mean that it is motivated primarily by profit. The Commission and the courts have concluded that this requires an assessment of the financial case for any particular transaction before it is entered into, for example, by way of a credible and robust business plan that would be sufficient for a private operator to rely on when deciding whether to proceed. The assessment:

*"Should be carried out with the support of experts with appropriate skills and experience. Such evaluations should always be carried out on objective criteria and should not be affected by policy considerations. Evaluations conducted by independent experts may provide an additional corroboration for the credibility of the assessment."*<sup>8</sup>

- 5.4 When assessing a proposed transaction, a public authority such as CPCA may only take into account the benefits linked to its role as a market operator; it may not take into account any that are linked to its role as a public authority. For example, a policy objective of increasing affordable housing.<sup>9</sup>

- 5.5 The following broad conclusions can be drawn from the State aid rules and the MEOP:

5.5.1 CPCA may rely on the MEOP if it can demonstrate that a private entity, taking into account all the relevant circumstances and in similar circumstances, would act this way;

5.5.2 to do so, it must

- (a) identify the comparator i.e. the market economy operator that it will be compared against; and
- (b) assess the financial case using objective and verifiable criteria;

5.5.3 it may obtain expert evidence to support the case if there is any doubt. This is often done where evidence is needed in a specialist field or profession, or where there may be other statutory duties involved that justify it, for example, being able to demonstrate compliance with section 123, Local Government Act 1972;

5.5.4 CPCA should also consider assessing the transaction using a variety of methods, including not only obtaining expert evidence but also benchmarking to corroborate advice obtained and conclusions reached;

5.5.5 a counterfactual analysis should be undertaken where CPCA is already invested in an arrangement (as is the case here).<sup>10</sup>

- 5.6 A State aid challenge against Coventry City Council provides a useful explanation of the MEOP (**Sky Blue**).<sup>11</sup> It involved a challenge concerning a loan of approximately £14 million by the authority to the operator of the Ricoh Arena, which was 50% owned by the authority and was in financial difficulty. The loan was to be repaid over 41 years, which broadly equated to the remaining term of a head lease from the authority. The challenge failed.

- 5.7 *Sky Blue* removed any doubt about the level of discretion given to a local authority in concluding whether it was acting on commercial terms, and so could rely on the MEOP. We have copied three relevant parts of the judgment below, and emphasised certain parts using bold text:

---

<sup>8</sup> Footnote 133, Commission Notice on the notion of State aid (2016/C 262/01).

<sup>9</sup> *Commission v EDF C-124/10 P*, paragraphs 79 – 81.

<sup>10</sup> *ING Groep NV, C-224/12 P*, ECLI:EU:C:2014:213.

<sup>11</sup> *Sky Blue Sports & Leisure Limited and others v Arena Coventry Limited and others* [2016] EWCA Civ 453



- 5.7.1 "...the law recognises that there is a wide spectrum of reasonable reaction to commercial circumstances in the private market. Consequently, **a public authority has a wide margin of judgment**...";<sup>12</sup>
- 5.7.2 "...the transaction **will not** fall within the scope of the State aid rules unless the recipient "would **manifestly** have been unable to obtain **comparable facilities from a private creditor** in the same position...";<sup>13</sup>
- 5.7.3 "...it cannot be the touchstone that a **prudent investor would not ordinarily** be expected to have entered into the transaction. The test is rather whether he **could have been prompted to do it**, because it is **only when such conduct can be entirely ruled out as inconceivable** that...it must be regarded as State aid."<sup>14</sup>

- 5.8 The application of the MEOP in the context of pre-existing aid is given by the European Court of Justice in *The Commission V Netherlands and ING Groep*<sup>15</sup>. In this case, the Commission had sought to argue that the Dutch Government could not rely on MEOP in deciding to extend the period over which a capital injection (itself approved aid) was to be repaid. The Court held that the basis on which the injection was given did not mean that MEOP was not applicable; indeed the Commission had a duty to consider whether there was a rational economic case for allowing the extension of time for repayment.

"What is **decisive** in the context of that comparison is whether the amendment to the repayment terms of the capital injection has satisfied an **economic rationality test**, so that a private investor might also be in a position to accept such an amendment, in particular by **increasing the prospects of obtaining the repayment** of that injection."<sup>16]</sup>

## 6 PROPOSED VARIATIONS AND NEXT STEPS

- 6.1 As mentioned earlier, there are different variations of the MEOP, although all are based on the principles outlined above. In the current circumstances, the private creditor test is applicable, which is applied to examine whether debt renegotiations by public creditors involve State aid by comparing them to a hypothetical private creditor in a similar situation.<sup>17</sup> CPCA must therefore identify clearly the comparable private sector creditor in similar conditions, and then demonstrate that the comparator, taking into account all the relevant circumstances, could be prompted to agree to the variations. This requires CPCA to complete an assessment of the proposed variations, including the full range of options available in relation to the loans. In a recent State aid decision (the *Frucona* case in footnote 17), it was held that a tax authority which waived recovery of tax should have considered the full range of bankruptcy options available. It is also critical that the assessment is completed before the variations are agreed as the Commission and courts will not accept evidence prepared after financial support has been given.
- 6.2 To be able to meet the requirements of the private creditor test, CPCA must therefore put itself in the place of the hypothetical private comparator and undertake a financial assessment of the variations using objective and verifiable criteria, excluding any policy objectives. In effect, it must be able to demonstrate that there is a business case that would be acceptable to the comparator i.e. one that protects its interests as a creditor, and seeks to maximise repayment of the loans.
- 6.3 The case law quoted in paragraph 5.7 recognises that a public authority has a wide range of discretion in reaching commercial decisions such as this, which reflects the fact that investors and lenders generally may have different financial objectives / expectations about the level of return they wish to realise and how quickly they wish to generate it. For example, there is no requirement that the lender

---

<sup>12</sup> Paragraph 16 x), *Sky Blue*.

<sup>13</sup> Paragraph 16 x), *Sky Blue*.

<sup>14</sup> Paragraph 27, *Sky Blue*.

<sup>15</sup> Case no Case C-224/12P

<sup>16</sup> Ibid para 35

<sup>17</sup> *Frucona Kosic v Commission* (Case C-73/11P, Case T-103/14 and Case 300/16P – these spanned 12 years hence the different references).



or investor must be motivated by short term profit. As highlighted in paragraph 5.7.3, “*the test is rather whether he **could have been prompted to do it**, because it is **only when such conduct can be entirely ruled out as inconceivable** that...it must be regarded as State aid*”. This flexibility is particularly useful to CPCA as it means the threshold for satisfying the private creditor test is not being able to demonstrate that the comparator would definitely agree to the variations, but that it could have been prompted to.

- 6.4 The Commercial Commentary contains much of the information that we would expect to see in an assessment under the private creditor test. In order to build on the work already done and strengthen the case further, we recommend that CPCA:
- 6.4.1 satisfies itself that it has sufficient skill and experience in house to conduct the assessment (we understand that this is the case) and keep a record of the conclusion;
  - 6.4.2 satisfies itself that the market lenders referred to in the Commercial Commentary are suitable comparators in similar circumstances such that they can be relied on here;
  - 6.4.3 considers in particular whether a private sector comparator would require the Borrowers to agree a form of clawback that would be engaged should projects return profit beyond a defined amount (perhaps linked to what it was envisaged they would have returned but for the pandemic);
  - 6.4.4 considers the full range of options available to protect its debt, including the “do nothing” option that could result in it needing to rely on the default provisions in the loan agreements and / or formal insolvency proceedings. When considering the various options, the case law recognises that the costs of and length of time taken in using any particular procedure can be taken into account, as well as the prospects for recovery;
  - 6.4.5 seeks from the Borrowers details of variations to any similar loan facilities they have in place on comparable projects as this could provide evidence of what other lenders are willing to agree, and so could potentially be used to justify reliance on the private creditor test;
  - 6.4.6 considers obtaining external financial advice in order to provide additional expertise and bring greater independence to the decision making process – this will be particularly important if the decision is likely to be controversial or otherwise subject to public scrutiny.
- 6.5 Once CPCA has completed these tasks, we recommend that the Commercial Commentary is amended to include the additional level of detail, perhaps by way of expanding section 3 to set out explicitly who the comparator is, what the options are and why the comparator could be prompted to agree the variations.
- 6.6 Against this context, there is no reason in principle why extending repayment terms, introducing interest holidays and changing the type of interest would be inconsistent with the private creditor test. In our view, they are exactly the type of changes that a comparable private sector lender would be likely to agree to maximise the prospect, and amount, of debt being repaid. The position might be different if CPCA had already varied the loans, but this is not the case. Our view is subject to CPCA completing the assessment to an appropriate level of detail that is proportionate to the value of the loans and the proposed variations, taking into account the points flagged above.

## 7 POSSIBLE ALTERNATIVE OPTIONS

- 7.1 From what we have seen, it appears likely that CPCA will be able to rely on the private creditor variation of the MEOP to comply with the State aid rules in relation to the proposed variations. There are a number of alternative options, including those listed below, and we suggest that we consider these in more in detail if it becomes apparent that the MEOP cannot be relied on.

- 7.2 First, the *De Minimis* Regulation<sup>18</sup> allows support to an undertaking up to the approved level to be given outside of the aid rules i.e. it is not seen as aid because of its low value and the low prospect of it affecting cross-border trade. To rely on this Regulation, it is necessary to:
- 7.2.1 ensure that support is not for an excluded sector, for example, the fishery and aquaculture sector; and
  - 7.2.2 calculate the gross grant equivalent for the support to make sure it is beneath the ceiling (€200,000) for any given three-year period.<sup>19</sup>
- 7.3 When calculating the level of aid already provided, the *De Minimis* Regulation defines "single undertaking" in a way that means a borrower and its parent company must be viewed together. Assuming this is below the ceiling, CPCA would then need to obtain a certificate from the borrower confirming that the additional aid will not cause it to exceed the ceiling. Subject to that, we note that the interest which would be foregone on the three loans to the subsidiaries of Laragh House Developments Limited should fall within the threshold.
- 7.4 Second, the UK government has established an umbrella scheme<sup>20</sup> under which aid can be provided to undertakings experiencing financial difficulties as a result of the coronavirus pandemic - the Covid-19 Temporary Framework for UK authorities. This permits various types of aid to SMEs and large enterprises / companies<sup>21</sup> up to a total of £50 billion, for example, grants of up to €800,000 per undertaking (not per project). It would be necessary to work through the detail of the scheme and how it applies to the variations, but it does provide an additional potential option for compliance.
- 7.5 Third, it may be possible to rely on the rules allowing aid for services of general economic interest (**SGEI**) contained in the SGEI Decision<sup>22</sup> if the underlying purpose and intention of the variations is to provide affordable housing. Affordable housing (i.e. housing provided on below-market terms for those selected by means testing) has been recognised as meeting the requirements of SGEI by the Commission and the courts.<sup>23</sup> However, this would require further thought as to how the variations could be restricted so that they only support the affordable housing element of the schemes. There will also be a risk created where a scheme develops shared ownership rather than affordable rental accommodation.

## 8 CONCLUSION

- 8.1 The State aid rules will be engaged if CPCA agrees to the proposed variations, but the simplest way of complying with them will be to rely on the MEOP. Although there are some potential alternative options available, we would need to consider them in more detail to decide exactly how they could apply here.

**Bevan Brittan LLP**  
**[v1] June 2020**

---

<sup>18</sup> Commission Regulation 1407 / 2013 of 18 December 2013.

<sup>19</sup> There is a lower ceiling of €100,000 for road freight transport.

<sup>20</sup> Under the Commission's Temporary Framework dated 19.3.20 (and since updated).

<sup>21</sup> Large company and large enterprise are used as if they have the same meaning, although neither is defined. However, large enterprise is defined in Article 2, GBER as one that doesn't fall within the definition of an SME in Annex 1 of GBER.

<sup>22</sup> Commission Decision (2012/21/EU).

<sup>23</sup> State aid N 89/2004 – *Ireland – Social housing schemes funded by the HFA*. Case C-132/12 P *Stichting Woonpunt v European Commission*.

## SCHEDULE 1 – STATE AID OVERVIEW

- 1 State aid is a concept deriving from European law, in particular articles 107 and 108 of the Treaty on the Functioning of the European Union (**Treaty**). It has been interpreted broadly to include many different forms of financial assistance, both direct and indirect, for example, grant funding, loans at below the market rate, the provision of premises, equipment or staff at a discount, foregoing tax revenue and equity investment on below-market terms.
- 2 State aid is unlawful unless permitted under the Treaty, or by the European Commission (**Commission**) pursuant to the regulatory framework under the Treaty. Article 107 states:  
  
*"Save as otherwise provided in this Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the common market."*
- 3 The definition can be reduced into four limbs:
  - 3.1 the assistance must be granted by the State or through State resources;
  - 3.2 the assistance must favour a certain undertaking / group of undertakings (i.e. an entity / entities engaged in economic activity) or the production of certain goods (with the concept of assistance being widely construed);
  - 3.3 the assistance must distort or threaten to distort competition; and
  - 3.4 the assistance must affect trade between Member States, or be capable of having an effect on cross-border trade.
- 4 Assistance will only constitute State aid if each of the four conditions is satisfied. If one or more are not met, a proposed scheme will fall outside of the definition in Article 107. For example, if the recipient is not in fact an "undertaking" or aid will have only a local effect. In addition, aid can be made compliant by:
  - 4.1 notifying and obtaining approval from the Commission under Article 107(2) or (3) through the formal clearance process;
  - 4.2 relying on an existing exemption, for example:
    - 4.2.1 the market economy operator principle – essentially, that there would be no aid because the "benefit" flows from the transaction on market-facing terms;
    - 4.2.2 the General Block Exemption Regulation;<sup>24</sup>
    - 4.2.3 the *De Minimis* Regulation;<sup>25</sup>
    - 4.2.4 the rules governing provision of services of general economic interest, and in particular the services of general economic interest decision.<sup>26</sup>
- 5 The consequences of breaching the rules are serious, and can result in the Commission bringing infringement proceedings against the Member State. If a complaint is successfully made to the Commission, the recipient can be ordered to repay the aid plus compound interest at the statutory rate. Following the UK's departure from the European Union, the limitation period for lodging a

<sup>24</sup> Commission Regulation (651 / 2014 / EU) of 17 June 2014.

<sup>25</sup> Commission Regulation 1407 / 2013 of 18 December 2013.

<sup>26</sup> Commission Decision (2012/21/EU).

complaint with the Commission has been reduced to four years from the end of the transition period.<sup>27</sup> As there is no charge for bringing such a complaint, it is relatively easy to bring a challenge this way. A challenge can also be brought in the UK courts by way of judicial review, for example, by a competitor who believes that it has suffered loss as result of not being given the same level of support.<sup>28</sup> Such a challenge must be brought promptly and in any event not later than three months after the grounds for challenge first arose.

---

<sup>27</sup> Article 93, Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

<sup>28</sup> For example, *Betws Anthracite v DSK Anthrazit Ibbenburen* [2004] 1 CMLR 12.

**SCHEDULE 2 – COMMERCIAL COMMENTARY**



Commercial paper  
restructuring 40m re



Commercial paper  
appendix 1.xlsx



Commercial paper  
Appendix 2 40m Rev





## **Appendix 5 £40m Revolving Fund Loan Portfolio Scheme Summary Document**

The portfolio comprises of loans on five schemes as listed below:

### **1. Haddenham CLT, East Cambs – ECTC/Palace Green Homes**

The Haddenham scheme comprises 54 houses of which 19 will be Affordable. Construction is underway along with site infrastructure going in. 18 units have started (12 community lands trust and 6 market units) and are at different stages of delivery. First unit completions are targeted for end October 2020.



### **2. Ely MOD Site, East Cambs – ECTC/Palace Green Homes**

The MOD Ely scheme comprises 92 houses of which 15 will be Affordable. Construction is underway with a rolling works programme to reorganise, sub-divide, refurbish and refit the properties. 33 units being started comprising 7 affordable (now completed) and 26 market units at different stages of delivery.







### **3. The Old Tannery (former Alexander House), Ely, East Cambs - Laragh Homes**

The Old Tannery scheme comprises 25 apartments of which 4 will be Affordable, including Mayoral £100k homes units. Construction is underway with initial stripping out being completed.



### **4. Linton Road, Great Abingdon, South Cambs – Laragh Homes**

The scheme now branded as Emerson Park, Great Abingdon comprises 15 apartments of which 5 will be Affordable, including Mayoral £100k homes units. Construction is underway with initial site access and services being arranged.







## **5. Histon Road, Cambridge, Cambridge City – Laragh Homes**

The scheme now branded as The Mews, Histon Road comprises 27 houses and apartments of which 10 will be Affordable, including Mayoral £100k homes units. Construction is underway with demolition and initial site services being arranged.







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.2</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

**PROPOSAL FOR A CORPORATE VEHICLE TO BRING FORWARD  
CAMBRIDGESHIRE AUTONOMOUS METRO ("CAM" or the "Programme")**

**1.0 PURPOSE**

- 1.1. This report sets out the proposal and recommendation for a corporate special purpose vehicle (the "SPV") which will act as lead entity in the further development of the CAM programme, and describes how the SPV will be formed, and how it will operate for the first phase of its work.
- 1.2. This report sets out why an SPV is needed for the CAM programme, why it is needed now, how it will be led, staffed, funded, and resourced, and how the CPCA will oversee its work as shareholder.
- 1.3. In particular, this report sets out:
  - (a) why a separate legal entity is required;
  - (b) the powers for the establishment and incorporation of the SPV;
  - (c) the proposed governance structure and high level organisational design of the SPV;
  - (d) the role, functions, and decision-making powers of the SPV in delivering CAM;
  - (e) the oversight of the SPV by the CPCA;
  - (f) how the SPV will be funded.
- 1.4. The magnitude and complexity of the CAM programme is such that unless dedicated resource, funding routes and private sector involvement is not established early within the programme lifecycle, it could potentially miss achieving its objectives and delivery. This is therefore a key step towards being an "intelligent client", which will be beneficial for internal governance and organisation, but should also serve to build (and maintain) market confidence.
- 1.5. This report outlines the CPCA's current assessment of how the SPV may take shape and evolve to deliver the CAM: the focus of the SPV will evolve over

time, as the programme progresses, and as a result of private sector involvement and third party investment

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Kim Sawyer</b>
<b>Forward Plan Ref: KD2020/022</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the incorporation of the CAM SPV.</p> <p>(b) Appoint the following interim directors until the confirmed appointment of the members of the Board, following an external recruitment process:</p> <p style="padding-left: 40px;">Kim Sawyer, Chief Executive John Hill, Chief Executive Jon Alsop, Chief Finance Officer</p> <p>(c) Approve the company Articles.</p> <p>(d) Approve the proposed process for recruitment of the Board members, at Appendix 7, and note the expected levels of remuneration as set out in paragraph 6.9.</p> <p>(e) Note the corporate support to be provided by the CPCA to the SPV.</p> <p>(f) Approve the Mayor as representative of the CPCA as non-voting shareholder director to attend the interim and substantive Board.</p> <p>(g) Note and approve the proposed governance structures and committees of the CAM SPV at Appendix 4.</p> <p>(h) Approve the draft initial Business Plan in the confidential Appendix 6, and request that a further report be brought back to the</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

<p>September meeting of the Combined Authority Board seeking approval for:</p> <ul style="list-style-type: none"> <li>a. The initial Business Plan</li> <li>b. The initial equity investment</li> <li>c. The proposed board members and chair</li> <li>d. The Shareholder and SPV Agreement</li> </ul> <p>(i) Note and approve the mobilisation expenditure and approve the drawdown of £1,400,000 from the Medium-Term Revenue Financial Plan to progress the consultancy work set out in section 5.</p> <p>(j) To approve the £1m Equity Investment in the CAM SPV from Capital Gainshare as set out in the MTFP.</p> <p>(k) Subject to the approval of the LGF application for £1m, to approve the use this to take an equity subscription of shares in the CAM SPV.</p>	
---	--

## 2.0 BACKGROUND: THE NATIONAL SIGNIFICANCE OF THE CAM

### Rationale for the establishment of the SPV

- 2.1. The report attached at Appendix 1, *The National Significance of the CAM* sets out the case for the CAM, and why the time for delivery being is now.
- 2.2. The Local Transport Plan identifies CAM as a key priority for the CPCA and which seeks to meet many of the objectives of the Cambridgeshire and Peterborough Independent Economic Review (**the CPIER Report**), including:
  - (a) the **opportunity for housing growth and affordable private homes** within the administrative areas of the CPCA;
  - (b) supporting the **growth of employment**, specifically helping to combat geographical "brain-drain" in knowledge-intensive industries (e.g. pharma and tech markets (which are key to the success of the region)); and
  - (c) longer term, **CAM will potentially increase social mobility** to Peterborough and the Fens, therefore 'levelling up' the region.

- 2.3. The CAM Partnership Board's Delivery Sub-Group was formed in mid-2019 to review the delivery options available to the CPCA. Its remit was to determine "the how" and "by whom" CAM should best be effectively delivered. In assessing these options, the CAM Delivery Sub-Group made the following observations, that CAM:
- (a) **is not simply a transport programme.** It is the tool by which the outcomes of the CPIER Report can be delivered, unlocking growth and ensuring the future success of the region can be retained. Those outcomes are the objectives of the CPCA;
  - (b) **is as important to the national economy as it is to the regional economy** as it offers the means to address the threat to loss of key global sectors within the UK and potentially a key lever for helping to "re-boot" the regional economy and housing sector in the light of the Covid-19 Pandemic and post-Brexit;
  - (c) offers significant opportunities to **provide a smart transport system in one of the most technologically advanced areas in the world;**
  - (d) can make a **significant contribution towards the UK's 2050 Net-Zero Carbon** agenda, setting the standard for garden villages and improve wellbeing;
  - (e) can offer commercial opportunities to implement the Mayor's approach to **land value capture**; and
  - (f) There is the potential to create a new standard for delivery of mobility in urban transport and the **creation of world class leading solutions and know-how** of smart, low carbon mass transport systems.
- 2.4. The CAM Delivery Sub-Group recommended that the SPV be established to deliver CAM concluding that the expertise required to deliver a programme of this complexity and scope, and the dedicated resource required, could not be realised within the CPCA and existing structures.
- 2.5. The CAM Delivery Sub-Group recognised that there are many examples in the UK and internationally of separate bodies being established and built specifically for the delivery of large infrastructure programmes, for example, in the UK, East West Rail Company, which is the most comparable example to the size and scope of CAM. A common thread running through similar programmes is that each has established a separate body in the early stages to ensure they have the expertise, focus and dedicated resources to effectively drive the programme forward and maximise value.

### **Why is an SPV needed?**

- 2.6. Appendix 2 explores delivery options and sets out why an SPV is the best form of delivering the CAM. These are more fully described in appendix 2, but include that an SPV:

- (a) Is an accepted and understood delivery model: utilised in large infrastructure programmes such as HS2, Crossrail, East West Rail Co. They promote Government and investor/market confidence.
- (b) Allows the right balance of leadership, expertise, and dedicated resource: they provide leadership to guide the programme and manage relationships with key stakeholders
- (c) Build in necessary oversight and assurance: the clear separation of the SPV from the CPCA as shareholder, and the internal, dedicated, assurance framework provide critical guidance and programme assurance.
- (d) Provides the commercial environment in which investment may be attracted and the programme promoted to Government.
- (e) Allows the CPCA to invest capital funding which, for the SPV, may be treated as crucial revenue support during its development phase.
- (f) Ensures CPCA control while allowing investment to come forward: the CPCA will be sole shareholder through an agreed governance structure, retaining control over certain strategic and operational decisions, but allowing appropriate freedom to deliver at pace.
- (g) Provides the agility to evolve alongside the CAM programme lifecycle: the SPV allows for change and development as the project develops and programme delivers through its future stages, and differing investment and participation profiles.

#### **Where will the SPV sit in the existing corporate structure operated by CPCA?**

- 2.7. The SPV will, upon incorporation, be a wholly owned direct subsidiary of the CPCA.

#### **Why should the SPV be established so early in the process?**

- 2.8. The significance of the CAM project is explored in the report at Appendix 1. Establishing the SPV now allows for the appointment of a Board and an executive leadership team to direct the further development of the CAM, and begin the critical process of promoting the scheme consents, attracting funding and ensuring value for money. As is shown through the proposed governance structure at Appendix 3, the CPCA will retain the strategic decision-making role over the Programme and so maintain an important strategic role in the development of the CAM.

#### **Where have company structures been previously used by public sector for delivery of major and complex projects?**

- 2.9. Appendix 2 sets out the reason for an SPV, and major programmes and projects are typically delivered through delivery bodies/organisations, which are arms-length from the sponsoring public sector bodies. Whilst this could be through executive agencies or public corporations, a delivery company is

preferred for the reasons set out in that appendix. The focus of the SPV will be the delivery of the programme, through dedicated expertise and resources.

2.10. Crossrail Limited (wholly owned by Transport for London) and High Speed Two (HS2) Limited (wholly owned by the Secretary of State for Transport) are examples of delivery bodies that are wholly owned by the public sector. There are examples of other corporate arrangements between the public and private sectors, which typically are formed at a later stage in the delivery programme. For example:

- (a) **PPP project companies where the authority takes an equity stake** – this type of model is being promoted by the Welsh Government in its Mutual Investment Model (MIM) programme, and builds on similar set-ups in e.g. the Scottish non-profit distributing (NPD) model. The public sector participation in these models could be through a significant shareholding in the project SPV (MIM) or through a “golden share” (NPD) which gives the authority certain controls in the governance structure.
- (b) **Government-owned Contractor-operated**, where the government controls the assets, but operated on a for-profit basis by a private company. This model was adopted in the defence sector, but has become less used in recent years.
- (c) **Local Education Partnerships**, which are joint vehicles between the public and private sector formed for the purposes of delivering the Building Schools for the Future programme, and includes in the governance structure a Strategic Partnering Board which serves as a mechanism for consulting on future strategy for delivery as well as performance management and monitoring.
- (d) **Incorporated Joint Ventures between the public and private sector** to exploit value in publicly owned assets, e.g. the Earls Court development.

2.11. It is important to distinguish between the function of the proposed SPV, which is to progress the project to deliver the CAM, and future arrangements (such as those described above and including between the public and private sector but also public sector entities) where the function is an implementation/operational one.

### 3.0 THE DRAFT INITIAL BUSINESS PLAN

The draft initial Business Plan at Appendix 6 represents the first draft Business Plan of the CAM SPV. This draft will be further revised for approval at the September meeting of the Combined Authority.



## **4.0 THE ROLE OF THE CPCA IN OVERSEEING AND SUPPORTING THE CAM SPV**

### **INTERIM DIRECTORS**

- 4.1. It is proposed that upon incorporation the Chief Executives and Chief Financial Officer will be appointed to the board of the CAM SPV as directors, on an interim basis and up until the appointment of a chair, and board.
- 4.2. The purpose of the interim appointments will be to:
  - (a) oversee the recruitment process for the Board membership;
  - (b) carry out all necessary administrative processes to establish the CAM SPV so that it will be fully operational following the CPCA Board meeting in September;
  - (c) develop the draft business plan for approval at the September Board;
  - (d) begin the recruitment process for the Chief Executive, Strategy Director and the Technical Director to the organisational structure. The recruitment processes will follow the constitutional rules of the CPCA and any interview and appointment processes will involve the CPCA members. Further detail on the recruitment of the Chief Executive and the Director of Strategy will be set out in the report to the Board in September;
  - (e) develop the shareholder agreement for approval by the CPCA Board in September.

### **SHAREHOLDER REPRESENTATIVE DIRECTOR**

- 4.3. It is further proposed that the Mayor be appointed as the shareholder representative director, on the board of the CAM SPV. The shareholder director will not have a vote, and will attend meetings solely on behalf of the CPCA to represent the interests of the shareholder in the development of the company.

### **CPCA INTERNAL GOVERNANCE ARRANGEMENTS**

- 4.4. The CPCA has established an internal governance framework to manage the development of the SPV and the scale of the CAM programme. The internal governance framework will operate during the mobilisation phase to provide support and oversight to the interim Board of the CAM SPV, and in particular to assist:
  - (a) in the detailed development of the company governance structures and documentation;
  - (b) recruitment to the board and organisational structure;

- (c) programme management review;
  - (d) recruitment to the CAM SPV;
  - (e) resource and support arrangements for the CAM SPV;
  - (f) The team, roles, and responsibilities are set out below:
    - a. The Chief Executives will be responsible for ensuring that the transition to CAM SPV. is successful, that the Mayor and CPCA members are updated on the work being undertaken and identify appropriate governance arrangements leading to timely decision making.
    - b. The Chief Executives are leading in the following areas:
      - i) Kim Sawyer: company governance, Board recruitment, delivery strategy and programme management review
      - ii) John Hill: recruitment to the CAM SPV, senior officer structure
- 4.5. The Chief Executives will hold a regular weekly team meeting for officers of the CPCA assigned to manage the transition to the CAM SPV. These officers are identified as follows:
- (a) Budget (Jon Alsop (Chief Finance Officer)/Jilur Hussain (Finance Officer))
  - (b) Governance (Robert Parkin (Chief Legal Officer and Monitoring Officer))
  - (c) Procurement (Heidi Parker (Procurement Manager))
  - (d) HR (Martin Jaynes (HR Manager))
  - (e) Communications (Luke Page)
- 4.6. Further weekly meetings will be held by the lead Chief Executive to manage the external contracts of the CAM project as follows:
- (a) Kim Sawyer – management of the Deloitte LLP contract and the legal services support from Pinsent Masons LLP
  - (b) John Hill – management of the recruitment consultants

## 5.0 THE PROJECT CONSULTANCY TEAM

### TECHNICAL, FINANCIAL AND LEGAL SUPPORT

5.1. The table below sets out the additional allocation from the May CPCA Board meeting for the CAM. It also shows the Officer Decision Notices that have been taken by the Chief Executives under their delegated powers. The CPCA has been supported in its work to date by Deloitte and Pinsent Masons LLP, each of which were appointed through a Crown and Commercial Service framework agreement. This work will continue to support the establishment and early work of CAM SPV and the necessary work to reassess and produce an Outline Business Case.

Additional CAM Budget as at May 2020 Board (Subject to Approval)				2020/21		
				Revenue	Revenue	Capital
CAM - innovation co (Consultancy / Delivery and Strategy Writing)				4,415,214		
CAM SPV - to include Procurement / Procurment Competition					2,500,000	
CAM innovation company - Operational costs						1,000,000
<b>Officer Decision Notices (ODN)</b>						
	ODN Number	Contract Value	Actual costs 2020/21			
<b>Workstreams 1-4</b>						
CAMco Governance Framework	ODN182-2020	495,000	356,000			
Organisational Design						
Shadow Board Selection						
LGF Application	ODN183-2020	90,000	90,000			
<b>Workstreams 7 &amp; 8</b>						
Communications and Engagement Strategy / National significance of the CAM	ODN 189-2020	183,200	183,200			
<b>Workstream 5</b> Innovation Procurement	ODN 180-2020	286,000	286,000			
Programme Management Review	ODN 188-2020	115,450	115,450			
<b>Workstream 6</b> Delivery Strategy Scoping	ODN 194-2020	195,800	195,800			
Legal Advice	ODN 193-2020	65,036	65,036			
<b>Total ODN's</b>				<b>1,291,486</b>		
<b>Approval to spend required;</b>						
Delivery Strategy Writing				1,200,000		
Procurement Competition					200,000	
CAM SPV Operational Costs						1,000,000

5.2. The Board is therefore asked to approve a drawdown of the following to cover anticipated expenditure commitments to the end of September and a further paper will be presented to the Board in September providing an updated financial position;

- 5.3. Delivery and Strategy Writing £1,200,000 to further development of the following stands of work:
- Development of the funding and financing strategy, coordination with the CAM Finance Advisory Committee, and preparation of applications for immediate funding opportunities.

- (b) Development of the land and growth strategies, to be coordinated with the Garden Villages programme. This strategy will set out the visions for the garden villages and how and when that development could come forward. The housing development is an important part of the land value capture proposals which will be identified and tested through the funding and financing strategy. It is expected that the initial assessment of the land and growth work will complete in August 2020 and work will be undertaken to develop the concept and vision with CPCA members. This initial assessment will provide a recommendation for the next steps that need to be undertaken to support the delivery of the Land and Growth Strategy.

5.4. Procurement Competition - £200,000 for the preparation of the tender documents and running the procurement process.

5.5. CAM SPV Operational Costs - £1,000,000 to cover the running costs of the SPV including Staff costs, Board costs as well as all overhead costs.

5.6. While Pinsent Masons LLP will be involved in supporting the incorporation of CAM SPV the limits of the scope of their appointment will then be reached. Accordingly, a procurement exercise for a fresh appointment of legal advisor has been commenced, in which Pinsent Masons LLP will be invited to participate. Any further spend in relation to additional legal fees will be reported to the September Board for approval.

5.7. The CPCA is expected to be successful in its application for £1m of Local Growth Fund to support the development of the SPV and will use the funding to create the jobs which deliver the work of the SPV, including work to recruit the Chief Executive, Director of Strategy, and Technical Director. A further report will be brought to the September meeting of the Combined Authority Board to seek match funding against the LGF provision, which will be used to support the work of the CAM SPV across its programme, and in seeking further funding.

## **6.0 CAM SPV – DELIVERY TEAM AND ORGANISATIONAL DESIGN**

### **What is the proposed Governance structure for the SPV?**

6.1 Deloitte LLP has developed a governance model for CPCA to regulate the activities and decision-making of the SPV. This is at Appendix 3.

### **Organisational design: board appointments, staffing and resourcing**

6.2 In addition to the proposed governance structure (which identifies key roles for the SPV personnel), an organisational design has been developed by Deloitte LLP and is set out at Appendix 4.

## **Staffing**

- 6.3 In the mobilisation phase, it is proposed that the CPCA provides corporate resource support to the CAM SPV, organised through the internal governance arrangements described above and recorded in the Shareholder and SPV Agreement.
- 6.4 In order to ensure efficiency and economy, the CPCA Board is not being asked to approve recruitment to the organisational design as set out at Appendix 4. The view of the internal governance team led by the Chief Executives is that initially only the roles of the Chief Executive, the Director of Strategy, and Technical Director are necessary to recruit to. These roles will be key to ensuring the next stages for delivery of the OBC and the development of a funding and financing strategy which will deliver the necessary Government investment to deliver this key project.
- 6.5 The CPCA will lead the recruitment of the CAM SPV Chief Executive, the Director of Strategy, and Technical Director to begin the work of the CAM SPV. The CAM SPV leadership, through its business plan approved by the CPCA Board will further determine the pace and recruitment of further support required as the programme continues through its development lifecycle to ensure a lean structure is maintained and appropriate use is made of public funds.

## **How will the SPV be funded?**

- 6.6 The CPCA made an application for LGF funding which to which is proposes to invest in the CAM SPV taking an equity subscription for shares
- 6.7 All funding will need to comply with the rules on State Aid and be in accordance with Operator Economy Investor Principles. Such State Aid analysis will need to be undertaken upon conclusion of the initial funding options. It is envisaged that ultimately funding will need to be considered via DfT and additional public sector pathways (such as CIL, TiF and Business Rates etc.) as well as private equity funding. The financing strategy will be a responsibility of the SPV to develop, and is expected to involve private sector equity and debt, and the development of detailed financial analysis and modelling and a more mature market understanding of requirements and the relevant revenue projections.

## **How will the Chair and Board be appointed and remunerated?**

- 6.8 CPCA Chief Executives will lead the recruitment of the Chair and Board members. Given the unique national significance of this project, a high profile Chair will be sought, and Board members with demonstrable expertise in the sector. The recruitment process, (including details of the participants in the interview panel) is described at Appendix 7.
- 6.9 From a market survey, (and bench marked against Cross Rail), remuneration for the Chair is anticipated to be in the region of £35k per annum, and the board members £5k per annum. Remuneration is linked to the expertise and experience of those applying for the position and, in order to secure the

appropriate candidates, negotiation on an appropriate remuneration will form part of the recruitment process for the Board members.

- 6.10 The approval of the CPCA Board for the appointment and terms of their remuneration will feature in the content of the further report to the Combined Authority Board in September of this year.

## **7 CAM SPV – MANAGEMENT, AND CPCA SHAREHOLDER PARTICIPATION**

- 7.1 The key corporate document for regulation of the day-to-day activity of the CAM SPV will be provided through the Articles of Association which are at appendix 5. These are the standard Articles of Association and will be tailored to the needs of the CAM SPV upon appointment of the Board members.

### **Shareholder and SPV Agreement**

- 7.2 A Shareholder and SPV Agreement between the CPCA, and the SPV will define the contractual responsibilities and obligations for delivery of the CAM programme.
- 7.3 The Shareholder and SPV Agreement will describe what matters are reserved to the CPCA as shareholder, for approval. These will include the following:
- (a) Approval of the budget for the SPV.
  - (b) Approval of the Business Plan/PID (which will set out the full detail of the reserved matters).
  - (c) Approval of entry or amendment to material contracts.
  - (d) Approval of material funding.
  - (e) Corporate changes to the SPV.
  - (f) Changes to policies.

The Shareholder and SPV Agreement which will be brought to the next meeting of the Combined Authority Board will provide the full detail of those reserved matters.

- 7.4 Key issues to be explored and developed include:
- (a) **Procurement strategy** – process for purchase of goods and services for CAM (both during establishment and BAU).
  - (b) **Risk mitigation strategy** – determined in accordance with risk matrix and contracts strategy. Consideration of insurances etc.
- 7.5 At a future stage of the project, where other shareholders are included in the SPV, the CPCA will also need to consider:
- (a) **Deadlock strategy** – to deal with how the parties agree in a deadlock situation.

- (b) **Dis-enfranchisement of shareholder rights** - consider circumstances where participation of shareholder may be limited/suspended if in default/failure to provide funding etc.

### **Delivery of the component projects of CAM**

7.6 The SPV will have a role to play in delivering each of the various component projects of the CAM network. This includes:

- (a) **Promoting the project for consent** – the SPV will be responsible for formally obtaining consent for the project components of CAM. It will advance work to the consent application stage, (e.g. under the Transport and Works Act 1992 regime).
- (b) **Ownership of project powers and consents** – following a consenting process, the SPV may itself be invested with statutory powers and consents to permit its construction and operation. It may act in this way, or it may advance the project to a stage where the CPCA ultimately acts as beneficiary.
- (c) **Oversight of CAM component projects promoted by GCP** – the CAM SPV work with the GCP to promote a joined up approach to the CAM network, and seek to work with the GCP partners to develop an effective allocation of statutory powers and consents (for example, GCP only, the SPV only, or a combination of both).
- (d) **Procurement and contracting of CPCA's CAM projects** – the CAM SPV may act as the contracting authority for the procurement for an innovative solutions/design for the vehicle to deliver the CAM.
- (e) **The CAM SPV will as the delivery body for the CPCA co-ordinate the development of the wider CAM programme to include development of the OBC, the funding and financing strategy, the incorporation of the garden villages concept, the promotion of the CAM project into Government.**

### **Stakeholder engagement**

7.7 The CAM SPV will lead and coordinate engagement with key stakeholders to promote support and buy-in. This will encompass statutory bodies, local authorities, businesses and landowners, as well as the public.

7.8 The internal governance team led by the Chief Executives have developed a communications and engagement strategy for approval as part of the Business Plan. This will be reviewed by the CPCA Board in September.

### **Legislation and policy development**

7.9 The CAM programme is innovative in nature, and therefore it is likely that changes in legislation and central government policy will be required to fully

realise the CAM vision. The CAM SPV, in its role of driving forward the programme, will have a key role in lobbying government on policy and legislative change as necessary. The SPV will also have a role in terms of any local policy development around the CAM. For example, feeding into local planning policy processes and CPCA local transport plan policies.

## **8 FINANCIAL IMPLICATIONS**

### **Capitalisation of the SPV**

- 8.1 The SPV will be capitalised through a mix of quasi equity (shareholder loans) and equity funding (share subscription), with those sums and the funding package being approved at the September meeting of the Combined Authority Board. The capital sums required will depend upon the finalisation of resourcing/employee requirements of the SPV, which will be developed within the Business Plan.

## **9 LEGAL IMPLICATIONS**

### **The general powers to establish a company**

- 9.1 The CPCA is constituted by the Cambridgeshire and Peterborough Combined Authority Order 2017 ("Order"). Article 11 of the Order states that the CPCA has a general power of competence in the same manner as local authorities and that Chapter 1 of Part 1 of the Localism Act 2011 (the "2011 Act") shall have effect in relation to the CPCA as it currently applies to local authorities. For the purposes of Section 4, the reference to "local authority" applies equally to the CPCA.
- 9.2 The General Power of Competence contained in Section 1 of the 2011 Act states that a Local Authority is permitted to do anything which an individual may do, therefore, the CPCA has the power to establish a company or subsidiary vehicle in order to carry on its ordinary functions as a combined authority.

### **The power to trade and undertake commercial activity using a company**

- 9.3 Section 95 of the Local Government Act 2003 confirms that where local authorities are seeking to utilise a company to undertake any of its statutory functions:
- (a) the local authority may utilise a corporate vehicle to undertake a commercial purpose, provided that it is for the purpose of carrying out its ordinary functions;
  - (b) it must have prepared a business case approved by the relevant authority; and



- (c) the cost of accommodation, goods, services, staff etc. must be recovered from the company in pursuance of any agreement and/or arrangement to facilitate the exercise of the power ("Trading Power").

9.4 The Trading Power is widely drawn to include all functions, whether express, implied or incidental. This would therefore cover any incidental functions carried out under Section 111 of the Local Government Act 1972. Section 111(3) of the Local Government Act 1972 does not inhibit the use of these powers, as the power to trade is Section 95 (and not Section 111).

### **The form of company which should be used when establishing a commercial entity**

9.5 Section 95 of the Local Government Act and HM Treasury Guidance confirms that the establishment of a trading arm should be done so for the encouragement of market engagement with the private sector and to encourage new players into the marketplace.

9.6 HM Treasury Guidance and Section 95 are clear that the use of the Trading Power should be conducted on a fully transparent basis and local authorities should not seek to distort markets through the provision of trading companies. It is therefore advised that where a local authority seeks to establish a vehicle for a commercial purpose, that such company:

- (a) should be established as a company limited by shares to prevent market distortion, compete on a "level playing field" with the private sector and provide transparency for tax purposes; and
- (b) should not have its liabilities underwritten and/or guaranteed by the local authority establishing the company.

### **OTHER KEY DOCUMENTS**

9.7 The Articles of Association will be the key primary incorporation document. Others include the Shareholder and SPV Agreement.

9.8 A Shareholder and SPV agreement will be developed, as described above, to set out what matters are to be reserved expressly to the CPCA. This document can also record the support arrangements in place for the CAM SPV from the CPCA.

## **10 APPENDICES**

10.1 Appendix 1 – The National Significance of the CAM (Report)

10.2 Appendix 2 – CAM SPV – Why is an SPV the best model for delivery?

10.3 Appendix 3 – (and attachments) – Governance Model

10.4 Appendix 4 – Governance Structures and Committees of the CAM SPV

10.5 Appendix 5 – Company Articles

10.6 Appendix 6 – Draft Initial Business Plan

10.7 Appendix 7a and 7b – Recruitment process for CAM SPV Board membership

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
None	



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR



# The National Significance of the Cambridgeshire Autonomous Metro

---

Cambridgeshire and Peterborough Combined  
Authority

July 2020

# Table of contents

---

<b>1. Executive summary</b>	<b>4</b>
1.1 Summary	4
1.2 A leading regional economy	4
1.3 An internationally competitive cluster	5
1.4 A critical moment for prosperity	5
1.5 The need for the Cambridgeshire Autonomous Metro	5
<b>2. Introduction</b>	<b>7</b>
<b>3. Cambridgeshire and Peterborough: leading the UK</b>	<b>8</b>
3.1 Summary	8
3.2 Introduction to the region's tech cluster	8
3.3 The region's economic leadership	10
A leader in high value-added science and technology sectors	10
A leader in UK research and development	10
A leader in UK innovation	11
A leading career destination for skilled workers	12
A leader in local economic growth	13
<b>4. The international opportunity</b>	<b>15</b>
4.1 Summary	15
4.2 The international comparisons	15
International context	15
Comparing the clusters	15
4.3 Cambridgeshire and Peterborough as a complement to other UK clusters	17
<b>5. Challenges to growth</b>	<b>19</b>
5.1 Summary	19

5.2	The region's challenges .....	19
	The housing challenge .....	19
	The congestion challenge .....	20
5.3	The region's power to act.....	20
<b>6.</b>	<b>The Cambridgeshire Autonomous Metro – overcoming barriers to growth and supporting the UK economy.....</b>	<b>22</b>
6.1	Summary.....	22
6.2	The need for the CAM.....	22
6.3	The benefits of the CAM .....	23
6.4	A vital time to invest in infrastructure .....	26
	<b>Sources .....</b>	<b>27</b>

# 1. Executive summary

---

## 1.1 Summary

The Cambridgeshire and Peterborough science and technology cluster leads the UK in innovation and productivity. The conditions behind this success are hard to replicate elsewhere in the UK, with Cambridge already leading the way in the UK's competition against tech clusters globally. However, local constraints threaten the region's continued economic success, and investment is needed now in the Cambridgeshire Autonomous Metro (CAM) to overcome congestion challenges, unlock housing and protect the local environment.

The CAM is much more than just a transport scheme. By connecting people and places, it will increase access to skills and unlock the continued growth and increased density of the region's strategically important tech cluster. Investing in the CAM will foster growth in high-value jobs in the UK, allow the nation to attract global talent and investment, and help ensure the UK remains competitive against fast-growing tech clusters in cities around the world. The development of the CAM also provides an opportunity to spur domestic innovation and expertise in smart transportation, which can be commercialised in growing markets overseas. This all comes at a critical time for the UK, as it seeks to position itself to maximise the opportunity – and guard against the risks – of Brexit, and to accelerate its economic recovery after the economic shock associated with COVID-19.

## 1.2 A leading regional economy

The Cambridgeshire and Peterborough region has a long history in innovation and is internationally recognised as being home to one of the world's leading tech clusters. The region specialises in life sciences, agri-tech, digital and information technologies, and advanced manufacturing and materials. These sectors are critical for UK prosperity, as set out in the UK's Industrial Strategy and the region's Local Industrial Strategy.

The region's tech cluster and reputation has emerged from a combination of complementary economic, historic and geographic characteristics, which are difficult to replicate elsewhere in the UK. These include the presence of the University of Cambridge, renowned for technology and science and one of the world's oldest and most prestigious universities, and the region's proximity to London, Oxford and the other UK tech clusters. These factors have enabled Cambridgeshire and Peterborough to become a net contributor to the UK economy, and a leader in five distinctive areas that contribute to its success and the prosperity of the UK:

- **A leader in high value-added science and technology sectors:** The region has the highest rate in the UK of professionals employed in professional, scientific and technical activities (13%) and in information and communication technology (5%). These sectors have high productivity and significantly contribute to national prosperity – professional, scientific and technical activities in the region contributed around £3 billion GVA in 2018 to the national economy, whilst communication and information contributed around £2 billion<sup>1</sup>.
- **A leader in research and development:** The region leads the UK in research and development (R&D), with the highest number of jobs in R&D compared to other combined authorities in the UK. The region employs around 18,000 experts in this sector, and its share of R&D jobs in overall employment is more than ten times that in the next ranked combined authority<sup>2</sup>.
- **A leader in innovation:** The region's highly-skilled workforce, presence of world leading high-tech businesses, and top-class educational facilities has enabled it to become the UK's leader in innovation. Cambridge city has the highest number of patent applications per 100,000 residents in the UK, at 341, compared to an average of 18 for the UK as a whole<sup>3</sup>.
- **A leading career destination for skilled workers:** The region is internationally recognised and attracts highly-skilled individuals. Cambridge is the most highly-skilled city in the UK, with 69% of its working age



population qualified to National Vocational Qualification (NVQ) 4 equivalent and above (Higher National Diploma, Degree and Higher Degree level of qualifications or equivalent)<sup>4</sup>.

- **A leader in local economic growth:** The region has recently experienced high economic growth, 9% between 2016 and 2018<sup>5</sup>, faster than any combined authority area in the UK and far above the UK rate of 3.4%. This is due to its leadership in knowledge-intensive and high value-added sectors described above.

## 1.3 An internationally competitive cluster

The Cambridgeshire and Peterborough region is home to an internationally recognised tech cluster – the ‘Cambridge Cluster’ – which ranks 58th in the top 100 tech clusters globally<sup>6</sup>. This is despite the relatively small population of Cambridgeshire and Peterborough (around 850,000 people), which competes with leading tech clusters in Shanghai (24 million), Tokyo (14 million), New York (8 million), Berlin (4 million), Silicon Valley (3 million), and Paris (2 million). At the same time, continuous growth of other international clusters may endanger Cambridge’s international standing.

To stay competitive, further build on its economic success and achievements, and support the growth of wider UK clusters that the region is connected to, it must attract even greater numbers of skilled people and continue to attract inward investment. Growth in the region, building on its history, brand, and expertise, will also complement economic growth across the UK, by strengthening its supply chains in high-value sectors.

## 1.4 A critical moment for prosperity

Cambridgeshire and Peterborough is at a critical moment for its prosperity. Threats to its growth, if not addressed appropriately, may result in the region’s stagnation or decline<sup>7</sup>. Increases in house prices and congestion have already forced many out of the region, and risk its ability to attract people and investment.<sup>8</sup> Unless tackled, this trend will continue, further decreasing the region’s ability to concentrate economic activity, and hindering the growth of its world-leading tech cluster at a detriment to the UK economy. Thanks to powers granted by central Government under the Devolution Deal, the region can now tackle these strategic challenges at a local level and remodel the economy for another period of exceptional growth in innovation, productivity and jobs in the region.

## 1.5 The need for the Cambridgeshire Autonomous Metro

The Cambridgeshire and Peterborough Combined Authority (CPCA) is working to overcome the risks to the region’s growth by developing the Cambridgeshire Autonomous Metro. The vision of the CAM is to ‘act locally, impact nationally, and attract globally’. The CAM will act locally by delivering a fast, reliable, convenient, integrated transport network made world-class by deploying the latest technologies. It will support the sustainable growth of the local economy, unlocking new homes, creating new jobs and opportunities for more people, while protecting and enhancing the environment.

However, the benefits of CAM extend far beyond the region – it will have national and global impact. Through connecting employment sites and increasing the region’s attractiveness to highly-skilled experts, tech companies and international investor capital, the CAM will make the region’s tech cluster larger and more concentrated. Additionally, the first-mover benefits from the development of the CAM, including the accumulation of skills and intellectual property, could birth a new growth industry, complementing existing sectors, and offering commercial opportunities if applied to small and medium-sized cities across the globe. These factors will enable future growth of knowledge-intensive sectors, stimulate entrepreneurship activity and help Cambridgeshire and Peterborough compete with tech hubs globally, supporting greater economic growth across the UK as a whole.

Figure 1: The vision and objectives of the CAM





## 2. Introduction

---

As a transport scheme, the Cambridgeshire Autonomous Metro is proposed as a high-quality, fast, sustainable and reliable 'metro-style' transport network, which will transform connectivity across the Cambridgeshire and Peterborough region. The vision is for an expansive network that will seamlessly connect regional settlements, major city-fringe employment sites and key satellite growth areas across the region with key mainline railway stations and Cambridge city centre.

Although the CAM aims to improve local transport, support the development of new housing in the region, and improve the local environment, this report focuses on the national picture – the scope to support the region's contribution to the national economy. It first sets out the unique economic characteristics of the region within the context of the UK economy. Second, it sets out how the region links to the UK's other tech clusters, and how these sit in the context of the international economy. Third, it sets out how the region's success, and therefore the UK's success, is at risk without investment in transport infrastructure. Fourth, and finally, it explains how the CAM aims to overcome the region's key growth challenges, and how this will benefit the wider national economy.

This report comes at a critical time for the UK economy, when it is both seeking to position itself to maximise the opportunity – and guard against the risks – associated with its exit from the EU, and whilst it seeks to accelerate its recovery from the economic shock associated with COVID-19. Now is the time for concerted investment in the strategic national infrastructure of the CAM, to support the dynamic tech clusters in Cambridgeshire and Peterborough, to foster the growth of innovative activity, and to protect our nation's international competitiveness.

## 3. Cambridgeshire and Peterborough: leading the UK

### 3.1 Summary

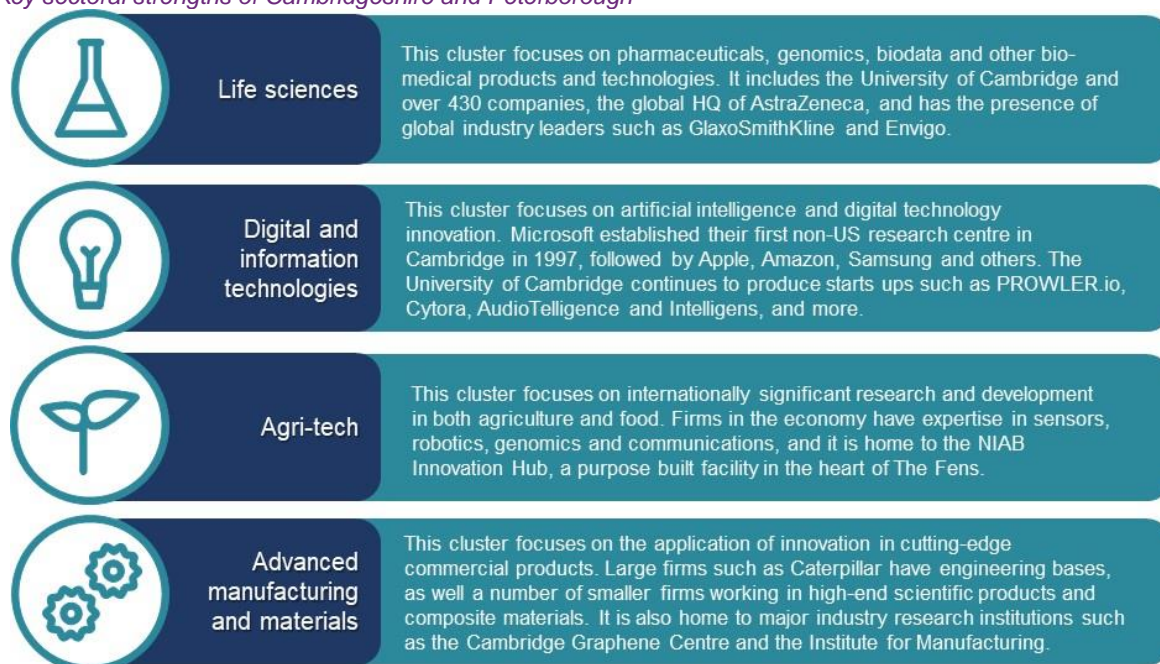
*The Cambridgeshire and Peterborough region leads the UK economy. Behind this are a unique set of factors that cannot be easily replicated elsewhere in the country.*

The region of Cambridgeshire and Peterborough is home to one of the UK's world-leading technology clusters – a concentration of activities in strategic, high value-added industries. It also leads the nation in key factors that provide significant benefits to the wider economy: high value-added sectors; research and development; innovation; skilled workers; and local economic growth.

### 3.2 Introduction to the region's tech cluster

Cambridgeshire and Peterborough comprises over 4,700 knowledge-intensive firms, generating a combined turnover of £12 billion and employing 60,000 highly skilled workers. This cluster is renowned for innovation in the areas of science and technology, with four sectoral strengths in life sciences, agri-tech, digital and information technology, and advanced manufacturing and materials.

Figure 2: Key sectoral strengths of Cambridgeshire and Peterborough



Source: Cambridgeshire and Peterborough Local Industrial Strategy (2019)



The region has a history of innovation, with its tech cluster being part of a network that contains the University of Cambridge – founded in 1209, and one of the world's leading tech and science universities that ranks fourth in the world for natural sciences<sup>9</sup>. The university has long been associated with many of the world's important inventions and intellectual contributions, and was a place of study for Sir Isaac Newton, Charles Darwin, Rosalind Franklin, Alan Turing, and Stephen Hawking, among others. The University has more recently 'spun out' a number of successful businesses, reflecting its important role in turning innovative ideas into leading enterprises that support the region's growth<sup>10</sup>. As part of a wider network of businesses, it also provides pioneering research and knowledge, building on its long and impressive history.

The city of Cambridge has had 96 Nobel Prize laureates since 1904, mostly in the fields of physics, medicine and chemistry. This includes Frederick Sanger, two-time winner of the Nobel Prize in chemistry, after who the Wellcome Sanger Institute for genomics and genetics research in Cambridge was named. Cambridgeshire and Peterborough is today characterised by an abundance of highly-skilled workers, drawn to a region that is located close to the UK's other leading tech clusters, including London and Oxford (as set out in section 4).

The factors that lie behind the region's success are multiple, and cannot be easily replicated elsewhere in the UK. The region's international 'brand' is recognised across the world, and powerful brands like these can only emerge from sustained investment over long periods of time.

### What is a 'tech cluster'?

A tech cluster is a concentration of economic activity that helps to create the conditions for technology companies and start-ups to innovate, by encouraging experimentation, networking and exchange of knowledge. Tech clusters are engines of growth for high value-added sectors, and to emerge, they require a special blend of four characteristics:

- First, the region must show geographical and sectoral concentration of enterprises, specialising in a particular sector compared to other regions in an economy<sup>11</sup>. This is due to the fact that geographic proximity allows firms to better catalyse innovative activity, and experience faster growth<sup>12</sup>.
- Second, the region needs a reputation for innovation, which is stimulated by the presence of universities with strong expertise in science, technology, engineering and mathematics. This allows the region to attract young people that wish to study in those areas, and later supply the local workforce with their expertise.
- Third, a region must provide their highly-skilled residents with a dynamic and entrepreneurial environment, to encourage experimentation, creation of cooperative linkages, and networking between institutions and enterprises involved in the creation of knowledge and innovation<sup>13</sup>. This highlights the importance of location and transport infrastructure for the development of tech clusters – they rely on quick exchanges of knowledge, requiring infrastructure to link enterprises within and outside of the region.
- Fourth, tech firms tend to grow in regions that offer high 'quality of life'. This helps attract and retain the most high-skilled experts, and requires affordable housing, local amenities and suitable environmental factors.

Investments in organisations within clusters are associated with 'positive externalities' – benefits to wider organisations in the cluster. As clusters enable collaboration between institutions and firms located in close geographical proximity, higher geographic concentration of production results in a greater propensity for innovative activity, leading to wider economic benefits<sup>14</sup>.

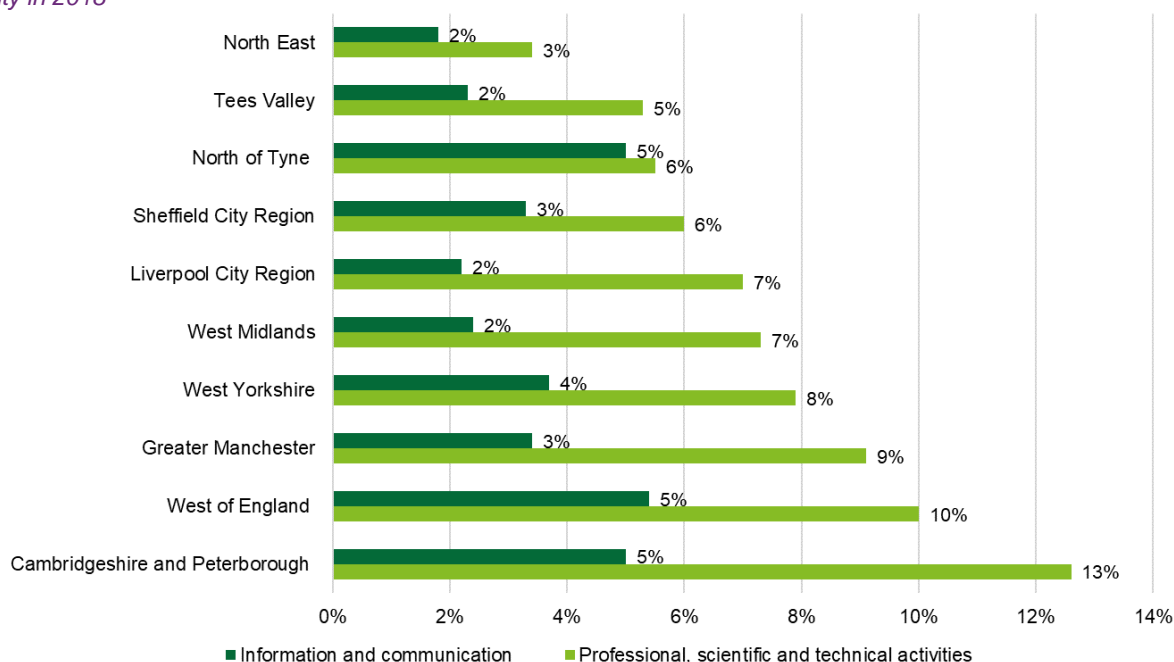
### 3.3 The region's economic leadership

With the development of its tech cluster, the region of Cambridgeshire and Peterborough now leads the UK in five critical areas that provide benefits to the wider national economy. These are: high value-added sectors; research and development; innovation; skilled workers; and economic growth. These factors further enhance the region's tech cluster and enable it to develop further.

#### A leader in high value-added science and technology sectors

The Cambridgeshire and Peterborough economy is highly productive, with Gross Value Added per job of around £52,200<sup>15</sup>, and it leads the UK in the sectors of professional scientific and technical activities and information and communication. As of 2018, 13% of the region's workforce was employed in professional scientific and technical activities – the highest rate of any combined authority in the UK. 5% of the region's workforce is employed in the information and communication sector – also one of the highest rates in the country – across over 3,000 information technology and communication companies active in the region.

*Figure 3: Share of employment in professional, scientific and technical activities and information and communication by Combined Authority in 2018*



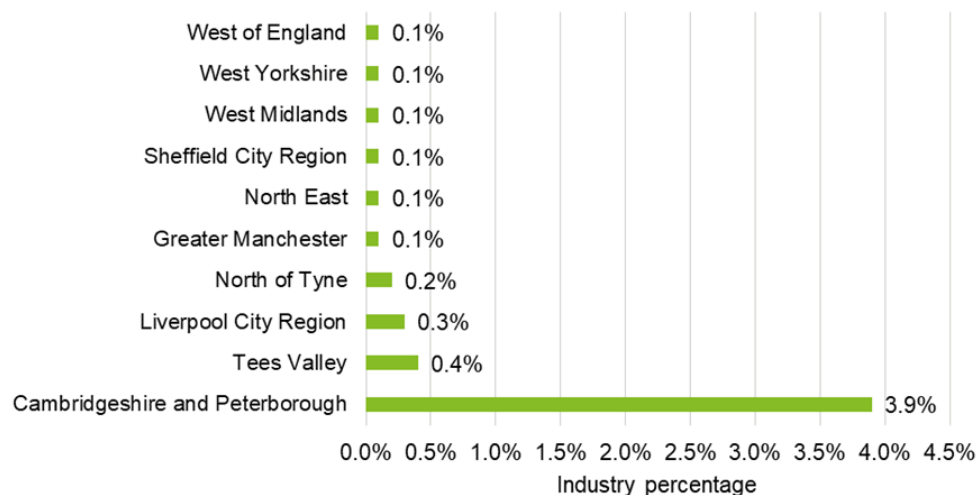
Source: NOMIS, 2018

These sectors are highly productive – the region's professional, scientific and technical activities contributed around £3 billion GVA in 2018 to the national economy, whilst communication and information contributed around £2 billion<sup>16</sup>. This helps explain why the Cambridgeshire and Peterborough region is a net contributor to the UK economy in terms of its business rates balance, with a net contribution of £58.6 million in 2016/17<sup>17</sup>. The region also sits within the East of England, which is one of only three regions in the UK that are net contributors to the overall UK public sector fiscal balance (along with London and the Southeast). The other nine regions all have a negative net public sector balance<sup>18</sup>.

#### A leader in UK research and development

Cambridgeshire and Peterborough leads the UK in research and experimental development in natural sciences and engineering (here also called R&D in life sciences)<sup>19</sup>. R&D constitutes a key part of professional, scientific and technical activities, explaining why around 4% of the region's workforce is employed in R&D activities, which is almost ten times the rate of the combined authority ranking second in this category – Tees Valley.

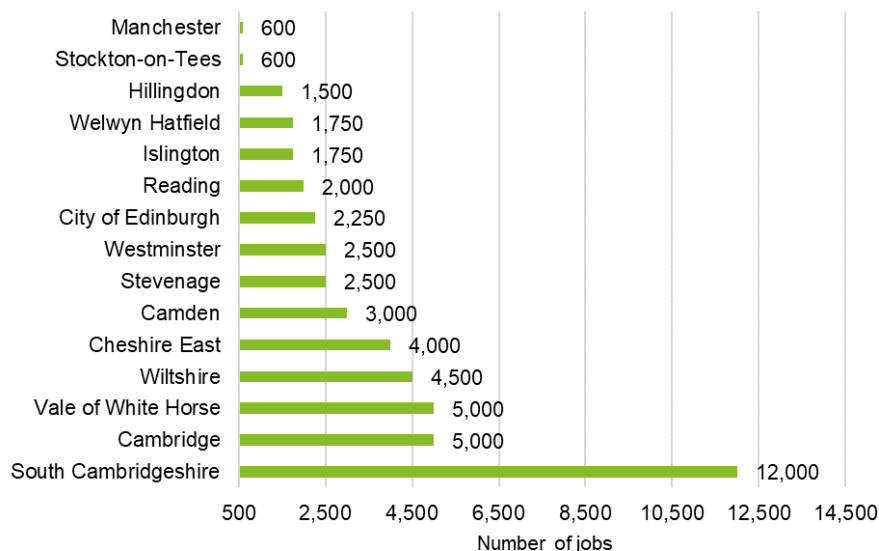
Figure 4: Share of employment in research and experimental development on natural sciences and engineering (R&D) by combined authority in 2018



Source: NOMIS, 2018

The Combined Authority region has approximately 18,000 R&D jobs, with 17,000 R&D experts across both South Cambridgeshire and Cambridge. It makes Cambridgeshire the most prominent location for R&D across all areas of the UK.

Figure 5: 15 UK regions with the most jobs in research and experimental development of natural sciences and engineering in 2018



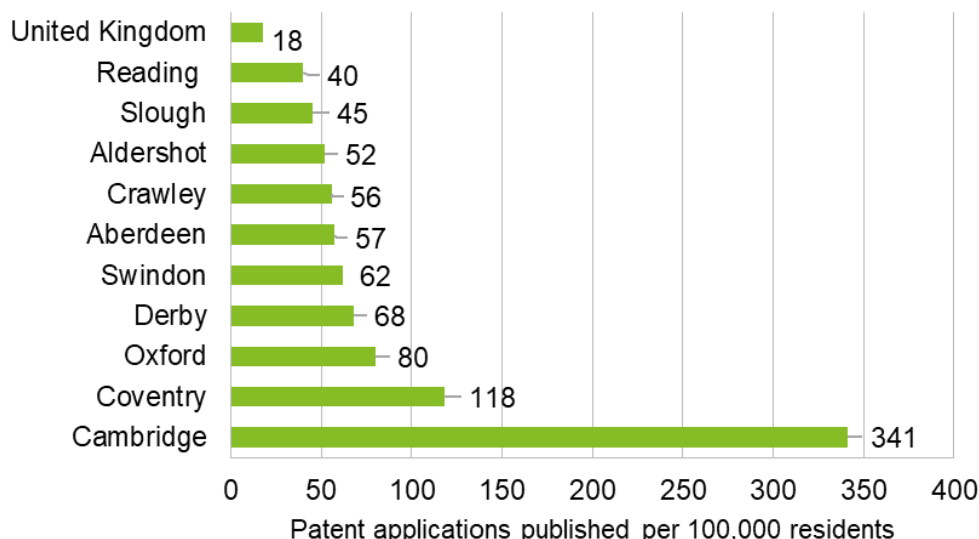
Source: NOMIS, 2018

### A leader in UK innovation

The region is one of the most innovative in the UK. Patent data is a widely used as an indicator of innovation, and in 2015, Cambridge had the highest number of patent applications per 100,000 residents in the UK. In that year, the city submitted 341 patent applications – almost three times more than the next leading city of Coventry (118 applications published per 100,000 residents). Cambridge exceeds other tech clusters, such as Oxford, where there were 80

patent applications per 100,000 residents in 2015, and far exceeds the UK average of 18 patent applications per 100,000 residents.

Figure 6: 10 UK cities with the highest number of patent applications published per 100,000 residents in 2015



Source: Cities Outlook 2017<sup>20</sup>

#### A leading career destination for skilled workers

As of 2018, there were approximately 853,000 people living in Cambridgeshire and Peterborough. The region is characterised by high levels of economic activity and low unemployment. Around 80% of the region's working-age population (aged 16-64) is economically active, and 78.5% is in employment, exceeding the national average by three percentage points<sup>21</sup>. The region's workforce is highly-skilled – in 2016 as much as 68.8% of the working age residents of Cambridge held a higher degree, which is 6 percentage points more than the second most skilled city in the UK, Oxford<sup>22</sup>. Those highly-skilled individuals contribute to the region's expertise, working across its exceptional educational institutions, start-ups and enterprises.

Since the turn of the century, Peterborough's population grew by 28%, making it the fourth-fastest growing city in the UK. Other areas of CPCA are experiencing growth in their populations at around 1% per year<sup>23</sup>. One of the reasons for such rapid population growth is the region's ability to offer employment opportunities. This helps explain why immigration into Cambridge and Peterborough has been well above that seen in other regions of England. In 2016, Cambridge and Peterborough had 53 and 43 National Insurance Number (NINo) migrant registrations per thousand residents respectively, compared to an average of 22 for England (NINo registrations are a measure of in-flow to the UK, primarily for employment, including both short-term and long-term migrants)<sup>24</sup>. Immigration to Cambridge is at a higher rate than London, Oxford and Coventry, the UK's other most innovative cities.



Figure 7: National Insurance Number (NINo) migrant registrations per thousand residents, age 16-65

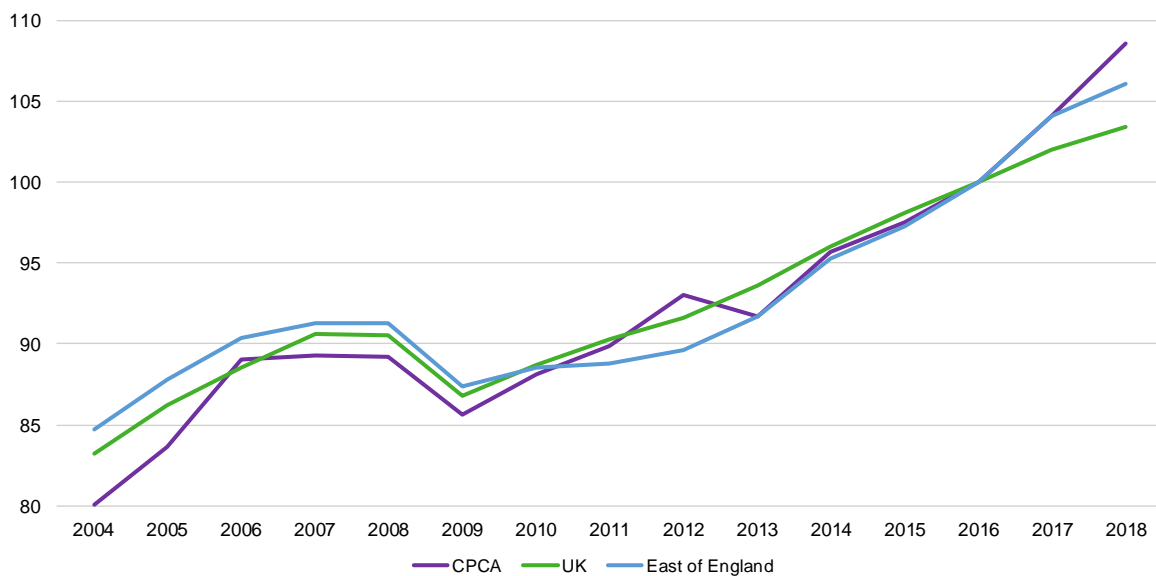


Source: ONS, 2017

### A leader in local economic growth

Another distinguishing feature of the Cambridgeshire and Peterborough economy is its recent economic growth. Between 2016 and 2018, Cambridgeshire and Peterborough experienced 9% growth in its Gross Value Added (GVA)<sup>25</sup>, faster than any combined authority in the UK and far above the UK rate of 3.4%.

Figure 8: Real Gross Value Added index, 2016=100

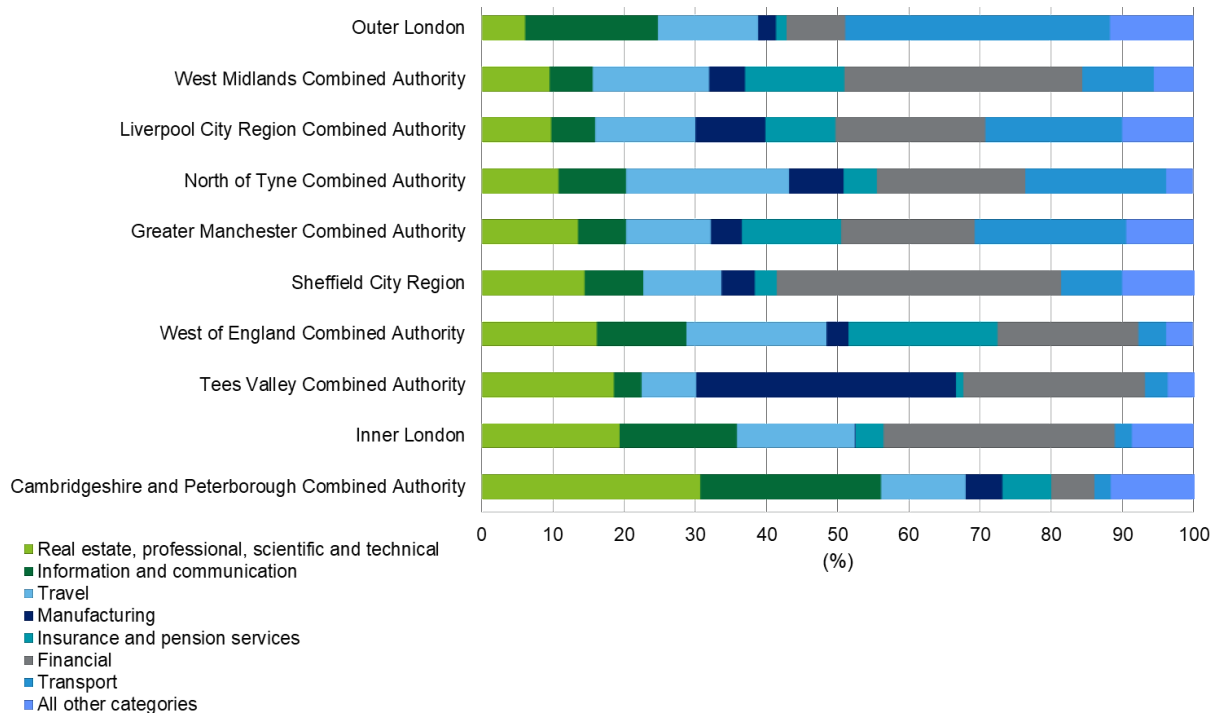


Source: ONS, 2019



Part of this growth is explained by developments in knowledge and advancements in technology, which allow for the region to manufacture and export to different regions in the UK and abroad. In 2016, 31% of the region's exports came from real estate, professional, scientific and technical activities, and 25% from the sector of information and communication – the highest rates in the country, and contributing £1,084 million and £895 million to the UK economy respectively.<sup>26</sup>

Figure 9: Percentage of service exports for each functional category by Combined Authority in 2016



Source: ONS, 2017



## 4. The international opportunity

---

### 4.1 Summary

---

*To continue to grow its tech cluster and remain internationally competitive, the region must have access to ever-increasing amounts of talent*

---

Cambridge ranks 58th in the world's top 100 tech clusters. However, its success cannot be taken for granted – faced with fierce international competition, the region must make every effort to capitalise on its sectoral strengths and continue to concentrate economic activity in its tech cluster. The expansion of this cluster could also complement growth in the clusters of London and Oxford, and enable the UK to stay at the forefront of dynamic markets that provide opportunities for export-led growth.

### 4.2 The international comparisons

Tech clusters are valuable nationally but they compete internationally. Governments around the world are aware of the value they bring through the innovation they generate, and are competing in a global economic race to capture a share of high value-added markets. The Cambridgeshire and Peterborough region scores highly across a range of indicators that demonstrate its position as home to an internationally competitive tech cluster, including its rankings on patents, university innovation, business innovation and skills.

#### International context

In 2019, 27 countries around the world contained the top 100 tech clusters. The US has the most in the world (26), followed by China (18), Germany (10) and France (5). With four UK cities identified as clusters, the UK ranks fifth.<sup>27</sup> In terms of 'quality of innovation'<sup>28</sup> the UK also ranks fifth position amongst high-income economies, behind the US, Germany, Japan and Switzerland. At the same time, the UK ranks second in the 'quality of universities' ranking, largely thanks to the University of Cambridge. The UK shares first place on the quality of scientific publications with the US, and has done so for six consecutive years.

#### Comparing the clusters

The strength of the Cambridge tech cluster is reflected in international league tables. The Global Innovation Index 2019 ranks Cambridge 58th of the world's top 100 clusters, behind London (15th position) and ahead of Oxford (71st position). Since 2016, Cambridge has risen one place in this ranking, but this may not be enough to compete with many Chinese clusters, some of which have moved up by 11 places since 2016. However, the international standing of Cambridge is impressive given that it is relatively small and is competing with global 'megacities'.

Figure 10: World's top clusters

Rank	Cluster name	Country
1	Tokyo-Yokohama	Japan
2	Shenzhen-Hong Kong	China
3	Seoul	South Korea
4	Beijing	China
5	San Jose-San Francisco	USA
6	Osaka-Kobe-Kyoto	Japan
7	Boston-Cambridge	USA
8	New York City	USA
9	Paris	France
10	San Diego	USA
15	London	UK
30	Hangzhou	China
31	Eindhoven	The Netherlands
32	Stockholm	Sweden
33	Moscow	Russia
34	Raleigh	USA
35	Melbourne	Australia
36	Frankfurt Am Main	Germany
50	Zürich	Switzerland
51	Montréal	Canada
52	Chengdu	China
53	Heidelberg-Mannheim	Germany
54	Istanbul	Turkey
55	Copenhagen	Denmark
56	Atlanta	USA
57	Rome	Italy
58	Cambridge	UK
59	São Paulo	Brazil
60	Tianjin	China
68	Helsinki	Finland
69	Vienna	Austria
70	Delhi	India
71	Oxford	UK
72	Vancouver	Canada
99	Dublin	Ireland
100	Warsaw	Poland

Source: Global Innovation Index, 2019

## Silicon Valley vs Silicon Fen

Although the region is home to a highly innovative cluster, dubbed 'Silicon Fen', it has significant differences compared to the world's most successful clusters, such as Silicon Valley. One key difference is scale – Cambridgeshire and Peterborough has a population of around 0.8 million (in 2018), compared to a population of over 3 million in Silicon Valley. Enabling the region's tech cluster to increase the pool of talent that it can access, as well as continuing to attract businesses and investment, is fundamental to increasing economic concentration and its innovation potential, and spreading growth further into the region.



## 4.3 Cambridgeshire and Peterborough as a complement to other UK clusters

The strength of the Cambridgeshire and Peterborough economy should not be seen as a threat to other cities or regions in the UK. Instead, it should be seen as enabling the UK to position itself for global market opportunities, and as a complement to the development of other regional clusters. A key opportunity is around clustering across Oxford, Cambridge and London.

### The Oxford-Cambridge-London cluster

The Connected Places Catapult identifies Cambridge, London and Oxford as three areas that have high potential to become growth centres for the UK. No other regions in the UK exhibit such a combination of strengths that would allow them to reach similar levels of growth<sup>29</sup>. They stand apart from other areas in the UK, showing high performance in innovation, as seen in data around patent strength, trademarks strength, university innovation, business innovation, skills and spill-overs, and infrastructure.

These regions, home to the UK's leading tech clusters, are being increasingly integrated. This could give rise to a 'super cluster' between the three areas, with a joining up of the Oxford-Cambridge Arc (OxCam Arc) and the London-Stansted-Cambridge Corridor<sup>30</sup>. Growth in any of the areas could provide 'spillovers' to the others, in terms of knowledge sharing and networks, facilitating wider national economic growth.

#### Cambridge and Peterborough in the regional context



Source: Cambridgeshire and Peterborough Local Industrial Strategy



### **Oxford-Cambridge Arc**

The OxCam Arc covers the regions of Oxfordshire, Buckinghamshire, Northamptonshire, Bedfordshire and Cambridgeshire. The government designated the Arc as a key economic priority, based on the breadth of economic opportunities that the region offers to the national economy. As set out in the Cambridgeshire and Peterborough Local Industrial Strategy (2019), the key growth sectors that are relevant to Arc's international competitiveness include life sciences, space and satellites, advanced manufacturing and the future of mobility. The Arc is characterised by a wealth of knowledge, stemming from the presence of two of the world's leading universities and a concentration of high-value employment. If better connected, the region has an opportunity to become an 'engine of ideas' for the UK, delivering high levels of economic growth for the UK as a whole<sup>31</sup>.

### **London Stansted Cambridge Corridor**

The London Stansted Cambridge Corridor – the area between those three regions in the East of England – is another leading region in the UK for ideas, innovation and entrepreneurship. London and the East of England are the fastest growing economic regions in the UK, and the corridor exhibits particular strengths in technology and life sciences sectors. At the same time, the region faces barriers to further growth that include lack of appropriate infrastructure and housing. In order to overcome those barriers, the London Stansted Cambridge Growth Commission recommends that transport infrastructure investments be made and a new strategy for Stansted Airport be developed. Appropriate investments that enable the region to reach its potential could create 400,000 additional jobs in the corridor by 2036<sup>32</sup>.

For the region to continue to compete with highly competitive clusters overseas, thereby supporting wider UK growth, Cambridgeshire and Peterborough must act now. It needs to attract and retain even more science and technology experts, businesses and investment, ensuring improved entrepreneurial conditions and quality of life for its residents. In order to do so, Cambridgeshire and Peterborough has to overcome its transport and housing challenges, as set out in the following section.

## 5. Challenges to growth

---

### 5.1 Summary

---

*Investment in transport infrastructure is needed to enable the region to keep growing and competing globally.*

---

The continued economic success of Cambridgeshire and Peterborough is at risk. The region now faces multiple threats that, if not addressed appropriately, may result in the region's stagnation or decline, and the UK's leading tech cluster falling behind the international competition.

### 5.2 The region's challenges

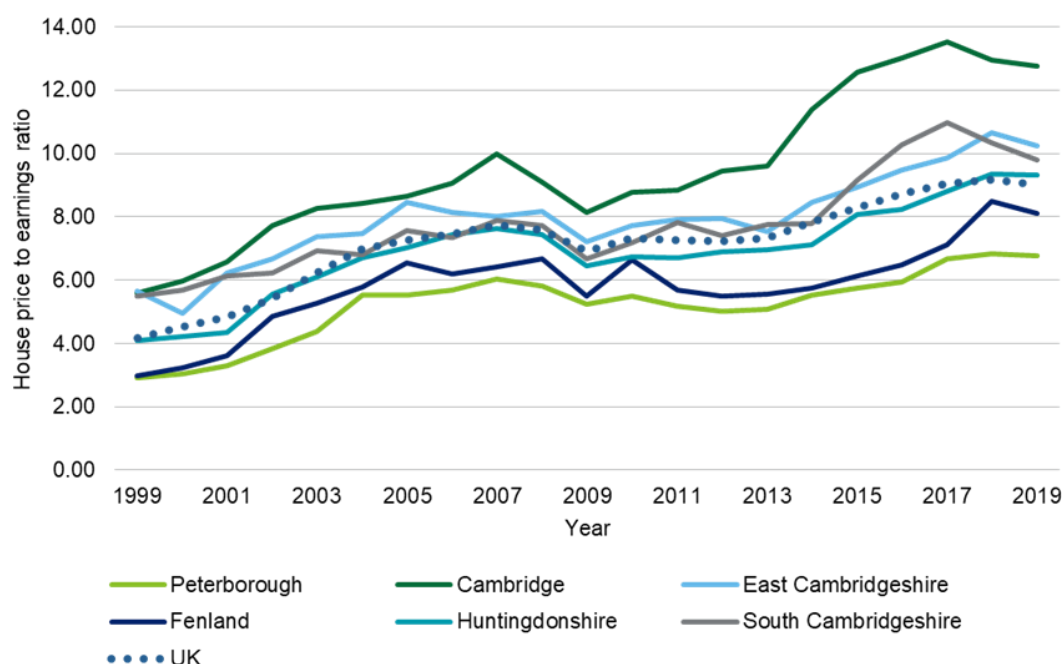
The region has experienced rapid population growth in recent decades. At the same time, investments in housing and transport infrastructure in Cambridgeshire and Peterborough have struggled to keep pace. As a result, both house prices and commuting times have increased significantly, decreasing the quality of life of residents, and threatening the region's continued economic prosperity and ambition to foster greater inclusive growth.

#### The housing challenge

In order to accommodate its growing population and facilitate continued growth, the Cambridgeshire and Peterborough region must ensure that appropriate levels of housing are built to match demand. With 1.7% growth in housing numbers between 2015 and 2016, Cambridge ranks second in the country in terms of housing growth, and Peterborough ranks eighth<sup>33</sup>. Although the region has led the way in housing growth, it has not been enough to match the 3.3% annual increase in employment in the region. The region's efforts are held back by transport infrastructure constraints, and the gap between housing supply and demand have materialised in soaring house prices.

The ratio of the median house price to median gross annual workplace earnings in Cambridgeshire and Peterborough has been showing an upward trend since the turn of the century and is now at an all-time high. Cambridge has one of the highest house price to income ratios in the country. In 2019, this ratio was around 13:1 in Cambridge and around 10:1 in some of the other parts of Cambridgeshire, compared to 11:1 in Oxford, 12:1 in London and 8:1 in England and Wales overall.<sup>34</sup>

Figure 11: Housing affordability, as measured by the median house prices to median earnings ratio



Source: ONS, 2020

Sharp increases in house prices since 2012 have driven some residents away from the area, with young workers in particular finding it less affordable to live and work in Cambridge. This risks the ability of firms to find and retain skilled workers, and the region is not far from the point that businesses will no longer be able to expand or find it an attractive place to invest. The Cambridgeshire and Peterborough Independent Economic Review (CPIER, 2018) warns that Cambridge is rapidly approaching the point where high-value business may even decide to leave the city, causing irreparable damage to local and national economic prosperity.

### The congestion challenge

Cambridge and Peterborough are suffering from increasing congestion. Based on analysis from 2018, traffic is projected to increase by 30% by 2031, indicating that failure to deliver an appropriate public transportation system would result in continued mobility challenges related to the lack of appropriate transport<sup>35</sup>. This will decrease the quality of life for residents, encouraging some to leave the region, thereby hindering growth opportunities.

## 5.3 The region's power to act

In 2017, the Government announced the 'devolution deal', giving Cambridgeshire and Peterborough greater powers over transport, skills, business support and other areas. This entrusted the local government to deliver solutions to challenges at a local level, emphasising the partnership between different tiers of government. The region is now better positioned to tackle its challenges and reach its full potential, and it has committed to do so through its Strategic Spatial Framework.

### The political will and powers to deliver the "UK's capital of innovation and productivity"

The Combined Authority has a significant role in addressing issues that are critical, not only for the future of Cambridgeshire and Peterborough, but the UK as a whole. The Mayor and the Combined Authority have established a bold vision for the future of Cambridgeshire and Peterborough to be "the leading place in the world to learn, live, and work", and the Cambridgeshire and Peterborough Strategic Spatial Framework sets out five 'big ambitions', including becoming "the UK's capital of innovation and productivity".



Growth of the region is enabled through the 'Devolution Deal' between the Combined Authority and Government which enabled the transfer of significant resources and powers to the CPCA, including:



Source: Cambridgeshire and Peterborough Strategic Spatial Framework<sup>36</sup>

These powers and political will can help position Cambridgeshire and Peterborough to overcome a set of interconnected strategic challenges around transport, housing, skills, economic growth and the environment, that will provide benefits far outside the region.

The challenges described above are considered the most prevalent threats to Cambridgeshire and Peterborough's future, and to its position as a globally competitive tech cluster. These challenges have motivated the Combined Authority's plans to develop a smart and clean transport system – the Cambridgeshire Autonomous Metro – to take decisive action at this critical moment in the region's history and to unlock its full potential.



## 6. The Cambridgeshire Autonomous Metro – overcoming barriers to growth and supporting the UK economy

---

### 6.1 Summary

---

*By increasing the effective size of the Cambridgeshire and Peterborough's tech cluster, the Cambridgeshire Autonomous Metro will unlock growth and enable the region to compete on the global stage.*

---

The Cambridgeshire Autonomous Metro will provide a solution to the region's transport and housing constraints, providing local benefits whilst supporting the wider national economy – ensuring that it achieves wider benefits and its vision that it 'acts locally, impacts nationally, attracts globally'.

### 6.2 The need for the CAM

*"A package of transport, and other infrastructure projects to alleviate the growing pains of Greater Cambridge, should be considered the single most important infrastructure priority facing the Combined Authority in the short to medium term."*  
CPIER, 2018

The CPIER report concludes that improvements in infrastructure, for faster, more reliable journeys and to help unlock housing developments, are vital to ensure the region's economic prosperity. A mass rapid transit system – the Cambridgeshire Autonomous Metro – is required now to enable continued sustainable growth in the area.

#### What is the Cambridgeshire Autonomous Metro?

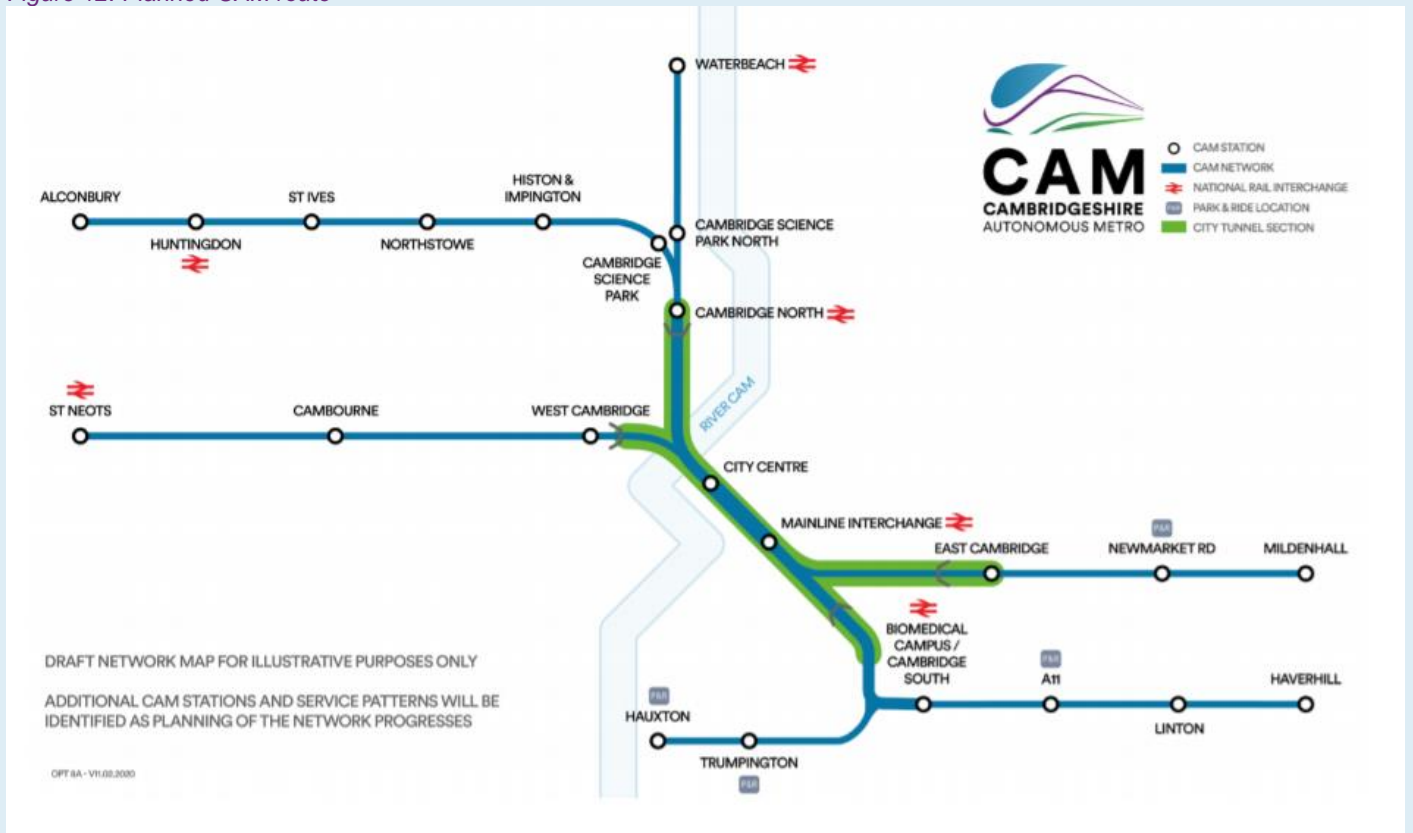
The Cambridgeshire Autonomous Metro is proposed as a high-quality, fast, sustainable and reliable 'metro-style' transport network that will transform connectivity across the region.

The vision is for an expansive network that will seamlessly connect regional settlements, major city-fringe employment sites and key satellite growth areas across the region with key railway stations and the Cambridge city centre. The CAM will comprise two main elements, delivered over time:

- The City Tunnel Section, comprising new underground tunnels and stations under the city of Cambridge planned major interchange hubs at Cambridge city centre and at Cambridge railway station.
- Four regional routes that will connect St Neots, Alconbury, Mildenhall and Haverhill with the city of Cambridge and, through the central tunneled section, with each other.



Figure 12: Planned CAM route



Source: CPCA, *Proposals for the Cambridgeshire Autonomous Metro, Consultation Leaflet*

The CAM aims to transform people's day-to-day lives across Cambridgeshire and Peterborough. By connecting communities and employment sites across the region, reducing journey times and improving journey quality, it will widen access to economic opportunities for those living across the region. By broadening this access, the CAM will help stimulate inclusive growth in the region, whilst also bringing an opportunity for well-planned communities via garden villages, connected with sustainable infrastructure.

The CAM will be a model of how to move people around small to medium sized cities. By adopting autonomous and connected technology, the CAM aims to deliver a transport solution with reduced operating costs and increased operational flexibility, safety and efficiency. Additionally, by seeking to employ emerging technologies, utilising Cambridge's brightest minds, and applying the region's capabilities in advanced engineering, R&D and automation, Cambridgeshire and Peterborough has an opportunity to create a new growth industry around the 'future of mobility', building on existing strengths in technology and accumulating new expertise.

## 6.3 The benefits of the CAM

The CAM will provide a long-term, environmentally sustainable and smart transport system, which will deliver a range of economic, social and environmental benefits. The vision for the CAM is that these impacts will be felt beyond the region, so that it 'acts locally, impacts nationally and attracts globally'.













- **'Acts locally:'** The CAM will act locally by unlocking housing opportunities in the region, improving transport, boosting the region's productivity and protecting its environment.
- **'Impacts nationally':** The CAM will impact nationally by nurturing the region's position as a net contributor to

the UK economy. It will do so through strengthening the clustering effects in the region and building on the area's sectoral strengths that allowed it to become one of the UK's leading tech hubs of high national economic significance. In doing so it will support national productivity, providing high-value jobs for future generations.

- **'Attracts globally':** The CAM will attract globally by making Cambridgeshire and Peterborough an attractive place to live and invest in, for experts and businesses from abroad. The region aims to attract more global businesses – the likes of AstraZeneca, one of the largest companies in the UK by market capitalisation<sup>37</sup> – who have a choice between the UK or clusters overseas. The CAM also has an opportunity to spur innovation in smart transportation, innovation that is of global importance and can also be exported internationally as a model for public transport in small and medium sized cities around the world. This potential opportunity is huge, with the market for intelligent mobility being estimated at around £1.4 trillion globally by 2030<sup>38</sup>. The three parts of the CAM vision, and how the CAM will realise these benefits, are summarised in Figure 13 below.



Figure 13: The vision for the CAM – ‘acts locally, impacts nationally, attracts globally’

VISION		BENEFITS	
 <p><b>ACTS LOCALLY</b></p> <p>By joining up housing and places of employment, levelling up communities and matching infrastructure to the quality of talent across Cambridgeshire</p>	<b>ACTS LOCALLY</b>	 <p><b>Improving transportation:</b> The CAM will result in reduced journey times, improved reliability and journey ‘quality’, reduced congestion, emissions, noise, road accidents and road maintenance costs.</p>	
		 <p><b>Unlocking housing:</b> The CAM will unlock and support additional housing developments in Cambridgeshire and Peterborough. In doing so, it will help improve affordability of housing by reducing the mismatch in the growth in jobs and housing.</p>	
		 <p><b>Facilitating local economic growth:</b> By creating conditions that accommodate the region’s population, and improving connectivity to employment sites, the CAM will enable economic growth in the region, stimulating the region’s productivity and local output.</p>	
		 <p><b>Protecting the environment:</b> By providing long-term, sustainable infrastructure for the next 100 years, the CAM will enable more sustainable urban development patterns. It will decrease congestion, carbon emission and air pollution.</p>	
 <p><b>IMPACTS NATIONALLY</b></p> <p>By nurturing our position as a net contributor to the economy</p>	<b>IMPACTS NATIONALLY</b>	 <p><b>Supporting strategically important sectors:</b> By connecting the main centres of employment with existing and future settlements across the cities and regions, the CAM will enable the growth of strategic industries that provide benefits to the wider economy.</p>	
		 <p><b>Improving productivity:</b> By facilitating further clustering, the CAM will support productivity growth through a faster and more effective exchange of knowledge, improving supply chains in critical industries and benefiting the national economy.</p>	
 <p><b>ATTRACTS GLOBALLY</b></p> <p>By providing the right infrastructure to attract global knowledge intensive businesses</p>	<b>ATTRACTS GLOBALLY</b>	 <p><b>Encouraging inward investment:</b> By decreasing the relative distance between key clusters around the city and across the wider region, CAM will link key growth areas, making the region more attractive to investment from people, organisations and businesses overseas.</p>	
		 <p><b>Attracting experts to the region:</b> By delivering on the local and national benefits of the CAM, and strengthening the region’s reputation for being an innovative and highly productive place, the CAM will attract international experts, making the region even more internationally competitive.</p>	
		 <p><b>Boosting export opportunities:</b> By strengthening the globally competitive tech sectors, and building domestic experience in smart transport solutions that have global export potential, CAM will strengthen the UK’s ability to reach into high value international markets.</p>	

## 6.4 A vital time to invest in infrastructure

This report comes at a critical time for the UK economy – when the country is seeking to position itself to maximise the opportunity associated with its exit from the EU ('Brexit'), and whilst it seeks to accelerate its recovery from the economic shock associated with COVID-19. Now is the time for concerted investment in strategic national infrastructure, and to support dynamic clusters of innovative activity.

The Government is seeking to realise the opportunity from Brexit, and has committed to strengthening the UK economy and its place in the world<sup>39</sup>. It has also set out, that in line with the Industrial Strategy, it seeks to make sure that the UK is "ready to lead the industries of the future and seize the opportunities of global trade". This cannot be done unless the UK's engines of innovation, such as the Cambridgeshire and Peterborough region, are supported to grow. However, regardless of the outcomes of the UK's exit from the EU, the UK must ensure that it is internationally competitive by helping its firms attain the best talent and inward investment to be able compete, to innovate, and to trade.

Furthermore, the UK is experiencing a severe economic downturn stemming from the situation around COVID-19. Two broad scenarios for economic impact are that it may be V-shaped (i.e. sharp decline followed by a sharp recovery) or U-shaped (i.e. an extended decline followed by a gradual recovery). The main difference between these scenarios will be government's actions over the coming months. If economic activity can be restored quickly, the long-term ramifications on employment will be far less severe – the V-shaped recovery. However, if the recession were to persist due to longer-term inactivity – the U-shaped recovery – the legacy of the crisis would be far more profound<sup>40</sup>. Investment in infrastructure should be a high priority for government, both as part of the immediate recovery from COVID-19, and to boost resilience in longer term<sup>41</sup>. By investing in the CAM, the UK has an opportunity to support jobs during its planning and development phase in the shorter term, to unlock jobs directly once the CAM is operational, and to enable growth in high-value employment in the longer term.



# Sources

---

- <sup>1</sup> NOMIS, 2018. *Business Register and Employment Survey*.
- <sup>2</sup> NOMIS, 2018. *Business Register and Employment Survey*.
- <sup>3</sup> Centre for Cities, 2017. *Cities Outlook*. Access: <https://www.centreforcities.org/wp-content/uploads/2017/01/Cities-Outlook-2017-Web.pdf>
- <sup>44</sup> Centre for Cities, 2018. *Cities Outlook*. Access: <https://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf>
- <sup>5</sup> ON, 2019
- <sup>6</sup> Global Innovation Index, 2019. Access: <https://www.globalinnovationindex.org/gii-2019-report>
- <sup>7</sup> Cambridgeshire and Peterborough Independent Economic Review (CPIER), 2018. Access: <https://www.cpier.org.uk/final-report/>
- <sup>8</sup> Cambridgeshire and Peterborough Independent Economic Review (CPIER), 2018. Access: <https://www.cpier.org.uk/final-report/>
- <sup>9</sup> <https://www.qschina.cn/en/university-rankings/university-subject-rankings/2020/natural-sciences>
- <sup>10</sup> University of Cambridge, accessed 23 June 2020. News in Spin-Outs, Access: [https://www.enterprise.cam.ac.uk/news\\_category/spin-outs/](https://www.enterprise.cam.ac.uk/news_category/spin-outs/)
- <sup>11</sup> Athreye S., 2000. *Agglomeration and Growth: A Study of the Cambridge Hi-Tech Cluster*. Access: <http://fass.open.ac.uk/sites/fass.open.ac.uk/files/files/economics/working-paper-29.pdf>
- <sup>12</sup> Internationalisation of Cluster Organisations: Strategy, Policy, Competitiveness, 2016.
- <sup>13</sup> Saxenian, A., 1994. *Regional advantage: culture and competition in Silicon Valley and Route 128*. Harvard University Press, Cambridge, Mass. Access: <https://journals.sagepub.com/doi/abs/10.1177/027046769601600314>
- <sup>14</sup> Porter M., 2000. Location, Competition and Economic development: Local Clusters in a Global Economy
- <sup>15</sup> ONS, 2020, Subregional productivity: labour productivity indices by economic enterprise region  
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaperhourworkedandgvaperfilledjobindicesbylocalenterprisepartnership>
- <sup>16</sup> ONS, 2019. Regional gross value added (balanced) by industry: city and enterprise regions
- <sup>17</sup> Cambridgeshire and Peterborough Independent Economic Review (CPIER), 2018. Access: <https://www.cpier.org.uk/final-report/>
- <sup>18</sup> ONS, 2019, Public sector net fiscal balance  
<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/articles/countryandregionalpublicsectorfinances/financialyearending2019#public-sector-net-fiscal-balance>.
- <sup>19</sup> NOMIS, 2018. *Business Register and Employment Survey*.
- <sup>20</sup> Centre for Cities, 2017. *Cities Outlook*. Access: <https://www.centreforcities.org/wp-content/uploads/2017/01/Cities-Outlook-2017-Web.pdf>
- <sup>21</sup> NOMIS, 2018. *Business Register and Employment Survey*.
- <sup>22</sup> Centre for Cities, 2018. *Cities Outlook*. Access: <https://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf>
- <sup>23</sup> ONS, 2019. *Total resident population numbers*.
- <sup>24</sup> NiNo registrations are a measure of in-flow to the UK, primarily for employment, including both short-term and long-term migrants and include foreign nationals who have already been in the country but not previously required a NiNo as well as migrants who may have subsequently returned abroad (definition taken from the Department of Work & Pensions).
- <sup>25</sup> ONS, 2019
- <sup>26</sup> ONS, 2017. Value of service exports by joint authority and functional category, 2016.
- <sup>27</sup> Global Innovation Index, 2019. Access: <https://www.globalinnovationindex.org/gii-2019-report>
- <sup>28</sup> Three indicators measure the quality of innovation. They include: 1) quality of local universities; 2) the internalisation of local inventions; and 3) the quality of scientific publications as measured by the number of citations that locally produced research documents receive abroad. (Global Innovation Index, 2019)

- 
- <sup>29</sup> The Connected Places Catapult, Identifying Potential Growth Centres Across Great Britain (2020).  
<https://cp.catapult.org.uk/2020/03/11/uk-growth-centres-report-launched-by-centre-for-cities-and-connected-places-catapult/>
- <sup>30</sup> <https://innovationcorridor.uk/>
- <sup>31</sup> The Oxford-Cambridge Innovation Arc (2019). Available: <https://pdf.euro.savills.co.uk/uk/residential---other/the-oxford-cambridge-innovation-arc.pdf>
- <sup>32</sup> <http://www.lscgrowthcommission.org.uk/wp-content/uploads/2016/07/LSCC-Growth-Commission-Final-Report-full.pdf>
- <sup>33</sup> <https://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf>
- <sup>34</sup> ONS, 2020. Ratio of house price to workplace-based earnings (lower quartile and median), 1997 to 2019
- <sup>35</sup> Cambridgeshire and Peterborough Independent Economic Review (CPIER), 2018. Access:  
<https://www.cpier.org.uk/final-report/>
- <sup>36</sup> Cambridgeshire and Peterborough Combined Authority, 2018. *Cambridgeshire and Peterborough Strategic Spatial Framework*. Access: <https://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/NSSF-Phase-1-final.pdf>
- <sup>37</sup> <https://lsemarketcap.com/>
- <sup>38</sup> <https://ts.catapult.org.uk/news-events-gallery/news/change-now-to-capture-1-4billion-opportunity/>
- <sup>39</sup> HM Government, The Future Relationship Between the United Kingdom and the European Union  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/786626/The\\_Future\\_Relationship\\_between\\_the\\_United\\_Kingdom\\_and\\_the\\_European\\_Union\\_120319.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/786626/The_Future_Relationship_between_the_United_Kingdom_and_the_European_Union_120319.pdf)
- <sup>40</sup> Deloitte, COVID-19: Planning for the future  
<https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-covid-19-planning-for-the-future.pdf>
- <sup>41</sup> Beyond COVID-19: A brighter future through infrastructure investment  
<https://www2.deloitte.com/nz/en/pages/infrastructure-and-capital-projects/articles/a-brighter-future-through-infrastructure-investment.html>

## Why is an SPV the best model for delivery?

The following information addresses the questions around why a special purpose vehicle (SPV) is the best option to advance the CAM programme.

### Why set up a company?

- It's an accepted and understood model. Government has experience with companies set up to deliver large infrastructure programmes, with examples like HS2, Crossrail and East West Rail Co., and an SPV will bring the right expertise to build Government confidence in the programme.
- Allows the right balance of leadership, expertise and dedicated resource. The SPV can provide critical leadership to guide the programme and manage relationships with key stakeholders through the programme lifecycle whilst ensuring the programme can be innovative, sustainable and coordinate with multiple stakeholders and delivery/sponsor entities.
- Builds in necessary oversight and assurance. The SPV will have an expert executive team to deliver the programme and have further oversight through a robust governance structure and CAM SPV board that can provide critical guidance and programme assurance, which is essential for a programme of this size and complexity.
- Provides the commercial environment to attract investment and promote to Government. The SPV will dedicate resource to bringing in private investment and credibly promoting the scheme to Government.
- Allows the CPCA to convert capital to revenue. The CPCA can make its investment go further through the use of this model, which will help in the early stages of the programme as it develops and works to attract additional investment.
- Ensures CPCA control while allowing investment to come forward. The CPCA will be the sole shareholder in the company and through an agreed governance structure, will retain some decision rights and strategic control over the programme, while allowing it to advance at pace, attract investment and meet the objectives outlined in the LTP.
- Provides the agility to evolve alongside the CAM programme lifecycle. Organisations that develop and deliver large scale infrastructure programmes must adapt capabilities as the programme progresses through the various stages of its lifecycle from strategy, through design, to construction and handover/operation.

### Why now?

In delivery of large infrastructure programmes, there is no rule or agreed guidance on when a company should be set up and its accountabilities, because it should reflect the needs of the programme and where it is in its lifecycle. For East West Rail Co., a comparable case to the CAM, the company was set up to develop the programme business cases and apply for necessary consents, and was established three years prior to the selection of a preferred route option.

The CAM programme is even more unique in its desire to utilise innovative, green technology and bring a world-class system that is worthy and representative of the innovation of the Cambridgeshire region. To properly build a business case for the entire CAM scheme (which involves nine projects within the larger programme) and consider opportunities for innovation and how measure and mitigate risk associated with innovation, dedicated resource is required as soon as possible to allow the CAM to meet its objectives and deliver the required infrastructure backbone to support the economic growth of the region.

### **How will it be set up?**

Recruitment of SPV resource will be planned around the requirements to deliver business cases and apply for consents and will be built up over time as the programme continues through its lifecycle. The development of a recruitment plan and operating model for the SPV will be critical next steps to ensure the company is agile and developed specifically to deliver the CAM. The SPV will need to begin recruitment as soon as possible to allow for enough time to find the right people and prepare them to deliver an integrated programme. Setting up the SPV will also include the creation of a governance structure, which will provide valuable guidance and assurance at this critical stage of the programme's development.

### **Alternatives to setting up a company**

Several options to develop and deliver the CAM were considered by the Delivery Committee. The other options explored were: 1) an urban regeneration company; 2) a joint venture with a private company; 3) a private sector third party as the promoter of the CAM under a contractual arrangement with the CPCA; or 4) continue with the CPCA as the promoter of the CAM. Further detail on why these alternatives are not recommended can be found below.

- 1) Urban regeneration companies are generally not responsible for delivery projects, particularly programmes of this size and complexity. These companies are usually charged with coordinating the regeneration of a specific urban area, and would still require funding and resources from the CPCA, without having the necessary expertise to deliver the CAM.
- 2) A joint venture would require a very carefully crafted contractual arrangement with the CPCA to ensure the delivery of the CAM to meet its stated objectives. Such a structure could also create challenges for financing the programme and could limit or complicate opportunities for further private involvement in the CAM through public-private partnerships.
- 3) Similar to a joint venture, this mechanism to deliver the CAM provides the CPCA with the least amount of control or authority over the programme and challenges related to meeting stated objectives of the programme.
- 4) By continuing with limited client-side technical and delivery expertise, there is a risk associated with the lack of assurance over the delivery of a complex programme with multiple component projects, some of which are being delivered by a separate entity (GCP). With a team made up of consultants under limited client oversight, further risks arise with consultants reviewing and assuring their own work, and not properly capturing the objectives outlined by the client and key stakeholders. Now that the CAM is building to a more joined-up, integrated programme approach (versus focusing on the City Tunnel Section as a single,



independent project), the current resource is not sufficient to advance a programme of this size and complexity.

To build the necessary resource within the CPCA to deliver the CAM programme would require major revenue investment, which would likely be unaffordable, particularly as this function would need to evolve over time to provide the right capabilities over the course of the programme lifecycle. In other words, capabilities needs to evolve as the programme moves from: strategy, feasibility, preliminary design and consents; through detailed design and construction; followed by operation, maintenance and asset management. The CPCA is a lean authority, and to hire the staff required to deliver the CAM over the course of its lifecycle would be inefficient and not a proper use of revenue for the CPCA in the long term.





## Cambridgeshire Autonomous Metro

### Workstream 1. - Creating Governance Structures

# Governance Structures – Final Report

For Discussion: 25 June 2020

# Contents

<b>1. Governance Structures: Background</b>	<b>3</b>
<b>2. Governance Structures: Overview</b>	<b>5</b>
<b>3. Appendix: Committee Draft Terms of Reference</b>	<b>10</b>

## Governance Structures: Background

### Cambridgeshire Autonomous Metro (CAM)

The Cambridgeshire and Peterborough Combined Authority (CPCA) is the Transport Authority responsible for transport planning and public transport. It brings together the councils of the area and is led by the elected mayor.

The vision is for an expansive metro-style network that seamlessly connects regional settlements, major city fringe employment sites and key satellite growth areas across the region with key railway stations and Cambridge city centre, helping to nurture and sustain long-term regional economic growth. CAM is currently expected to use a technologically advanced, sustainable, highly flexible trackless electric vehicle.

The CAM network will comprise both tunnelled and surface elements and will be delivered over the next decade:

- The City Tunnel Section, which is the subject of this consultation, will include new underground tunnels and stations under the city of Cambridge, with planned major interchange hubs at the city centre and at Cambridge railway station;
- Four regional routes will connect St Neots, Alconbury, Mildenhall and Haverhill with the city of Cambridge and, through the central tunnelled section, with each other.

### Development of the Special Purpose Vehicle (SPV)

Based on the recommendations of the Delivery Sub-Group, the CPCA CEO commissioned Deloitte to provide an initial organisational design and governance structure to prepare for the establishment of an SPV to be responsible for delivering the CAM and apply for funding should this direction be agreed. A visioning exercise was undertaken to clearly articulate the purpose of the SPV, agreeing that, fundamentally:

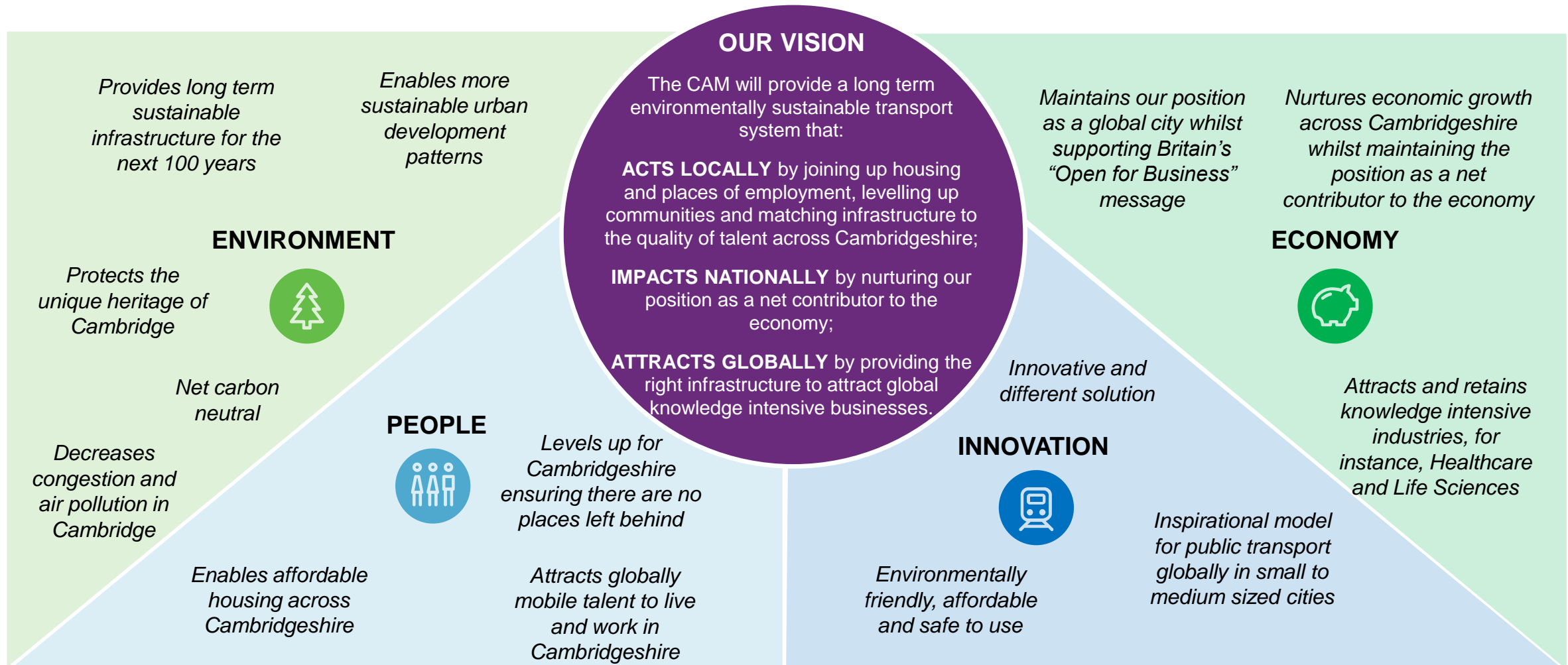
*The CAM will provide a long term environmentally sustainable transport system that:*

- *Acts Locally by joining up housing and places of employment, levelling up communities and matching infrastructure to the quality of talent across Cambridgeshire;*
- *Impacts Nationally by nurturing our position as a net contributor to the economy;*
- *Attracts Globally by providing the right infrastructure to attract global knowledge intensive businesses.*

This vision statement and goals, shown overleaf on page 4, forms the basis of the SPV design, determining its key accountabilities and the focus of the SPV governance structures.

## Governance Structures: Background

Prior to establishing an SPV, the following outline of the CAM programme vision was developed and broken down into the four key themes of environment, people, innovation and economy



## Governance Structures: Overview

### Proposed governance structure

Based on the SPV and CPCA accountabilities outlined within the organisational design work, and through discussion with key individuals either at CPCA or who have been involved with the CAM programme to date, a governance structure has been drafted for the SPV. This follows leading practice and aligns the governance with the goals of the SPV, ensuring a golden thread running through the organisation which enables the Board and its committees to be focused on strategic delivery and the associated risks. These structures assume that the SPV is responsible for managing delivery of the City Tunnel section and the four Regional Routes only.

#### *Ownership*

It is anticipated that the SPV will be a private company limited by shares (given it ultimately is anticipated to have commercial function, HM Treasury Guidance requires public sector companies to be established in such terms), with Articles of Association which shall establish the working and governance of the SPV. During the initial stage of its life cycle, the SPV will be wholly owned by the CPCA. The governance structure will provide sufficient rigour for the period which the SPV remains under the control of the CPCA. Whilst established as a public sector controlled company, it is the intention of the CPCA that this will have a strong commercial and corporate sector facing approach from the outset.

We have created a governance structure diagram, on page 6, with each component part described below together with the diagram number references.

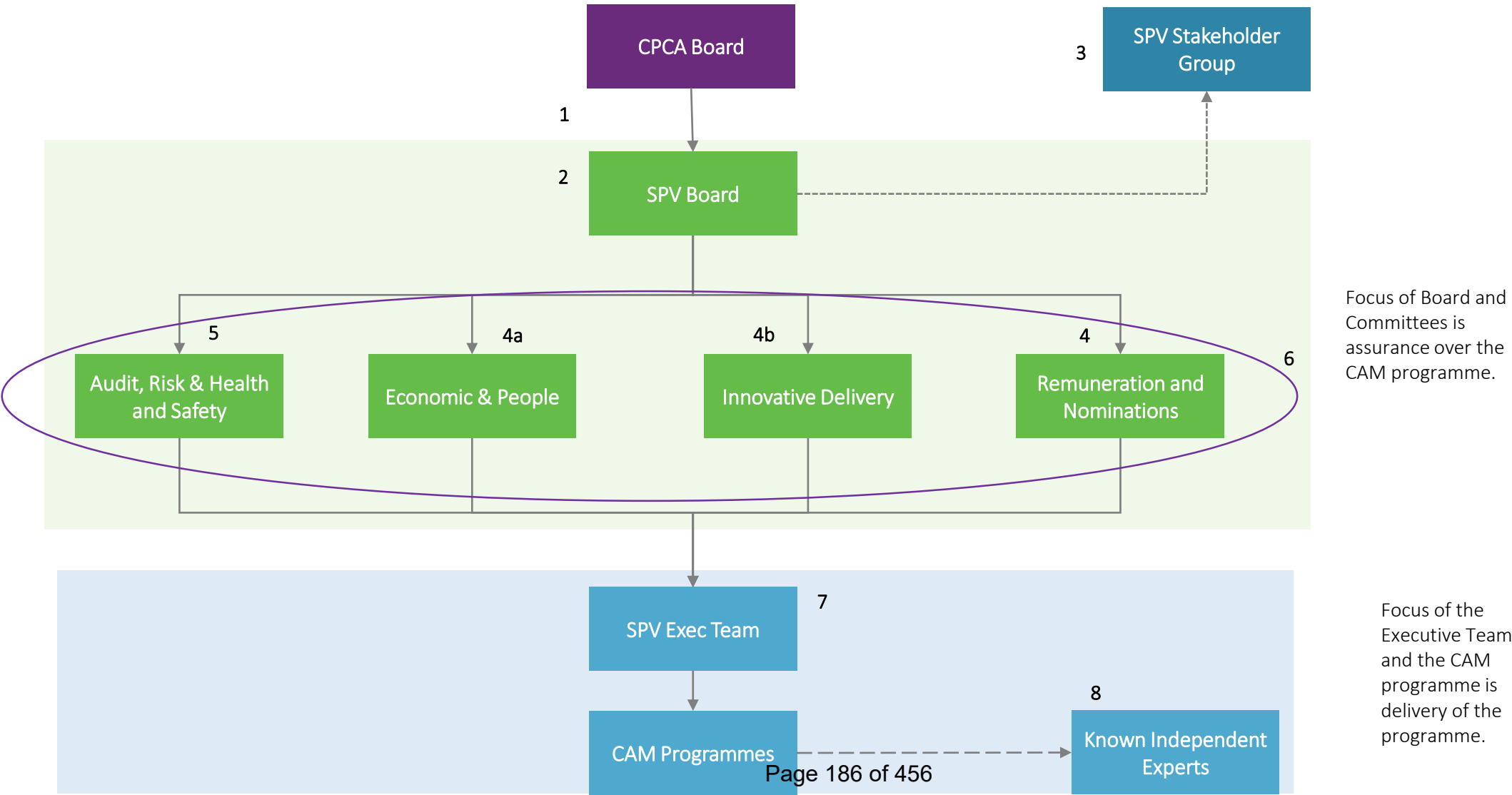
#### *Decision-making (1)*

As the SPV develops the funding strategy for CAM (and external partners are identified), subject always to procurement and state aid analysis, the SPV will need to establish a contractual governance mechanism through an Investment and Shareholders' Agreement (ISA) to govern the relationship, decision-making and approvals between the SPV and the CPCA. It is envisaged that the CPCA will need to retain certain decision-making powers in accordance with its statutory function, CPCA Committee terms of reference, and potentially the Consenting Strategy. The decision as to whether this is addressed in the ISA or separately retained oversight powers by the CPCA will be developed as part of the Consenting Strategy. Although not an exhaustive list, we would expect at least the following powers to be reserved and included within the ISA, with full Board approval required for any of these matters :

- Approval of the annual business plan
- Amendments to Articles of Association
- Limit on external borrowing
- Payment of dividends
- Company structure
- Matters relating to cessation
- Appointment/removal of Directors
- Remuneration of any Director
- Remuneration of any employee exceeding £100,000
- Establishing or amending profit-sharing, share option, bonus or other incentives of any nature for Directors and employees.

Governance Structures: Overview (continued)

Proposed governance structure diagram





## Governance Structures: Overview (continued)

### ***SPV Board (2)***

The SPV Board would have no political representation, and include an independent Chair, six independent Non-Executive Directors (NEDs) and the following SPV Executive Directors (EDs): CEO, Strategy and Sponsorship Director, Delivery Director, Engineering Director, and, the Chief Finance Officer. The independent Chair will be appointed by the CPCA based on relevant skills and experiences.

As the SPV will initially be wholly owned by the CPCA, there will be one shareholder representative director from the CPCA officer group, and the Mayor as an observer (to prevent conflicts of interest). As an observer there will be no expectation of taking part in, or commenting on, discussions unless specifically invited to by the SPV Chair.

All members of the SPV Board will be appointed based on the skills and experiences deemed necessary to drive the strategic vision of the CAM programme.

### ***SPV Stakeholder Group (3)***

The SPV Stakeholder Group is a forum for information sharing and engagement by the SPV in line with its stakeholder engagement strategy. It is not part of the decision-making structures. A programme of bi-yearly meetings and regular update newsletters would keep members informed. Membership of this group would likely include members of the current CAM Partnership Board and other interested stakeholders. It is anticipated that members of the Stakeholder Group will include those local organisations with transport powers and authorities.

### ***SPV Board Committees (4, 4a, 4b, 5, 6)***

The SPV Board Committee structure is aligned to the CAM vision and strategic priorities (Environmental; People; Innovative; and Economic). This follows leading practice and aligns the governance with the goals of the SPV, enabling the Board and its committees to be focused on strategic delivery and the associated risks.

The proposal is to have four Board Committees: Audit, Risk and Health & Safety; Economic and People; Innovation Delivery; and Remuneration and Nominations. These are assurance based committees with Non Executive Director chair and membership, supported by key Executive Directors.

This overall approach creates a clear assurance and escalation framework in place, with the Board having overall responsibility for the SPV and is tasked with ensuring that there is assurance on controls and the effective delivery of the CAM project. The Board Committees will seek assurance on strategic goals, strategic risks and overall performance.

## Governance Structures: Overview (continued)

Each Board Committee will have a SPV NED Chair with NED membership and ED attendance, and will meet every other month, timed to occur before the Audit, Risk & Health and Safety Committee to allow any risks identified to be escalated to this Committee. The SPV Chair would attend these committees on a rolling basis rather than being a member of any, in line with leading practice. The Remuneration and Nominations Committee will meet at least annually.

The ***Remuneration and Nominations Committee (4)*** will be responsible, amongst other elements, for determining the future skillset requirements of board members. Membership will include all of the NEDs, and the Shareholder Director. Future membership will be influenced by funding sources so the SPV Board will need to consider the level of involvement of additional shareholders dependent on the level of funding or investment.

The ***Economics and People Committee (4a)*** will be responsible for assurance that the CAM project is having the economic impact intended, and delivering the people benefits; all though a lens of the environmental impact (6) within the Terms of Reference. There would be three SPV NED members of the committee, one of whom would be the Committee Chair, with the following EDs in attendance: Strategy and Sponsorship Director, Delivery Director and Chief Finance Officer.

The ***Innovative Delivery Committee (4b)*** will be responsible for assurance over the delivery of the CAM and potential technical innovation used. All though a lens of the environmental impact (6) embedded via TOR. Membership would comprise of three SPV NEDs, with one being the Committee Chair, with the following EDs in attendance: Strategy and Sponsorship Director, Delivery Director and Engineering Director.

The ***Audit, Risk and Health and Safety Committee (5)*** will be responsible for fulfilling statutory obligations and oversight of risk. This will be chaired by an SPV NED, and membership will include the other Committee Chairs to facilitate information sharing, with ED attendance (Chief Finance Officer and Delivery Director). We would expect the Committee to sit 3 times a year, after the other two Committees. The SPV Chair would not be a member of the Committee or an attendee.

The ***environmental aims (6)*** are not specifically represented by a Committee of the SPV Board due to being intertwined in all aspects of the project and instead are referenced in the Terms of Reference and focus of each Committee.

## Governance Structures: Overview (continued)

### ***SPV Executive Team (7)***

The SPV Executive Team would meet regularly with the CEO and receive updates from the CAM programmes. We would expect this to be all EDs (CEO, Strategy and Sponsorship Director, Delivery Director, Engineering Director, and Chief Finance Officer), with the Head of Health and Safety and Head of Stakeholder Engagement & Communications in attendance. This element of the governance structure focuses on the delivery aspects of the strategy (rather than the Board Committees who focus on assurance).

### ***Known, Independent Experts (8)***

It may be beneficial to have access to known, independent experts e.g. members of the current CAM Technical Advisory Committee, to leverage into specific programmes at a delivery level to bring expertise and support.

The Board may feel that it is appropriate to co-opt a known, independent expert to join one of the Board Committees particularly if there is a skills and experiences gap in the current Board membership. It is anticipated, however, that the SPV will gain more benefit from utilising the skills and experiences of known, independent experts within the operational, Executive Director-led groups.

## Appendix: Committee Draft Terms of Reference

**We have written draft terms of reference for all Committees of the SPV board. These are based on leading practice and can be further tailored by the SPV Board once appointed.**

**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE**  
**TERMS OF REFERENCE**

Name	Audit, Risk, and Health and Safety Committee
Purpose	<p>To oversee the Company's audit, governance, risk, health &amp; safety and finance processes.</p> <p>The Committee shall support the Board and shareholder by reviewing the comprehensiveness and reliability of assurances on governance, risk management, health and safety, the control environment and the integrity of financial statements and the annual report.</p> <p>The scope of work, as defined within these terms of reference encompass all the assurance needs of the Board and shareholder, and in so doing will engage with the work of internal audit, risk management, health and safety management, the external auditor and financial management and reporting issues.</p>
Constitution and Authority	<p>The Audit, Risk and Health and Safety Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board). The Audit, Risk and Health and Safety Committee shall not have executive powers other than those delegated in these terms of reference.</p> <p>The Audit, Risk and Health and Safety Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Audit, Risk and Health and Safety Committee.</p> <p>The Audit, Risk and Health and Safety Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice. The Committee is authorised by the Board of Directors to request the attendance of individuals and authorities from outside the SPV with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The Committee shall be composed of at least three independent non-executive directors, at least one of whom should have recent and relevant financial experience. One of the members shall be appointed Chair of the Committee by the Board of Directors.</p> <p>Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the non-executive director remains independent.</p> <p>The Chair of the Board shall not be a member of the Committee (but may attend by invitation as appropriate).</p>
Attendance	<p>Only members of the Audit, Risk and Health and Safety Committee have the right to attend meetings, but the Chief Operating Officer, Chief Finance Officer and Executive Director with responsibility for risk and Health and Safety assurance (or their named deputy) shall generally be invited to attend routine meetings of the Audit, Risk and Health and Safety Committee.</p> <p>The Chief Executive officer should be invited to attend meetings and should discuss at least annually with the Audit, Risk and Health and Safety Committee the process for assurance that supports the governance statement. He / she</p>

**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE  
TERMS OF REFERENCE**

	<p>should also attend when the Committee considers the draft of the annual governance statement and the annual report and accounts.</p> <p>The External Auditor or his representative should normally attend meetings.</p> <p>The Head of Internal Audit should also attend routine meetings.</p> <p>SPV Directors and/or staff and executives shall be invited to attend those meetings in which the Audit, Risk and Health and Safety Committee will consider areas of risk, Health &amp; Safety or operation that are their responsibility.</p> <p>The # shall be the secretary to the Audit, Risk and Health and Safety Committee and will provide administrative support and advice to the Chair and the Committee members.</p> <p>The External Auditor shall be afforded the opportunity at least once per year to meet with the Audit, Risk and Health and Safety Committee without Executive Directors present.</p> <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p> <p>The Head of Internal Audit, and representatives of External Audit have a right of direct access to the Chair of the Committee.</p>
Quorum	<p>A meeting quorum will be two Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chairman must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>
Frequency of meetings	<p>Meetings shall be held at least three times per year, the total number of meetings being determined by the assurance required by the committee to discharge its responsibilities. The Board of Directors, Chief Executive, External Auditors or Head of Internal Audit may request an additional meeting if they consider that one is necessary.</p> <p>Members of the Audit Committee must attend at least three of all meetings each financial year but should aim to attend all scheduled meetings.</p>
Duties	<p>The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities and risks.</p> <p>The Committee will undertake the following duties:-</p> <ul style="list-style-type: none"> <li>• Integrated governance, internal controls, risk management,</li> <li>• Systems of financial control,</li> <li>• Oversight of Finance Operations on behalf of the Board,</li> <li>• Financial reporting and accounts,</li> <li>• Compliance, raising concerns (whistleblowing) policy,</li> <li>• Internal audit,</li> </ul>

**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE  
TERMS OF REFERENCE**

- External audit,
- Oversight of Health and Safety for the organisation,
- Other assurance functions,
- Compliance with the Articles of Association and Governance Framework.

**Integrated Governance, Internal Controls, Health and Safety and Risk Management Systems**

The Committee shall keep under review the adequacy and effectiveness of the company's internal financial controls, internal control and risk management systems across all activities that support the achievement of the company's objectives. In particular the Committee will review the adequacy and effectiveness of:

- all risk and control related disclosure statements, together with any internal and external audit opinions or other appropriate independent assurances, prior to endorsement by the Board.
- the underlying assurance processes that indicate the degree of achievement of objectives.

**Internal audit**

The Committee shall ensure that there is an effective internal audit function that meets the requirements of the Financial Reporting Council (2010) and professional internal audit standards e.g. the Chartered Institute of Internal Audit.

**External audit**

The Committee shall review the work and findings of the external auditors and consider the implications and management's responses to their work. The Committee shall:

- consider the appointment and performance of the external auditors, as far as the rules governing the appointment permit. Make recommendations to the shareholder in relation to the appointment, re-appointment and removal of the company's external auditor.

The Committee shall oversee the selection process for a new auditor and, if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

The Committee shall review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures.

**Other Assurance Functions**

The Committee will have oversight of other external reviews and consider the impact on the control systems of the Company.

The Committee will evaluate the level of assurance relating to internal control systems that are contained within external review reports and monitor management's response to recommendations and agreed actions.

The Audit, Risk and Health and Safety Committee will review the work of other Committees / Groups within the company, where work can provide assurance to

**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE  
TERMS OF REFERENCE**

	<p>the Audit, Risk and Health and Safety Committee's own scope of work. This will include the following executive level committees: <b>Health and Safety, #### and.</b></p> <p><b>Financial Reporting and Accounts</b></p> <p>The Committee shall monitor the integrity of the financial statements of the company, including any interim reports, management statements, and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicates to it by the auditor.</p> <p>The Committee shall review and report to the Board on the accounting policies, the accounts, and the annual report of the Company, including the process for review of the accounts prior to submission to the Board.</p> <p>The Committee shall review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>• the consistency of, and any changes to, accounting policies on a year by year basis;</li> <li>• the methods used to account for significant or unusual transactions where different approaches are possible;</li> <li>• whether the company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;</li> <li>• the clarity of disclosure in the company's financial reports and the context in which statements are made;</li> <li>• significant adjustments resulting from the external audit; and</li> <li>• all material information presented with the financial statements, such as the business review/ operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).</li> </ul> <p>The Committee will also review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced, understandable and provides the information necessary for the shareholder to assess the company's performance, business model and strategy.</p> <p>The Committee will receive regular reports on waivers and material asset acquisitions and disposals to enable the members to raise challenge, where appropriate and ensure processes are operating effectively.</p> <p>The Committee will receive an annual report on the schedule of losses and compensations, to enable the members to raise challenge, where appropriate and ensure processes are operating effectively.</p> <p>The Committee shall provide such information for inclusion in the Company's Annual Report and Accounts as required.</p>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written assurance report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p>
Administrative Arrangements	<p>The Chair and the Chief Finance Officer and/or the Company Secretary will set the agenda in line with the Committee annual work plan.</p>



**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE**  
**TERMS OF REFERENCE**

	<p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company's auditors with the prior approval of the Committee Chair.</p>
Review	<p>The Committee will annually review its performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>



**ECONOMIC AND PEOPLE COMMITTEE**  
**TERMS OF REFERENCE**

Name	Economic & People Committee
Purpose	<p>The overall role of the Committee is to maintain robust financial management of the CAM Programme and its wider economic impact on Cambridgeshire by monitoring financial performance and impact and making recommendations to the Board as appropriate.</p> <p>The purpose of the Committee is to provide the Board with an independent and objective review of, and assurances, in relation to:</p> <ul style="list-style-type: none"> <li>• Significant financial risks which may impact upon the delivery of the strategy and the financial viability and sustainability of the CAM programme.</li> <li>• Governance processes for all major investments and divestments in accordance with guidance as delegated by the Board of Directors</li> <li>• Business cases referred to it by the Board for major investment in excess of the following delegated limits: <ul style="list-style-type: none"> <li>○ Capital &gt;£1m</li> <li>○ Non-Recurrent Revenue &gt;£1m</li> <li>○ Recurrent Revenue &gt;£500K</li> </ul> </li> <li>• Financial management- detailed scrutiny of the monthly finance report, including progress against the capital programme.</li> <li>• Financial planning- Detailed scrutiny of the financial plan (one year operational and three year Forward Plan) prior to approval by the Board.</li> <li>• Financial Services- agreement of the Treasury management plan, including cash and liquidity.</li> <li>• Growth/ business opportunity proposals, ensuring their alignment with Board approved corporate strategy.</li> <li>• Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope.</li> <li>• Maintenance of Financial Policies.</li> </ul>
Constitution and Authority	<p>The Economic and People Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board).</p> <p>The Committee has no executive powers, other than those specifically delegated by the Board in these terms of reference.</p> <p>Legal or other independent professional advice and the attendance of outsiders with relevant experience and expertise can be sought, if required.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The Committee shall be composed of at least three independent non-executive directors, at least one of whom should have recent and relevant financial experience. One of the members shall be appointed Chair of the Committee by the Board of Directors.</p> <p>Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the non-executive director remains independent.</p> <p>The Chair of the Board shall not be a member of the Committee (but may attend by invitation as appropriate).</p>
Attendance	<p>Only members of the Economic and People Committee have the right to attend meetings, but the Chief Finance Officer, Director of Strategy and Sponsorship, and Director of Delivery (or their named deputy) shall generally be invited to attend routine meetings of the Economic and People Committee.</p> <p>SPV Directors and/or staff and executives shall be invited to attend those meetings in which the Economic and People Committee will consider areas of Finance, Economic development or operation that are their responsibility.</p>

**ECONOMIC AND PEOPLE COMMITTEE**  
**TERMS OF REFERENCE**

	<p>The # shall be the secretary to the Economic and People Committee and will provide administrative support and advice to the Chair and the Committee members.</p> <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p>
Quorum	<p>A meeting quorum will be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chairman must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>
Frequency of meetings	<p>The Committee will formally meet bi monthly.</p> <p>Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members and all members must be invited.</p>
Duties	<p>The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities and risks. In all duties undertaken, the committee will be cognisant of the environmental performance of the company in those matters.</p> <p>The Committee will undertake the following duties:-</p> <ul style="list-style-type: none"> <li>• Monitor and seek assurance over the effective management of significant financial risks which may impact upon the delivery of the strategy and the Company's financial viability / sustainability. <b>Reviewing the assigned Board Assurance Framework risks are key to undertaking this duty.</b></li> <li>• Agree and review those strategies relevant to its remit, ensuring their alignment with the Company's vision and strategic direction and provide assurance to the Board on their ongoing development and delivery. These include but are not limited to: <ul style="list-style-type: none"> <li>○ <b>Financial Strategy</b></li> <li>○ <b>Commercial Development Strategy</b></li> <li>○ <b>Treasury Management</b></li> <li>○ <b>Estates Strategy</b></li> <li>○ <b>Procurement Strategy</b></li> </ul> </li> <li>• Ratify and monitor compliance with those underpinning policies and procedure, guidelines, protocols and plans to support delivery of agreed strategy.</li> <li>• Providing the Board with an objective review and assurances in relation to major investments/ divestments and business cases referred to it by the Board under delegated authority.</li> <li>• Approve those other business and tendering opportunities and initiatives below <b>the £5m threshold</b>, as appropriate and after due evaluation, scrutiny and process</li> <li>• Direct management on further work to be undertaken before major business proposals are submitted to the Board for consideration and/or approval</li> <li>• To agree Financial Key Performance Indicators and to monitor their delivery against plan, highlighting areas of concern that should be brought to the Board's attention.</li> </ul>

**ECONOMIC AND PEOPLE COMMITTEE**  
**TERMS OF REFERENCE**

	<ul style="list-style-type: none"> <li>• Review and scrutiny of the monthly finance report including actual versus budget, reasons for significant variations and forecast outturn.</li> <li>• Review and scrutiny of the monthly capital report including actual to date, reasons for significant variations and forecast outturn.</li> <li>• Review and scrutiny of the monthly rolling 12 month cash forecast.</li> <li>• Reviewing on behalf of the Board on an annual basis the company's Financial Strategy and Annual Plan (incorporating the 1year operational plan and 3 year Forward Plan).</li> <li>• Providing the Board with an objective review and assurances, in relation to the financial plan and ensuring the company maintains cash liquidity and is an effective going concern.</li> <li>• Review and monitor the impact of the CAM project in generating the wider economic and environmental benefits to Cambridgeshire.</li> <li>• Overseeing the development of meaningful baseline workforce metrics and performance improvement targets, monitor these and ensuring that priority is given to areas of weakness, concern or company priority.</li> <li>• Monitoring training and education activities within the organisation to ensure that high-quality professional training is provided and seek assurance that appropriate mechanisms are in place for identifying personal development needs through effective staff appraisal.</li> <li>• Review the adequacy of the organisation's management processes and plans for workforce planning and development, absence management, organisational development, health, safety and wellbeing, equality and diversity and new ways of working.</li> <li>• The Committee will receive regular reports from the following executive committees and officers pertaining to the delivery of the CAM: ####, #### and ####.</li> </ul>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written assurance report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p> <p>The Chair of this Committee and the Audit, Risk and Health and Safety Committee Chair will maintain regular communications to share knowledge of identified risks and assurances.</p>
Administrative Arrangements	<p>The Committee Chair and the Chief Finance Officer will set the agenda in line with the Committee annual work plan.</p> <p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company's auditors with the prior approval of the Committee Chair.</p> <p>The Company Secretariat will be responsible for monitoring adherence to the Terms of Reference.</p>
Review	<p>The Committee will annually review its performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>



**INNOVATIVE DELIVERY  
TERMS OF REFERENCE**

Name	Innovative Delivery Committee
Purpose	The overall role of the Committee is to maintain robust oversight of the CAM technical programme by monitoring performance and impact of the CAM construction and making recommendations to the Board as appropriate.
Constitution and Authority	<p>The Innovative Delivery Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board).</p> <p>The Committee has no executive powers, other than those specifically delegated by the Board in these terms of reference.</p> <p>Legal or other independent professional advice and the attendance of outsiders with relevant experience and expertise can be sought, if required.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The Committee shall be composed of at least three independent non-executive directors, at least one of whom should have recent and relevant financial experience. One of the members shall be appointed Chair of the Committee by the Board of Directors.</p> <p>Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the non-executive director remains independent.</p> <p>The Chair of the Board shall not be a member of the Committee (but may attend by invitation as appropriate).</p>
Attendance	<p>Only members of the Innovative Delivery Committee have the right to attend meetings, but the Chief Finance Officer, Director of Strategy and Sponsorship, Director of Delivery and Director of Engineering (or their named deputy) shall generally be invited to attend routine meetings of the Innovative Delivery Committee.</p> <p>SPV Directors and/or staff and executives shall be invited to attend those meetings in which the Innovative Delivery Committee will consider areas of technical development, construction or operation that are their responsibility.</p> <p>The # shall be the secretary to the Innovative Delivery Committee and will provide administrative support and advice to the Chair and the Committee members.</p> <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p>
Quorum	<p>A meeting quorum will be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chairman must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>
Frequency of meetings	<p>The Committee will formally meet bi monthly.</p> <p>Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members and all members must be invited.</p>
Duties	The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities

Approval Date: XX 2020

Review Date: XX 2021

**INNOVATIVE DELIVERY  
TERMS OF REFERENCE**

	<p>and risks. In all duties undertaken, the committee will be cognisant of the environmental performance of the company in those matters.</p> <p>The Committee will undertake the following duties:-</p> <ul style="list-style-type: none"> <li>• Monitor and seek assurance over the effective management of Construction and delivery risks which may impact upon the delivery of the strategy and the Company's financial viability / sustainability and delivery of the CAM network.</li> <li>• Monitor and seek assurance over the effective management of technology in the CAM system.</li> <li>• The Committee will receive regular reports from the following executive committees and officers pertaining to the delivery of the CAM: ####, #### and ####.</li> </ul>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written assurance report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p> <p>The Chair of this Committee and the Audit, Risk and Health and Safety Committee Chair will maintain regular communications to share knowledge of identified risks and assurances.</p>
Administrative Arrangements	<p>The Committee Chair together with the Director of Engineering and Director of Delivery will set the agenda in line with the Committee annual work plan.</p> <p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company's auditors with the prior approval of the Committee Chair.</p> <p>The Company Secretariat will be responsible for monitoring adherence to the Terms of Reference.</p>
Review	<p>The Committee will annually review its performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>



**REMUNERATION AND NOMINATIONS COMMITTEE**  
**TERMS OF REFERENCE**

Name	Remuneration and Nominations Committee
Purpose	To lead the process for board appointments and make recommendations to the Board. To make recommendations to the Board on all aspects of the individual remuneration packages of the executive directors and other members of senior management.
Constitution and Authority	<p>The Remuneration and Nominations Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board).</p> <p>The Committee has no executive powers, other than those specifically delegated by the Board in these terms of reference.</p> <p>Legal or other independent professional advice and the attendance of outsiders with relevant experience and expertise can be sought, if required.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The membership of the Committee is as follows:</p> <ul style="list-style-type: none"> <li>• All members of the Committee shall be independent non-executive directors, one of whom will be appointed Committee Chair.</li> <li>• The Shareholder Director, who can nominate a representative to attend on his behalf.</li> </ul>
Attendance	<p>The Chief Executive may be invited to attend all or any part of a meeting. The Chief Finance Officer (or their representative – covering HR portfolio) will attend the meeting in an advisory capacity and as Secretary. This advice will cover:</p> <ul style="list-style-type: none"> <li>• national guidance and policy decisions</li> <li>• legal issues and advice</li> <li>• governance and risk considerations</li> <li>• contractual issues, including severance payments</li> <li>• trends in pay and conditions of service</li> <li>• job evaluation and levels in remuneration offered by similar organisations and the local pay market retention of key skills.</li> </ul> <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p>
Quorum	<p>A meeting quorum will be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chair must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>

**REMUNERATION AND NOMINATIONS COMMITTEE**  
**TERMS OF REFERENCE**

Frequency of meetings	<p>The Committee will formally meet as frequently as it may determine to be necessary to discharge its duties. This includes meeting prior to an appointment to the Board being recommended.</p> <p>Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members and all members must be invited.</p>
Duties	<p>The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities and risks.</p> <p>The Committee will undertake the following duties in relation to nominations:-</p> <ul style="list-style-type: none"> <li>• The Committee will keep the Board's skill and experience base under continued review, oversees searches and selection processes for new directors and recommend new appointments to the Board. In addition, the Committee oversees executive succession planning to ensure continuity of senior management at and below Board level.</li> <li>• To evaluate and keep under review the size, structure and composition of the Board and make recommendations to the Board on any proposed changes, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience required.</li> <li>• To consider and prepare, for agreement with the Board, a description of the role and competencies required for a particular appointment (executive and non-executive).</li> <li>• To identify and recommend to the Board, against the agreed specification, candidates for Board appointments and terms thereof.</li> <li>• To review management development and succession planning for top management and executive Board members.</li> <li>• To review and make recommendations to the Board on the reappointment of non-executive directors at the expiry of their term of office.</li> <li>• To appoint and take advice from independent search consultants and other professional advisers when appropriate.</li> <li>• To approve the description of the Committee's activities and the process that it has followed in relation to Board appointments for inclusion in the annual report each year.</li> <li>• To ensure the appointments to be made to the Board comply with the Articles of the Company and have the appropriate level of shareholder approval.</li> <li>• Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.</li> <li>• To make recommendations to the Board regarding the membership of the Audit, Risk and Health and Safety; Economic and People, and Innovative Delivery Committees in consultation with the Chairs of those Committees.</li> <li>• To ensure that on appointment, all executive directors receive a formal service contract setting out clearly what is expected of them.</li> <li>• To ensure that on appointment, all non-executive directors receive</li> </ul>

**REMUNERATION AND NOMINATIONS COMMITTEE**  
**TERMS OF REFERENCE**

	<p>formal written terms of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.</p> <ul style="list-style-type: none"> <li>• To review annually the time needed to fulfil the role of Chair and each non-executive director (taking into account committee memberships) and, with reference to the annual performance evaluation, to review whether all members of the Board have devoted sufficient time to their duties.</li> <li>• To make recommendations to the Board regarding (i) the procedures in place for the authorisation of conflict matters falling within section 175 of the Companies Act 2006 ("the 2006 Act"), (ii) the authorisation of any conflict matter arising for any director of the Company, and (iii) the terms and conditions which should attach to such authorisation.</li> <li>• To ensure that it is in a position to justify all of its actions and proposed courses of action.</li> <li>• In exercising its powers, to take into account the duties of directors under the common law and under Chapter 2 of Part 10 of the 2006 Act including, in particular, section 172 of the 2006 Act, which requires a director to act in a way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to: <ul style="list-style-type: none"> <li>• the likely consequences of any decision in the long term,</li> <li>• the interests of the Company's employees,</li> <li>• the need to foster the Company's business relationships with suppliers, customers and others,</li> <li>• the impact of the Company's operations on the community and the environment,</li> <li>• the desirability of the Company maintaining a reputation for high standards of business conduct, and</li> <li>• the need to act fairly as between members of the Company;</li> </ul> </li> <li>• To make recommendations to the Board regarding the Board's policy on boardroom diversity.</li> <li>• To review, and make recommendations to the Board on, the implementation of the Board's policy on boardroom diversity and to report to the Board on progress made in achieving any objectives set out in the policy.</li> <li>• In making all decisions, the Committee will ensure that fairness, equity, consistency and best practice are applied.</li> </ul> <p>The Committee will undertake the following duties in relation to remuneration:-</p> <ul style="list-style-type: none"> <li>• Approve the design of and determine targets for any performance related pay schemes operated by the company and the total annual payments made under such schemes.</li> <li>• The Committee also oversees appropriate contractual arrangements on termination and any payments are fair to the individual and the company. The Committee will ensure that the payment is appropriate and is in line with Delegated Financial Limits and required LGA permissions, including HM Treasury approval, legal and audit opinion.</li> <li>• Review the ongoing appropriateness and relevance of the</li> </ul>
--	---

**REMUNERATION AND NOMINATIONS COMMITTEE**  
**TERMS OF REFERENCE**

	<p>remuneration policy and benefits structure.</p> <ul style="list-style-type: none"> <li>• Determine and agree the policy with the shareholder for, and scope of, pension arrangements for each executive director and other senior executives.</li> <li>• Review and note annually the remuneration trends across the company.</li> <li>• Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.</li> <li>• In making all decisions, the Committee will ensure that fairness, equity, consistency and best practice are applied.</li> </ul> <p>The Committee shall provide such information for inclusion in the Company's Annual Report and Accounts as required.</p>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p> <p>The Chair of this Committee and the Audit, Risk and Health and Safety Committee Chair will maintain regular communications to share knowledge of identified risks and assurances.</p>
Administrative Arrangements	<p>The Committee Chair and the Chief Finance Officer (covering HR portfolio) will set the agenda in line with the Committee annual work plan.</p> <p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company's auditors with the prior approval of the Committee Chair.</p> <p>The Company Secretariat will be responsible for monitoring adherence to the Terms of Reference.</p>
Review	<p>The Committee will annually review its performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>



## Cambridgeshire Autonomous Metro

CAM Special Purpose Vehicle (SPV)

# High Level Organisational Design

v0.1 – July 2020



# Introduction

The design framework defines the parameters for the organisational design. It is used as a basis to develop the capability map and high level design options

---

- a Context
- b Organisational design within the operating model
- c Approach to developing the organisational design
- d Organisational design considerations

# Context

The Cambridgeshire Autonomous Metro (CAM) is a proposed new transport network to be built in the Greater Cambridgeshire region

## DOCUMENT PURPOSE

The purpose of this document is to outline the high level organisational design of the proposed CAM special purpose vehicle (SPV).

## HISTORY OF THE SPV

In September 2018, the CPIER report (Cambridgeshire and Peterborough Independent Economic Review) identified that significant investment in transport infrastructure was required to support further economic growth in the area. This was followed in February 2019 by the strategic outline business case (SOBC), which was developed for the Cambridgeshire and Peterborough Combined Authority (CPCA) who are overseeing the project.

In November 2019, an options assessment for how the project could be delivered was produced by Pinsent Masons. Option 1 was the final recommendation.

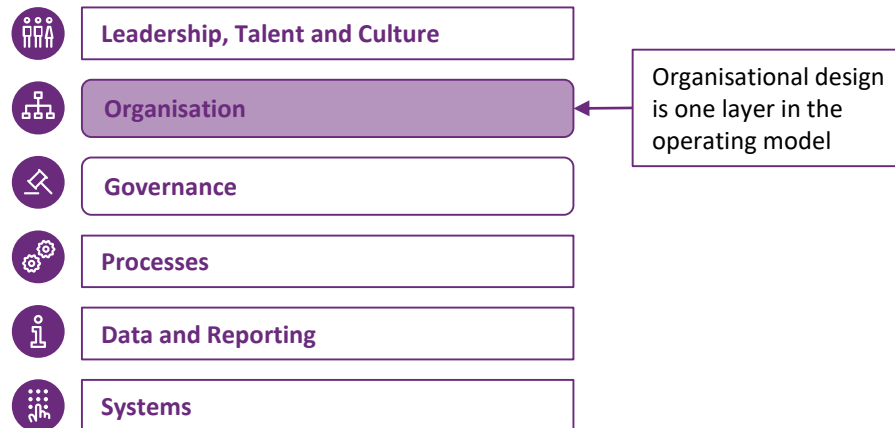
1. Private company solely owned by CPCA as promoter – the SPV
2. Urban regeneration company
3. Joint venture with private company (creating a standalone corporate vehicle) as promoter
4. Private sector third party as promoter under contractual arrangement with CPCA
5. CPCA as sole promoter

# Organisational design within the Operating Model

Organisational design is one of the layers of the Operating Model

## The Operating Model

- An operating model provides a clear articulation of “**how**” an **organisation’s operations will be configured** to execute the organisation’s strategy. It **brings strategies and policies to life** and can support stakeholder alignment, operational readiness and business case development
- An operating model can be **articulated across a series of “layers”**, which need to come together in an **integrated and coherent design** to describe the organisation at a **single point in time**



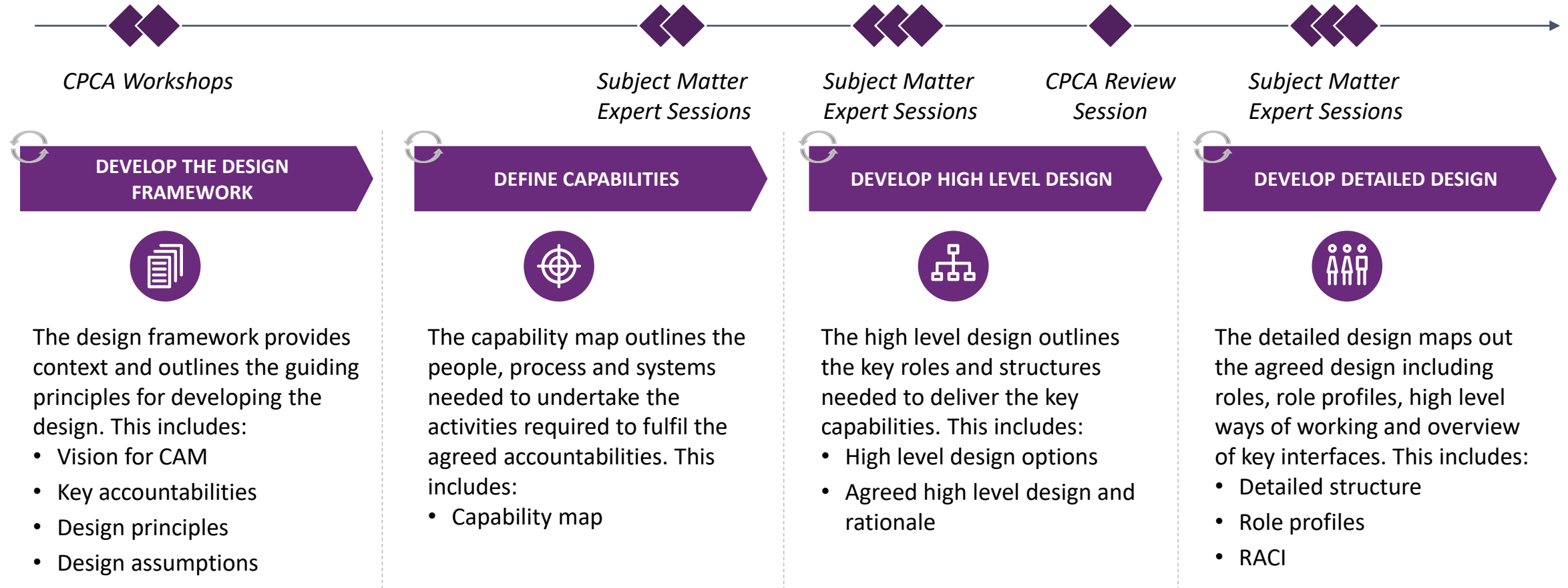
## Organisational Design

- Organisational design is the **accountabilities, structure, role descriptions and sizing (FTE and Headcount)** needed to deliver the SPV’s strategy
- Organisational enables **capabilities to be delivered in the most efficient, productive and cost effective manner**, delivering a high quality coherent service
- It also enables **individuals to understand what is in their remit** with clear roles, responsibilities and performance measures



# Approach to developing the organisational design

The following outlines the approach taken to develop the organisational design for the SPV



# Organisation design considerations

The organisational design has been developed as a framework to guide the implementation of the SPV. It should be iterated depending on the requirements of programme at the time

1. The organisational design was developed based on **good practice for capital delivery programmes** and **our experience working with similar organisations**. It is intended to be used as a **guide to setting up the SPV**
2. The design has been tested with a **network of SMEs to review the design** across the each of the functions
3. For each section of the design, the high level design, and each function, the **assumptions which underpin the design are noted**
4. The design products, for example the RACI should be used as frameworks for how to define accountability within the organisation. The OD design and products should be **tested and agreed with SPV Leadership** over a series of leadership days/ workshops
5. The organisational design forms **one part of the operating model**. To develop the SPV into a functioning organisation the other layers of the operating model will have to be considered which may influence the design, for example the commercial model functions
6. The design is **iterative** and should be reviewed to ensure it is still fit for purpose of the current stage of the programme and requirements



# The Design Framework

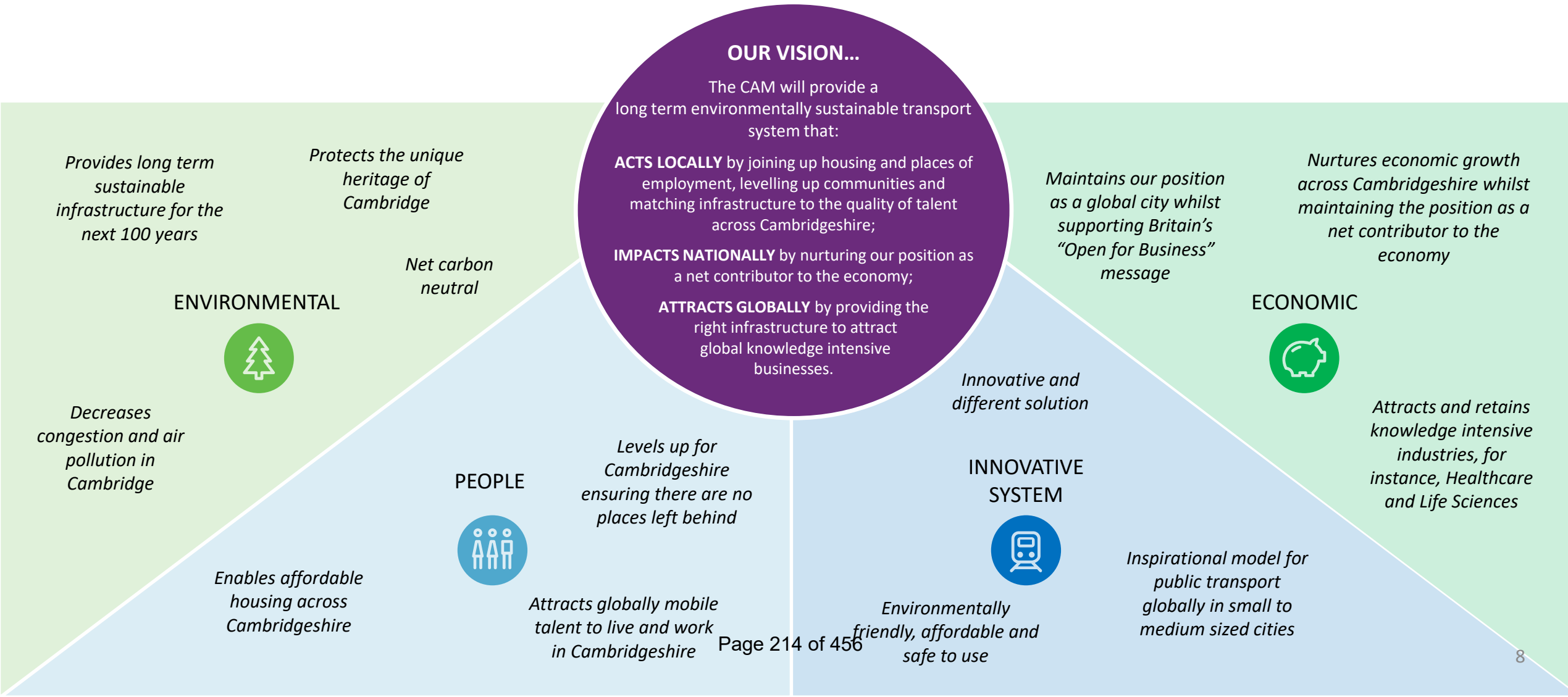
The design framework defines the parameters for the organisational design. It is used as a basis to develop the capability map and high level design options

---

- a Vision for CAM
- b Relationship between the SPV, CPCA, GCP and Contractors
- c Accountabilities
- d Design principles
- e Design questions and assumptions

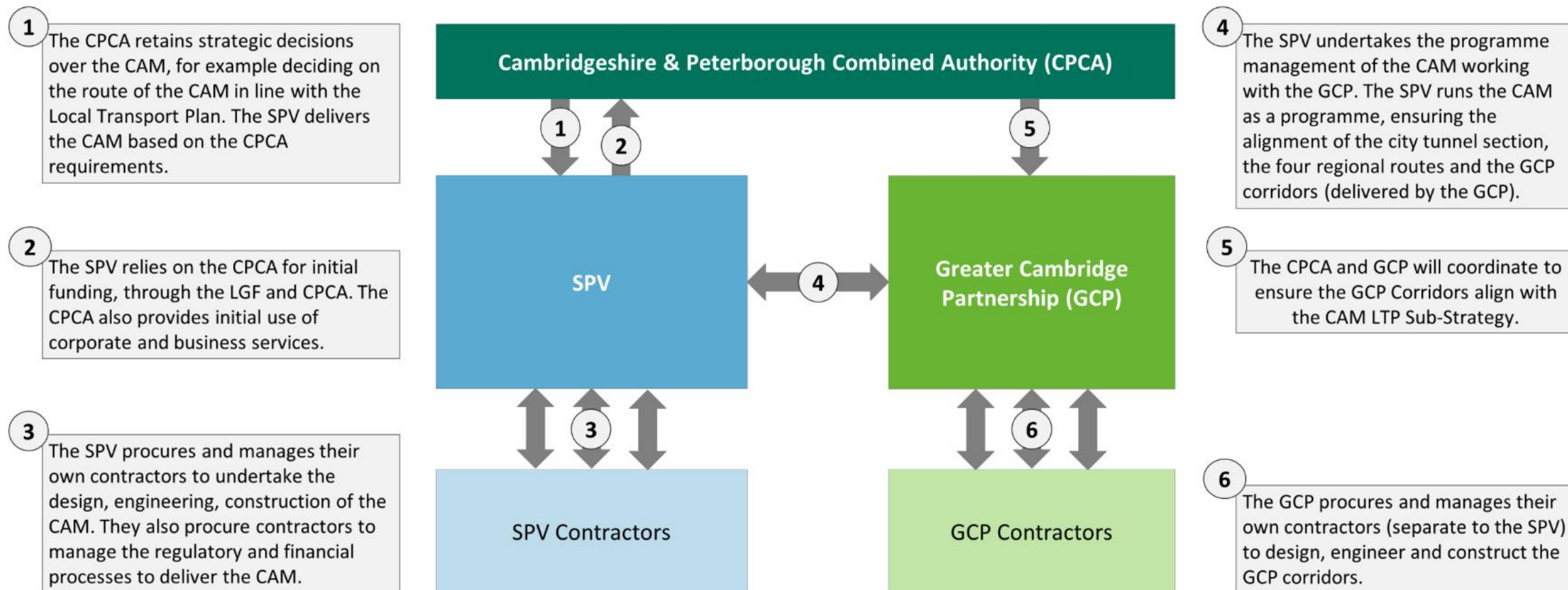
# Vision for CAM

Acts Locally, Impacts Nationally and Attracts Globally



# Relationship between the SPV, CPCA, GCP & Contractors

The CPCA retains decision making over the CAM programme, while the SPV and the GCP deliver the CAM network across Cambridgeshire through a series of contracts



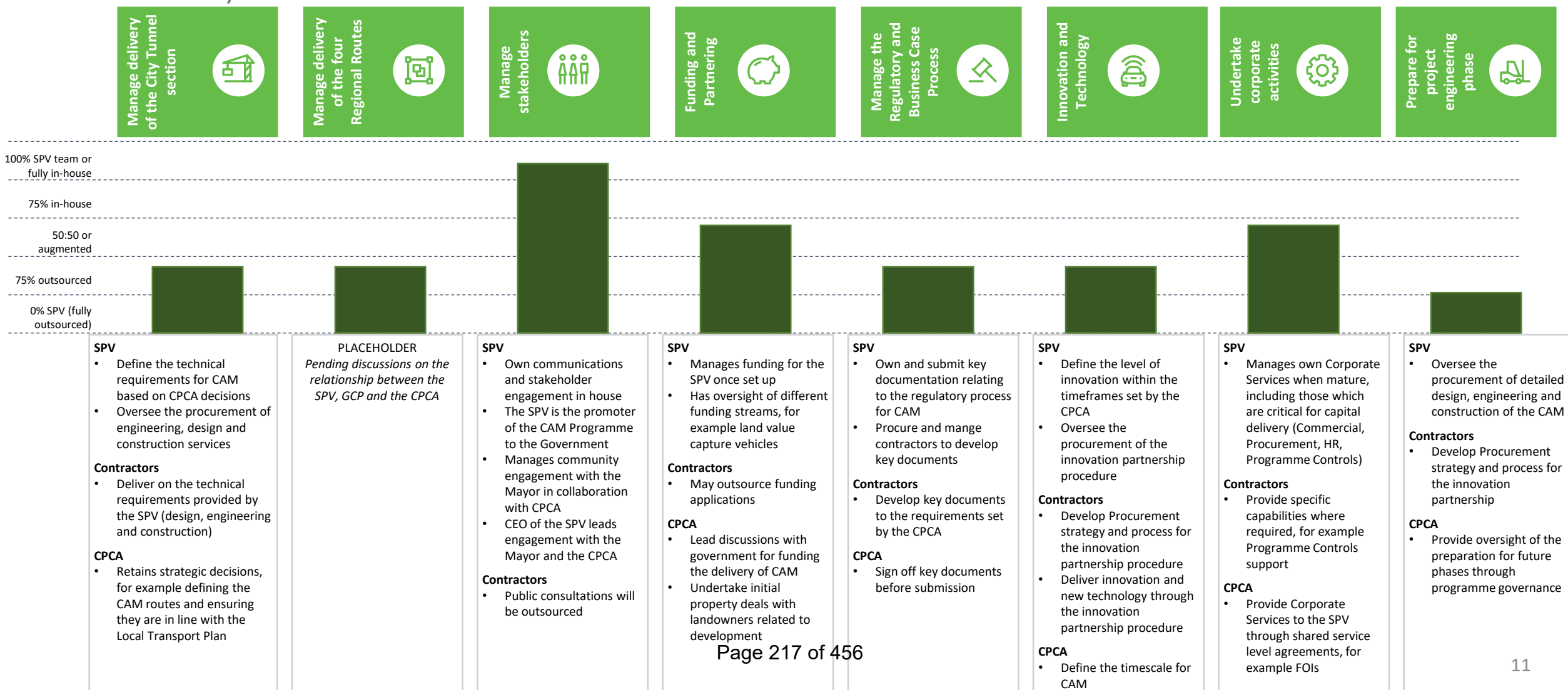
# Accountabilities

The short-to-medium term accountabilities of the SPV have been broken down into 8 groups. These groups will align to the key capabilities that the SPV will require.

<b>Manage delivery of the City Tunnel section</b> 	<ul style="list-style-type: none"> <li>Contribute detailed scope and functionality of the city tunnel section of the CAM project and its subsequent construction to meet the operational requirements</li> <li>Deliver technical activities required to develop this scope including planning consents and land referencing activities</li> <li>Deliver the required Environmental Impact Assessment</li> <li>Maintain and ensure compliance with appropriate environment, construction and safety standards</li> <li>Manage delivery partners to complete work, taking a proactive role in the management of safety, schedule, cost quality and risk performance</li> <li>Own the delivery plan and overall scheme completion date and opening date</li> <li>Enter into property deals with landowners for land required for CAM</li> </ul>	<b>Manage the Regulatory and Business Case Process</b> 	<ul style="list-style-type: none"> <li>With inputs from the relevant parties, manage and deliver the Outline Business Case (OBC), Full Business Case (FBC) and Transport Works Act Order (TWAO)</li> <li>Define handover for operations of CAM</li> <li>Own the systems safety and assurance, and operational certification processes.</li> <li>Contribute to carbon net-zero regulatory planning.</li> </ul>
<b>Manage delivery of the four Regional Routes</b> 	<ul style="list-style-type: none"> <li>Progress detailed scope and design options for the delivery of the four regional routes to contribute to an overall business case for this package of work</li> <li>Manage delivery partners to complete work, taking a proactive role in the management of safety, schedule, cost quality and risk performance</li> </ul>	<b>Innovation and Technology</b> 	<ul style="list-style-type: none"> <li>Define the level and scale of innovation suitable for CAM within the timelines agreed with the CPCA</li> <li>Manage the innovation partnership procedure to define new technology (e.g., infrastructure, vehicle, etc.) to be used for the CAM system</li> <li>Manage potential aligned technology to support the CAM system operations, (e.g., passenger transport app)</li> <li>Manage the IP for CAM, ensuring that the commercial aspects of innovation and new technology are properly managed</li> </ul>
<b>Manage stakeholders</b> 	<ul style="list-style-type: none"> <li>Own the consultation and stakeholder engagement activities related to the CAM scheme and relevant community involvement activities</li> <li>Manage the governance and relationships between the SPV and the GCP/CPCA</li> <li>Manage formal communications between the SPV and external stakeholders</li> <li>Maintain oversight of progression of internal (e.g. C2C / GCP corridors) and external (e.g. A10 project, Cambridge South development, EWR) schemes.</li> </ul>	<b>Undertake corporate activities</b> 	<ul style="list-style-type: none"> <li>Procure and oversee design services, surveys and other work needed to achieve these tasks, and project manage them</li> <li>Develop, own and provide internal assurance against Programme Controls processes (cost, schedule, risk etc.)</li> <li>Undertake the reporting necessary to satisfy itself and key external parties (e.g. DfT)</li> <li>Be responsible for all other corporate activities necessary to operate as a business including finance, commercial, procurement, HR, IT, legal, HSE and office management service</li> </ul>
<b>Funding and Partnering</b> 	<ul style="list-style-type: none"> <li>Manage the spending of the initial seed funding investment for the SPV (currently proposed to be funded by the LGF and CPCA)</li> <li>Secure funding for the further development of CAM to TWAO approval by the SPV once the initial seed investment has been utilised</li> <li>Prepare and negotiate structures for the funding, financing and contracting of construction and operation of the CAM</li> <li>Approach private sector and other stakeholders for funding, likely through partnerships of the development and/or construction of the CAM</li> <li>Managing and controlling spending of relevant budgets throughout the programme lifecycle</li> </ul>	<b>Prepare for project engineering phase</b> 	<ul style="list-style-type: none"> <li>Support the evolving understanding of technology requirements, and lead on the procurement of the innovation partnership that will establish the technology that CAM will use</li> <li>Establish data and asset management strategy and approach for future project phases</li> <li>Undertake supply chain procurement activities to appoint enabling works contractors</li> </ul>

# Balance of insource and outsource resources






The SPV will deliver the CAM using an augmented resource profile. The level of outsourcing depends on the accountability



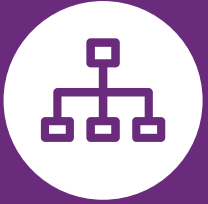


# Design principles

Design principles are guiding statements which help to shape and inform the organisational design and provide a framework to evaluate design options

DESIGN PRINCIPLE	IMPLICATION: the organisational design will...
 <p>1. The SPV organisational structure will be <b>scalable</b> to ensure the right <b>capability and capacity</b> to deliver each phase of the programme</p>	<p>a) evolve throughout the lifecycle of the programme. The organisational design will outline roles which are required Permanent ly within the organisation and those needed for particular phases ensuring there is the right capability and sufficient capacity at each stage in the programme</p> <p>b) enable the organisation to be scalable, with appropriate controls in place to remain within quality, time and budget commitments</p>
 <p>2. The SPV will have <b>oversight and assurance</b> of elements of CAM which are delivered through contracts</p>	<p>a) define the overarching capabilities needed to deliver the CAM and define which capabilities are delivered within the SPV and which are outsourced to contractors</p> <p>b) enable the SPV to work in partnership with contractors to deliver the CAM ensuring there are appropriate mechanisms in place to ensure the SPV, the delivery partner and the wider supply chain are aligned and integrated at each stage of the project lifecycle</p> <p>c) provide sufficient capacity and technical capability within the SPV to provide assurance on key elements of the programme which are outsourced to contractors</p>
 <p>3. The SPV will actively <b>engage with key stakeholders</b> and provide <b>sufficient assurance</b> to the CPCA</p>	<p>a) enable sufficient leadership roles to be outwards facing versus inwards facing</p> <p>b) promote effective interfaces with key stakeholders, for example the Mayor and the CPCA, allowing SPV leadership to shape and influence the delivery of CAM</p>
 <p>4. Have <b>lean and effective structures</b> that increase <b>empowerment</b> and have <b>clear accountabilities</b></p>	<p>a) clearly define roles and reporting lines, driving single points of accountability for different functions and activities</p> <p>b) ensure any “matrix” structures are clearly defined, with clear accountabilities and assigned leads across each dimension</p> <p>c) allocate strategic, tactical and operational decision making authority to the appropriate management level in the organisation, increasing empowerment at all levels of the organisation</p> <p>d) enable appropriate technical assurance, balancing the need to set tolerance levels to delegate responsibility with a need to maintain quality and reliability of outputs</p>
 <p>5. Promote <b>collaboration and integration</b> across the organisation, fostering a dynamic working environment where <b>innovation</b> is encouraged</p>	<p>a) align ways of working so that activities are done in a consistent way across the SPV, enabling alignment and collaboration</p> <p>b) incentivise collaboration across teams sharing ideas and resources, promoting different perspectives and challenge on key issues, combining services and creating synergies to deliver a high quality service</p> <p>c) embed innovation and use of new technology within the organisation</p>





# High level design

This section provides an overview of the high level design of the SPV

---

- a SPV Capability map
- b Recommended design
- c How it works in practice

# Recommended design: functional design

The following outlines the main functions in the SPV

## Strategy and Sponsorship

Strategy and Sponsorship will set the strategy for CAM and ensure the programme benefits are realised. This includes:

- Setting the strategy and aligned business plan
- Overseeing the regulatory process for CAM, including the OBC and FBC
- Owning and developing the SPV operating model at each stage of the programme lifecycle
- Acquiring and managing the funding for CAM across the programme lifecycle

## Stakeholder Engagement and Communications

Stakeholder Engagement and Communication will manage all engagement for the delivery of CAM working closely with the CEO and the Mayor. This includes:

- Managing senior stakeholder engagement working in conjunction with the CEO, for example with the CPCA, DfT
- Managing all public engagement including consultations
- Managing all external and internal communications

## Delivery

Delivery will ensure the design, engineering, construction and handover of the CAM system. This includes:

- Managing contractors to deliver the CAM system
- Oversees the delivery of the GCP routes
- Ensuring robust programme controls for the CAM programme
- Managing activity to enable delivery of CAM, for example consents

## Engineering

Engineering will provide specialist engineering expertise to Delivery and manage innovation across the CAM system. This includes:

- Providing technical expertise for the CAM network
- Supporting the innovation partnership procedure to develop new technology and liaising with the selected product creator into detailed design

## Corporate Services

Corporate Services will manage the internal running of the SPV to ensure it can function as an organisation. This includes:

- Providing key HR, Finance, Commercial and Procurement and IT and Data services
- Providing Legal advice where required, including managing IP

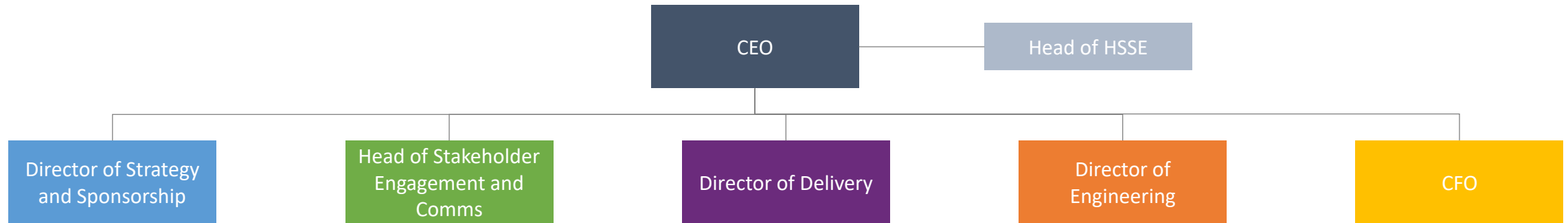
## HSSE

HSSE will ensure the Health, Safety, Security and Environment of the CAM Programme. This includes:

- Maintaining and ensuring compliance with appropriate environment, construction and safety standards
- Set the health and safety policy and culture for the CAM scheme

# Recommended design: L1

The following outlines the high level design for the SPV including the L1 structure



# SPV capability map

The capability map outlines the capabilities (mix of people, process and technology) which the SPV needs to undertake

Strategy and Business Planning			
Vision develop and materialisation	Business Planning (0-2 yrs)	Strategic planning (2-5 yrs)	Economic analysis
Capital investment decision making	Business strategy realisation	Assurance planning and integration	Corporate reporting inc stage gate reviews

Customer			
Demand analysis	Customer experience	Customer journey management	

Sponsorship			
Business case set up	Business case oversight and realisation	Benefits identification	Programme Assurance (IAS, IAAP)

Funding and Financing			
Financial strategy and planning	Private sector partnering and funding	Public sector funding	Financing
Commercial negotiation for partnering and funding	Land Value Capture	Related property commercial opportunities	Advertising and naming rights

Operating Model and Business Change			
Operating Model	Business change	Learning	Leadership development

HR			
Resourcing strategy	Recruitment and selection	On-boarding	Employee engagement
Performance management	Remuneration	HR Services (e.g. payroll)	Employee relations

Stakeholder Engagement and Comms			
Comms and engagement strategy	Marketing and branding	Media relations	Social media
Community engagement	Consultation	External stakeholder management	Government relations
Internal communications	Correspondence management	Events management	

Programme Management (inc Programme Controls)			
Programme Design and Control	Planning and Reporting	Risk and Issue Management	Outcome Management
Programme Support			

Consents			
Land referencing (TWA0 / DCO)	Planning Obligations (S106)	Planning Applications	Protective Provisions
Code of Construction Practice	Other 3rd Part Agreements	Asset Protection Agreements	Other consents

Property		
Property agreements	Property safeguarding and acquisition	Statutory and non-statutory compensation

Finance			
Financial Strategy	Financial reporting (including Public Sector Accounting)	Cash flow forecasting	Cash flow management
Payment management	Financial risk management	Financial modelling	Insurance (if required)
Tax management (if required)	Treasury (if required)		

Engineering and Design			
Digital Engineering	Asset management and maintenance	Systems engineering and assurance	Civil, Built Environment and Permanent Way
Geotechnical and Drainage	Station Systems	Signals and Telecoms	Power and Electrification
Rolling stock and depots	Carbon	Noise and visual impairment	Water and waste
Heritage			

Design			
Architecture	Landscape	Urban design	Arts and culture

Intellectual Property (IP)			
Develop IP (R&D)	Codify IP	IP Protection	IP Commercialisation

Health, Safety, Safety and Environment (HSSE)			
Health and Safety (inc well-being)	Quality	Security and Resilience	Workplace environment
Environmental minimum requirements	Environmental technical services (air, noise, water, heritage)	Environmental assurance and compliance	

Commercial and Procurement			
Commercial Strategy	Procurement execution	Market engagement	Contract Performance Management
Category management	Contract Integrity		

Facilities management	
Facilities management	Accommodation provisioning

Asset Management		
Asset maintenance strategy	Asset Management planning	Asset Management policy

Asset Information			
Asset Information Strategy	Asset information management	Asset Information Systems	Data acquisition technologies


Vehicle Operation and Maintenance			
Vehicle operations strategy	Vehicle operational readiness	Vehicle Maintenance	Fleet Management
Franchise Specification			

Network Operations			
Operational Strategy	Network operational readiness	Service planning	Asset Operation
Telemetry and SCADA	Asset management system monitoring	Possession management	Fault and Incident Management

IT and Data			
Technology strategy and architecture	Tech partnering and Innovation	Service integration and orchestration	Service Delivery
Data and analytics	Cyber security	Data compliance	

Legal			
Legal advice	Legal and regulatory compliance	Legal risk management	Corporate secretariat

## Key

 Future capabilities

Note: please refer the RACI spreadsheet for detail on the accountabilities across the SPV

# MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

## INDEX TO THE ARTICLES

### PART 1

#### INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms
2. Liability of members

### PART 2

#### DIRECTORS

##### DIRECTORS' POWERS AND RESPONSIBILITIES

3. Directors' general authority
4. Shareholders' reserve power
5. Directors may delegate
6. Committees

##### DECISION-MAKING BY DIRECTORS

7. Directors to take decisions collectively
8. Unanimous decisions
9. Calling a directors' meeting
10. Participation in directors' meetings
11. Quorum for directors' meetings
12. Chairing of directors' meetings
13. Casting vote
14. Conflicts of interest
15. Records of decisions to be kept
16. Directors' discretion to make further rules

##### APPOINTMENT OF DIRECTORS

17. Methods of appointing directors
18. Termination of director's appointment
19. Directors' remuneration
20. Directors' expenses

### PART 3

#### SHARES AND DISTRIBUTIONS

##### SHARES

21. All shares to be fully paid up
22. Powers to issue different classes of share
23. Company not bound by less than absolute interests
24. Share certificates
25. Replacement share certificates

- 26. Share transfers
- 27. Transmission of shares
- 28. Exercise of transmitters' rights
- 29. Transmitters bound by prior notices

#### DIVIDENDS AND OTHER DISTRIBUTIONS

- 30. Procedure for declaring dividends
- 31. Payment of dividends and other distributions
- 32. No interest on distributions
- 33. Unclaimed distributions
- 34. Non-cash distributions
- 35. Waiver of distributions

#### CAPITALISATION OF PROFITS

- 36. Authority to capitalise and appropriation of capitalised sums

### PART 4

#### DECISION-MAKING BY SHAREHOLDERS

##### ORGANISATION OF GENERAL MEETINGS

- 37. Attendance and speaking at general meetings
- 38. Quorum for general meetings
- 39. Chairing general meetings
- 40. Attendance and speaking by directors and non-shareholders
- 41. Adjournment

##### VOTING AT GENERAL MEETINGS

- 42. Voting: general
- 43. Errors and disputes
- 44. Poll votes
- 45. Content of proxy notices
- 46. Delivery of proxy notices
- 47. Amendments to resolutions

### PART 5

#### ADMINISTRATIVE ARRANGEMENTS

- 48. Means of communication to be used
- 49. Company seals
- 50. No right to inspect accounts and other records
- 51. Provision for employees on cessation of business

#### DIRECTORS' INDEMNITY AND INSURANCE

- 52. Indemnity
- 53. Insurance

## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

**1.** In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

### **Liability of members**

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS’ POWERS AND RESPONSIBILITIES**

#### **Directors’ general authority**

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

#### **Shareholders’ reserve power**

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

#### **Directors may delegate**

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney);



- (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;
- as they think fit.

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

### **Committees**

- 6.**—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

- 7.**—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If—
- (a) the company only has one director, and
  - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **Unanimous decisions**

- 8.**—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **Calling a directors' meeting**

- 9.**—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### **Participation in directors' meetings**

- 10.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **Quorum for directors' meetings**

- 11.**—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

### **Chairing of directors' meetings**

- 12.**—(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

## **Casting vote**

**13.**—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **Conflicts of interest**

**14.**—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **Records of decisions to be kept**

**15.** The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

## **Directors' discretion to make further rules**

**16.** Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

# **APPOINTMENT OF DIRECTORS**

## **Methods of appointing directors**

**17.**—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

## **Termination of director's appointment**

**18.** A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

## **Directors' remuneration**

- 19.**—(1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine—
- (a) for their services to the company as directors, and
  - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may—
- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

### **Directors' expenses**

- 20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

## **PART 3**

### **SHARES AND DISTRIBUTIONS**

#### **SHARES**

### **All shares to be fully paid up**

- 21.**—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

### **Powers to issue different classes of share**

- 22.**—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

### **Company not bound by less than absolute interests**

**23.** Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

### **Share certificates**

**24.**—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

### **Replacement share certificates**

**25.**—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **Share transfers**

**26.**—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **Transmission of shares**

- 27.**—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **Exercise of transmittees' rights**

- 28.**—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmittees bound by prior notices**

- 29.** If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

- 30.**—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **Payment of dividends and other distributions**

- 31.**—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
  - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.
- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—
- (a) the holder of the share; or
  - (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
  - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **No interest on distributions**

- 32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—
- (a) the terms on which the share was issued, or



(b) the provisions of another agreement between the holder of that share and the company.

### **Unclaimed distributions**

- 33.**—(1) All dividends or other sums which are—
- (a) payable in respect of shares, and
  - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.
- (3) If—
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
  - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

### **Non-cash distributions**

- 34.**—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—
- (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

### **Waiver of distributions**

- 35.** Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—
- (a) the share has more than one holder, or
  - (b) more than one person is entitled to the share, whether by reason of the death or
- bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **CAPITALISATION OF PROFITS**

## **Authority to capitalise and appropriation of capitalised sums**

**36.**—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **PART 4**

### **DECISION-MAKING BY SHAREHOLDERS**

#### **ORGANISATION OF GENERAL MEETINGS**

#### **Attendance and speaking at general meetings**

**37.**—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **Quorum for general meetings**

**38.** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **Chairing general meetings**

**39.**—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

### **Attendance and speaking by directors and non-shareholders**

**40.**—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

### **Adjournment**

**41.**—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
  - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
  - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **Voting: general**

**42.** A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **Errors and disputes**

- 43.**—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **Poll votes**

- 44.**—(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
  - (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **Content of proxy notices**

- 45.**—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the shareholder appointing the proxy;
  - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of proxy notices**

- 46.**—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

### **Amendments to resolutions**

- 47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

#### Means of communication to be used

- 48.**—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### Company seals

- 49.**—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
  - (b) the company secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **No right to inspect accounts and other records**

**50.** Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

## **Provision for employees on cessation of business**

**51.** The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

**52.**—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

### **Insurance**

**53.**—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.







**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR



# **CAM Special Purpose Vehicle (SPV) Initial Business Plan**

---

DRAFT July 2020

# Table of Contents

---

1. INTRODUCTION .....	4
1.1 Background .....	4
1.2 LTP Strategic Alignment .....	4
1.3 Purpose.....	4
1.4 Programme Vision.....	6
1.5 Mission Statement.....	6
2. ACCOUNTABILITIES AND ACTIVITIES.....	7
3. OPERATING MODEL AND STRUCTURE.....	11
4. YEAR 1 OBJECTIVES .....	13
5. RECRUITMENT AND STAFFING.....	14
6. SYSTEMS AND INFRASTRUCTURE.....	15
7. USE OF EXTERNAL SUPPLIERS.....	16
8. PROPERTY AND ASSETS.....	17
9. INFORMATION SHARING .....	18
10. DATA PROTECTION .....	19
11. FREEDOM OF INFORMATION .....	20
12. MARKETING STRATEGY.....	21
13. BUSINESS DEVELOPMENT .....	22
14. RISKS AND OPPORTUNITIES.....	23
15. BUDGET.....	24

# Version History

TABLE HEADING		
DATE	VERSION	NOTES
23/07/2020	Version 1	Initial Draft for SPV Executive Leadership Review

DRAFT

# 1. INTRODUCTION

---

## 1.1 Background

Cambridgeshire and Peterborough is a region of high economic significance to the UK economy. It is a renowned tech hub and its economic growth has significantly contributed to the UK as a whole. At the same time, Cambridge's future economic growth is under threat without investment in appropriate transport and housing infrastructure. Recent population growth in the region has not been matched with corresponding investments in housing and transport infrastructure. This has led to rising house prices and congestion, decreasing the quality of life in the region and driving many individuals and businesses away from the area. If not addressed, this predicament is expected to intensify in the future, negatively impacting the economic performance of Cambridgeshire.

As set out in the Cambridge and Peterborough Independent Economic Review (CPIER), the Cambridgeshire Autonomous Metro (CAM) will help unlock local and national growth. The CAM will harness regional resources and emerging technologies to improve the economic strength and social and environmental sustainability of the area. Once delivered, the CAM will reduce congestion, unlock housing opportunities, transform the local economy and enable continued sustainable growth in the Greater Cambridge area, at the same time supporting the UK as a whole.

Delivery of the CAM must be carefully managed – it is one of the CPCA's priorities, and as a large transport programme it is associated with risks and complexities. In order to overcome those risks and complexities, it is essential to establish a separate organisation that is solely focused and empowered to deliver the CAM. The SPV will be staffed with the required skills and capacity to oversee every stage. It will develop the concept and design of the CAM, obtain the Transport and Works Act Order (TWAO) and other relevant consents, enter into property deals with landowners for land required for the CAM, obtain funding and financing for the programme, and ensure appropriate community involvement.

Without the SPV, and the staff it will recruit, it would be impossible to realise the vision for the CAM. The dedicated staff, Board members, and private sector partners will be responsible for a number defined activities that are instrumental to delivering the CAM. The SPV will coordinate all those activities and the stakeholders responsible for performing them.

## 1.2 LTP Strategic Alignment

The CAM SPV as the method to deliver the CAM programme, as well as its objectives, align directly with the CPCA's CAM LTP Sub-Strategy to create an infrastructure backbone to promote regional growth. The CAM LTP Sub-Strategy will be a guiding document by which the SPV will develop and deliver the CAM.

## 1.3 Purpose

The purpose of the CAM SPV will be to develop and deliver the CAM programme in line with the vision and objectives outlined by the programme sponsor, the CPCA.

### Advantages of an SPV

An SPV was proposed as the best delivery option for the CAM programme for several reasons. First, it is an accepted and understood model. Government has experience with companies set up to deliver large infrastructure programmes, with examples like HS2, Crossrail and East West Rail Co., and an SPV will bring the right expertise to build Government confidence in the programme. An SPV also allows for the right balance of leadership, expertise, and dedicated resource. The SPV can provide critical leadership to guide the programme and manage relationships with

key stakeholders through the programme lifecycle whilst ensuring the programme can be innovative, sustainable and coordinate with multiple stakeholders and delivery/sponsor entities. Additionally, an SPV builds in necessary oversight and assurance into a programme of this size and complexity. The SPV will have an expert executive team to deliver the programme and have further oversight through a robust governance structure and CAM SPV Board that can provide critical guidance and programme assurance.

With a programme of this size also comes a large price tag. The CAM SPV provides the commercial environment to attract investment and promote to Government. The SPV will dedicate resource to bringing in private investment and credibly promoting the scheme to Government. This arrangement also allows the CPCA to convert capital to revenue. The CPCA can make its investment go further through the use of this model, which will help in the early stages of the programme as it develops and works to attract additional investment. This model ensures CPCA control while allowing investment to come forward. The CPCA will be the sole shareholder in the company and through an agreed governance structure, will retain some decision rights and strategic control over the programme, while allowing it to advance at pace, attract investment and meet the objectives outlined in the Local Transport Plan (LTP).

In delivery of large infrastructure programmes, there is no rule or agreed guidance on when a company should be set up and its accountabilities, because it should reflect the needs of the programme and where it is in its lifecycle. For East West Rail Co., a comparable case to the CAM, the company was set up to develop the programme business cases and apply for necessary consents, and was established three years prior to the selection of a preferred route option.

The CAM programme is even more unique in its desire to utilise innovative, green technology and bring a world-class system that is worthy and representative of the innovation of the Cambridgeshire region. To properly build a business case for the entire CAM scheme (which involves nine projects within the larger programme) and consider opportunities for innovation and how measure and mitigate risk associated with innovation, dedicated resource is required as soon as possible to allow the CAM to meet its objectives and deliver the required infrastructure backbone to support the economic growth of the region.

### Alternative Delivery Methods Considered

Several options to develop and deliver the CAM were considered by the CAM Delivery Committee. The other options explored were: 1) an urban regeneration company; 2) a joint venture with a private company; 3) a private sector third party as the promoter of the CAM under a contractual arrangement with the CPCA; or 4) continue with the CPCA as the promoter of the CAM. Further detail on why these alternatives were not recommended can be found below.

- 1) Urban regeneration companies are generally not responsible for delivery projects, particularly programmes of this size and complexity. These companies are usually charged with coordinating the regeneration of a specific urban area, and would still require funding and resources from the CPCA, without having the necessary expertise to deliver the CAM.
- 2) A joint venture would require a very carefully crafted contractual arrangement with the CPCA to ensure the delivery of the CAM to meet its stated objectives. Such a structure could also create challenges for financing the programme and could limit or complicate opportunities for further private involvement in the CAM through public-private partnerships.
- 3) Similar to a joint venture, this mechanism to deliver the CAM provides the CPCA with the least amount of control or authority over the programme and challenges related to meeting stated objectives of the programme.
- 4) By continuing with limited client-side technical and delivery expertise, there is a risk associated with the lack of assurance over the delivery of a complex programme with multiple component projects, some of which are being delivered by a separate entity (GCP). With a team made up of consultants under limited client oversight, further risks arise with consultants reviewing and assuring their own work, and not properly capturing the objectives outlined by the client and key stakeholders. Now that the CAM is building to a more joined-up,

integrated programme approach (versus focusing on the City Tunnel Section as a single, independent project), the current resource is not sufficient to advance a programme of this size and complexity.

To build the necessary resource within the CPCA to deliver the CAM programme would require major revenue investment, which would likely be unaffordable, particularly as this function would need to evolve over time to provide the right capabilities over the course of the programme lifecycle. In other words, capabilities needs to evolve as the programme moves from: strategy, feasibility, preliminary design and consents; through detailed design and construction; followed by operation, maintenance and asset management. The CPCA is a lean authority, and to hire the staff required to deliver the CAM over the course of its lifecycle would be inefficient and not a proper use of revenue for the CPCA in the long term.

## 1.4 Programme Vision

The following vision and associated benefit messages shown in *Figure A* will guide the CAM SPV in its development and delivery of the CAM programme. The vision covers the significance of the CAM locally, nationally and internationally, and can be tailored to inform messages to specific audiences.

*Figure A: CAM programme vision*

VISION	BENEFITS
<b>ACTS LOCALLY</b> By joining up housing and places of employment, levelling up communities and matching infrastructure to the quality of talent across Cambridgeshire	 <b>Improving transportation:</b> The CAM will result in reduced journey times, improved reliability and journey 'quality', reduced congestion, emissions, noise, road accidents and road maintenance costs.  <b>Unlocking housing:</b> the CAM will unlock and support additional housing developments in Cambridgeshire and Peterborough. In doing so, it will help improve affordability of housing by reducing the mismatch in the growth in jobs and housing.  <b>Facilitating local economic growth:</b> by creating conditions that accommodate additional population, and improving connectivity to employment sites, the CAM will enable population growth in the region, stimulating the region's productivity and local output.  <b>Protecting the environment:</b> by providing long term sustainable infrastructure for the next 100 years, the CAM will enable more sustainable urban development patterns. It will decrease congestion, carbon emission and air pollution in Cambridge.
<b>IMPACTS NATIONALLY</b> By nurturing our position as a net contributor to the economy	 <b>Unlocking output growth:</b> by connecting the main centres of employment with existing and future settlements across the cities and regions, the CAM will enable the growth of strategic industries that provide benefits to the wider economy.  <b>Improving productivity:</b> by facilitating further clustering, the CAM will support productivity growth through a faster and more effective exchange of knowledge, improving supply chains in critical industries and benefiting the national economy.
<b>ATTRACTS GLOBALLY</b> By providing the right infrastructure to attract global knowledge intensive businesses	 <b>Encouraging inward investment:</b> by decreasing the relative distance between key clusters around the city and across the wider region, CAM will link key growth areas, making the region more attractive to investment from people, organisations and businesses overseas.  <b>Attracting experts to the region:</b> by delivering on the local and national benefits of the CAM, and strengthening the region's reputation for being an innovative and highly productive place, the CAM will attract international experts, making the region even more internationally competitive.  <b>Boosting export opportunities:</b> by strengthening the globally competitive tech sectors, and building domestic experience in smart transport solutions that have global export potential, CAM will strengthen the UK's ability to reach into high value international markets.

## 1.5 Mission Statement

Once the CAM SPV CEO and Executive Leadership team have been recruited, it is recommended that team undertake a process to develop a mission statement, vision and organisation values for the CAM SPV, guided by the CAM programme vision and CAM LTP Sub-Strategy objectives.



## 2. ACCOUNTABILITIES AND ACTIVITIES

As previously mentioned, the CAM SPV will need to be a lean organisation that can adapt to the needs of the programme as it progresses through its development lifecycle, shown in *Figure B*. Each stage will require diverse and potentially specialised capabilities, which will be reflected in different activities to be undertaken by the organisation.

*Figure B: CAM delivery lifecycle*

### CAM DELIVERY LIFECYCLE (POTENTIAL TIMESCALES)



The CAM SPV will have several key accountabilities within its first 3-4 years of operation to progress the CAM programme through the consenting process, and engage in detailed design work. *Figure C* shows those accountabilities and activities.

*Figure C: CAM SPV key accountabilities and activities*



<p><b>Manage stakeholders</b></p> 	<ul style="list-style-type: none"> <li>• Own the consultation and stakeholder engagement activities related to the CAM scheme and relevant community involvement activities</li> <li>• Manage the governance and relationships between the SPV and the GCP/CPCA</li> <li>• Manage formal communications between the SPV and external stakeholders</li> <li>• Maintain oversight of progression of internal (e.g. C2C / GCP corridors) and external (e.g. A10 project, Cambridge South development, EWR) schemes.</li> </ul>
<p><b>Funding and Partnering</b></p> 	<ul style="list-style-type: none"> <li>• Manage the spending of the initial seed funding investment for the SPV (currently proposed to be funded by the LGF and CPCA)</li> <li>• Secure funding for the further development of CAM to TWAO approval by the SPV once the initial seed investment has been utilised</li> <li>• Prepare and negotiate structures for the funding, financing and contracting of construction and operation of the CAM</li> <li>• Approach private sector and other stakeholders for funding, likely through partnerships of the development and/or construction of the CAM</li> <li>• Managing and controlling spending of relevant budgets throughout the programme lifecycle</li> </ul>
<p><b>Manage the Regulatory and Business Case Process</b></p> 	<ul style="list-style-type: none"> <li>• With inputs from the relevant parties, manage and deliver the Outline Business Case (OBC), Full Business Case (FBC) and Transport Works Act Order (TWAO)</li> <li>• Define handover for operations of CAM</li> <li>• Own the systems safety and assurance, and operational certification processes.</li> <li>• Contribute to carbon net-zero regulatory planning.</li> </ul>
<p><b>Innovation and Technology</b></p> 	<ul style="list-style-type: none"> <li>• Define the level and scale of innovation suitable for CAM within the timelines agreed with the CPCA</li> <li>• Manage the innovation partnership procedure to define new technology (e.g., infrastructure, vehicle, etc.) to be used for the CAM system</li> <li>• Manage potential aligned technology to support the CAM system operations, (e.g., passenger transport app)</li> <li>• Manage the IP for CAM, ensuring that the commercial aspects of innovation and new technology are properly managed</li> </ul>



### Undertake corporate activities



- Procure and oversee design services, surveys and other work needed to achieve these tasks, and project manage them
- Develop, own and provide internal assurance against Programme Controls processes (cost, schedule, risk etc.)
- Undertake the reporting necessary to satisfy itself and key external parties (e.g. DfT)
- Be responsible for all other corporate activities necessary to operate as a business including finance, commercial, procurement, HR, IT, legal, HSE and office management service

### Prepare for project engineering phase



- Support the evolving understanding of technology requirements, and lead on the procurement of the innovation partnership that will establish the technology that CAM will use
- Establish data and asset management strategy and approach for future project phases
- Undertake supply chain procurement activities to appoint enabling works contractors

The CAM SPV structure, which is shown in the next section of this plan, was developed by creating a comprehensive capability map that shows the skillsets required to undertake the activities shown above. *Figure D* shows this capability map that supports the SPV accountabilities and activities, including some capabilities that will be more important as the CAM programme continues through its development lifecycle.

An important next step for the leadership of the CAM SPV will be to map these capabilities against the CAM programme lifecycle to inform required changes to the structure of the SPV and drive recruitment and/or procurement of new or additional services.

Figure D: CAM SPV capability map



## 3. OPERATING MODEL AND STRUCTURE

It is anticipated that the CAM SPV will be a private company limited by shares (given it is anticipated to have commercial function, HM Treasury Guidance requires public sector companies to be established in such terms), with Articles of Association which will establish the governance of the SPV. The governance structure will provide sufficient rigour for the period which the SPV remains under the control of the CPCA. While the SPV will be established as a public sector controlled company, it is the intention of the CPCA that this will have a strong commercial and corporate sector facing approach from the outset.

As the SPV develops the funding strategy for CAM and external partners are identified, subject to procurement and state aid analysis, the SPV will need to establish a contractual governance mechanism through an Investment and Shareholders' Agreement (ISA) to govern the relationship, decision-making and approvals between the SPV and the CPCA. It is envisaged that the CPCA will retain certain decision-making powers in accordance with its statutory function, CPCA Committee terms of reference, and potentially the CAM consenting strategy. The decision as to whether this is addressed in the ISA or separately retained oversight powers by the CPCA will be developed as part of the CAM consenting strategy.

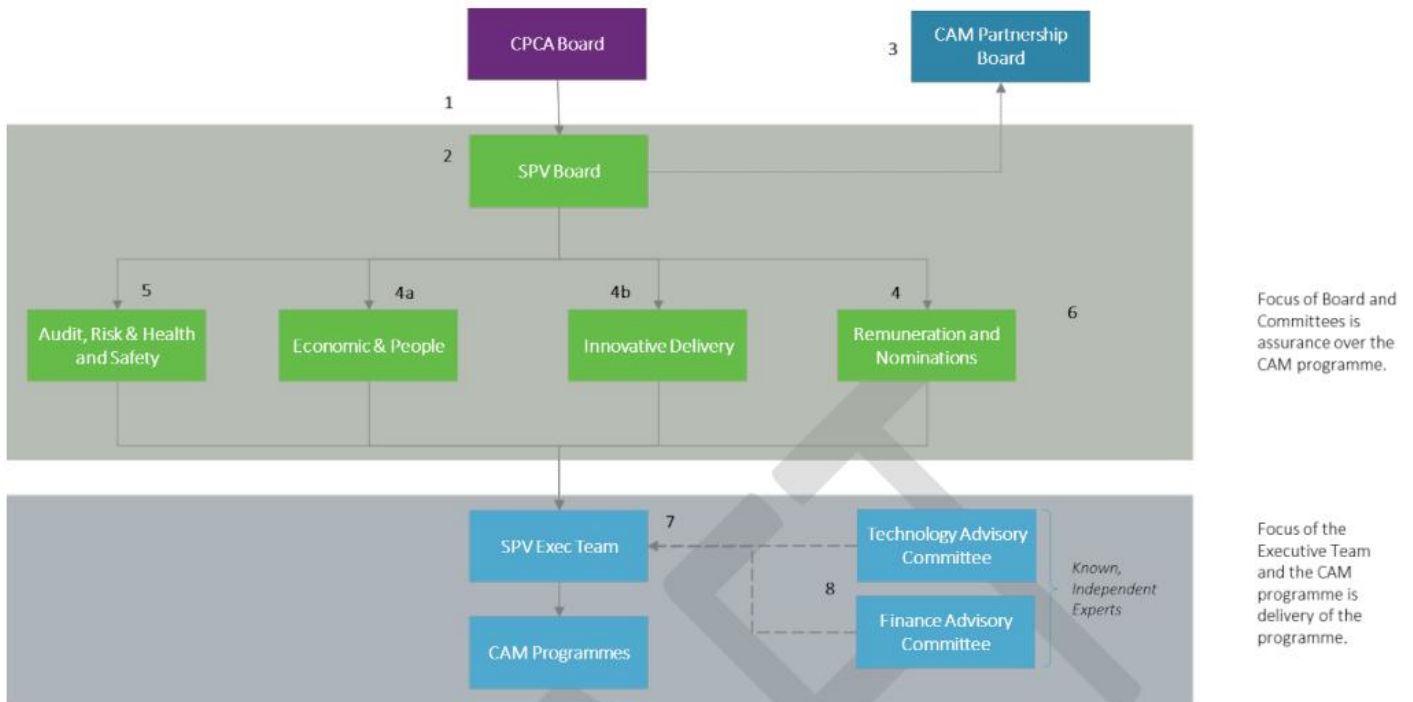
### CAM SPV Board

The SPV will have an independent Chair appointed by the CPCA based on relevant skills and experiences. The rest of the board (six Non-Executive Directors, CEO, and four Executive Directors) will be appointed based on the skills and experiences deemed necessary to drive the strategic vision of the CAM programme. There will be one shareholder representative director from the officer group at the CPCA, and the Mayor as an observer (to prevent conflicts of interest). Within the board governance structure, the SPV will have a Remuneration and Nominations Committee to determine the future skillset requirements of board members. Depending on funding sources in the future, different organisations could also be involved. The level of involvement will be dependent on level of funding / investment provided.

As depicted below in *Figure E*, the proposal is for the SPV Board to have four Sub-Committees: Audit, Risk and Health & Safety; Economic and People; Innovative Delivery; and Remuneration and Nominations. These are assurance based committees with Non-Executive Director chair and membership, supported by key Executive Directors. There is also a proposed Stakeholder Group to be utilised as required as part of the SPV's Stakeholder Engagement strategy. There will be regular engagement with both written progress updates as well as less frequent meetings.

This overall approach allows for the SPV to have a clear assurance and escalation framework in place, with the Board having overall responsibility for the SPV, tasked with ensuring that there is assurance on controls and the effective delivery of the CAM programme. The Board Sub-Committees seek assurance on strategic goals, strategic risks and overall performance. This is further supported by Non-Executive Directors holding Executive Directors to account in these Sub-Committees.

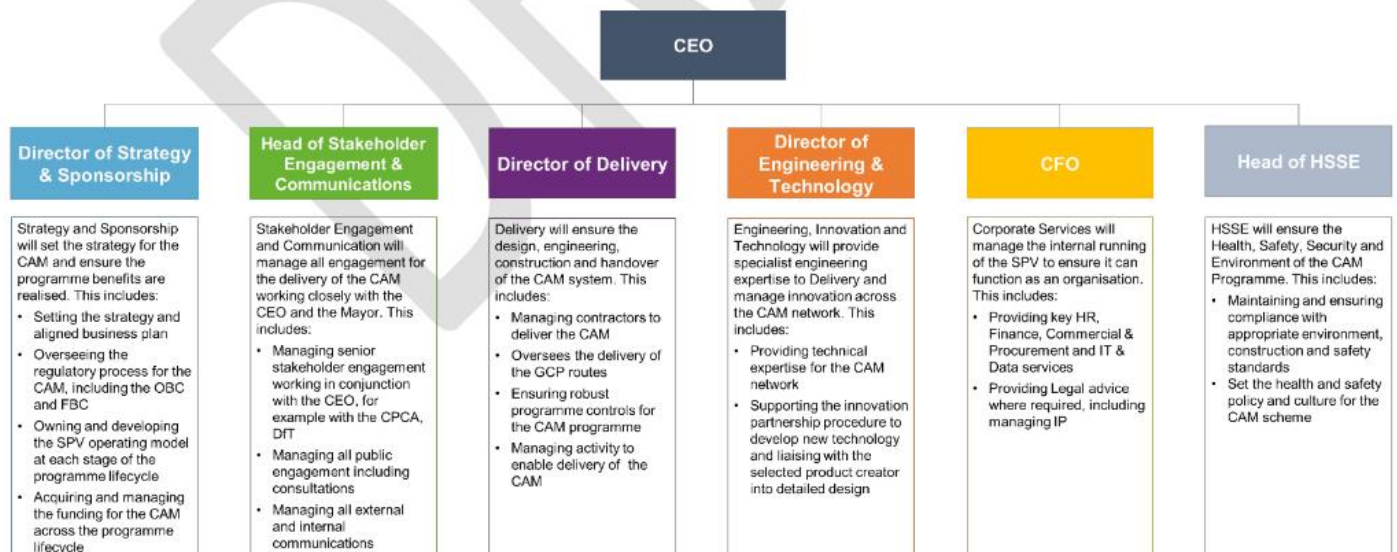
*Figure E: CAM SPV governance structure*



## CAM SPV Structure

It is anticipated that the SPV will deliver the CAM using an augmented resource profile, utilising contractors and consultants to supplement the resources held in house, which will oversee this contracted work and allow the SPV to take a risk managed approach. This will allow the design of the SPV to iterate over time to ensure it is fit for purpose at each stage of the programme lifecycle shown in *Figure B*, and remain lean and cost effective. The proposed high level design for the SPV will be approved by the CPCA and oriented around six functions as shown below in *Figure F*.

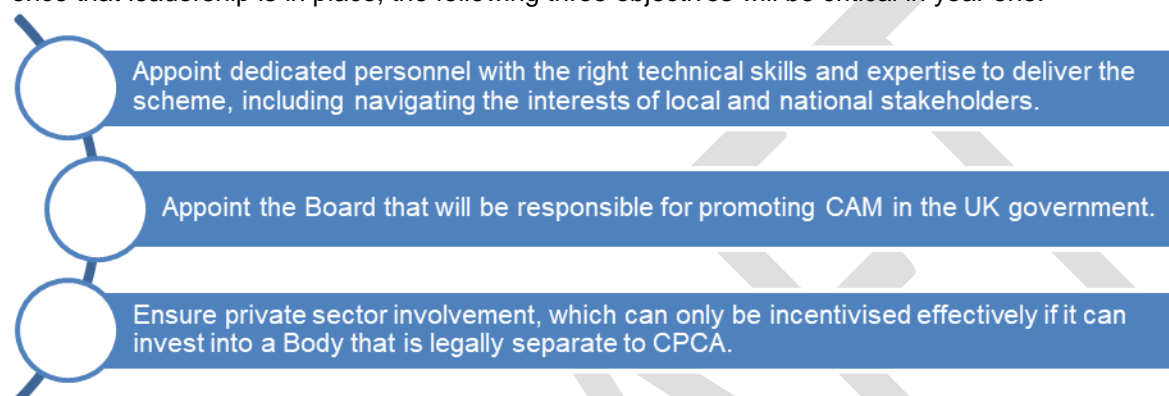
Figure F: CAM SPV high-level structure and function descriptions



## 4. YEAR 1 OBJECTIVES

As shown in *Figure B*, the current organisational design articulated accountabilities of the CAM SPV is focused on the initial stages of the programme in its development lifecycle. The accountabilities, activities and capabilities previously outlined are aligned to the objective of progressing the CAM programme through that development lifecycle, as the ultimate objective of the SPV is to deliver the CAM programme.

In its first year of operation, the CAM SPV will have specific and measurable objectives to meet, that will be monitored by the CPCA as the programme sponsor. While the CPCA will begin the process to recruit in key SPV leadership, once that leadership is in place, the following three objectives will be critical in year one:

- 
- 1. Appoint dedicated personnel with the right technical skills and expertise to deliver the scheme, including navigating the interests of local and national stakeholders.
  - 2. Appoint the Board that will be responsible for promoting CAM in the UK government.
  - 3. Ensure private sector involvement, which can only be incentivised effectively if it can invest into a Body that is legally separate to CPCA.

These objectives all align with the broader goal of building confidence in the delivery of the CAM programme and successfully promoting the programme externally, which should be measured by the securing of funding and financing for the programme.

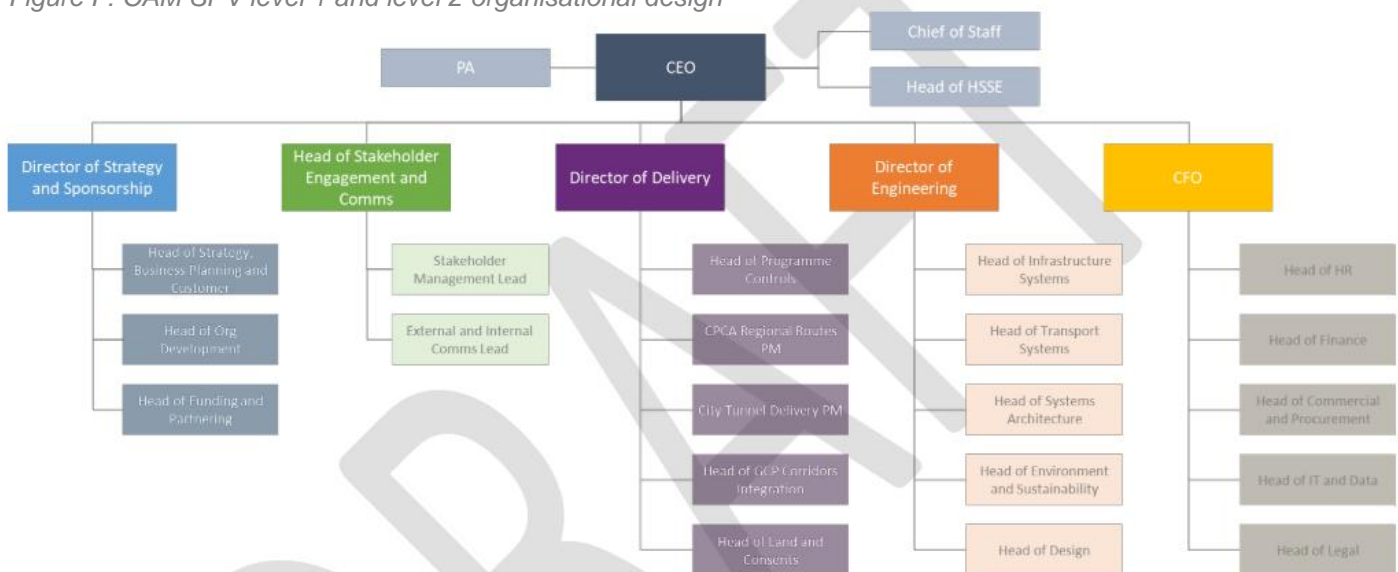
More tactically, in its first year, the SPV will be responsible for the development of an integrated programme-wide Outline Business Case through the CPCA Board and DfT, and preparing for the application of consents for component projects.



## 5. RECRUITMENT AND STAFFING

Recruitment of SPV resource will be planned around the requirements to deliver business cases and apply for consents based on the status of the CAM programme within the delivery lifecycle, shown in *Figure B*. The organisation will be built up over time as the programme continues through its lifecycle. *Figure F* shows the proposed level 1 and level 2 roles within the SPV that would likely be required for the programme to advance through consents and in to detailed design. It is anticipated that in its first 3-4 years, the CAM SPV could have 20-30 employees, but that number would have to be recruited over time as the roles are required and responsibilities are transitioned from the CPCA to the SPV. The organisational design shown in *Figure F* is subject to review and revision by the CAM SPV leadership, which will be the first to be recruited in to the organisation.

*Figure F: CAM SPV level 1 and level 2 organisational design*



The initial stage of recruitment for the CAM SPV to run until the end of 2020 will aim to identify candidates to fill the executive leadership roles within the organisation as shown in *Figure G*.

*Figure G: CAM SPV initial recruitment plan*

End 2020			
1	2	3	4
Role	Function	Rationale	Anticipated Start Date
CEO	Leadership	Required to provide leadership to the SPV and manage senior stakeholder interactions on behalf of the CAM programme	September-October 2020
PA	Leadership	Required for support to the CEO	October-November 2020
Director of Strategy Sponsorship	Strategy & Sponsorship	Required to oversee the regulatory process, including developing the Business Case for the SPV	November-December 2020
Delivery Director	Delivery	Required for the oversight of the early design of the CAM system and relevant inputs into the Business Case	January-February 2021
Engineering, Innovation & Technology Director	Engineering, Innovation & Technology	Required for the technical assurance of the design of the CAM system and relevant inputs into the Business Case	January-February 2021

The development of a more detailed recruitment plan and operating model for the SPV will be critical next steps to ensure the company is agile and tailored to deliver the CAM. These activities will require SPV leadership to be in place to lead the development of those plans.

## 6. SYSTEMS AND INFRASTRUCTURE

---

The CAM SPV will initially seek support from the CPCA to provide support services through a managed Service Level Agreement (SLA) for each support service, including key performance indicators, break clauses and remedies for non-performance. Initial key support services required will include:

- Finance – transactional finance functions and financial control activities
- IT – provision of IT equipment and services including helpdesk support
- Human Resources – payroll, recruitment and benefits support
- Procurement – marketing and contracting of suppliers

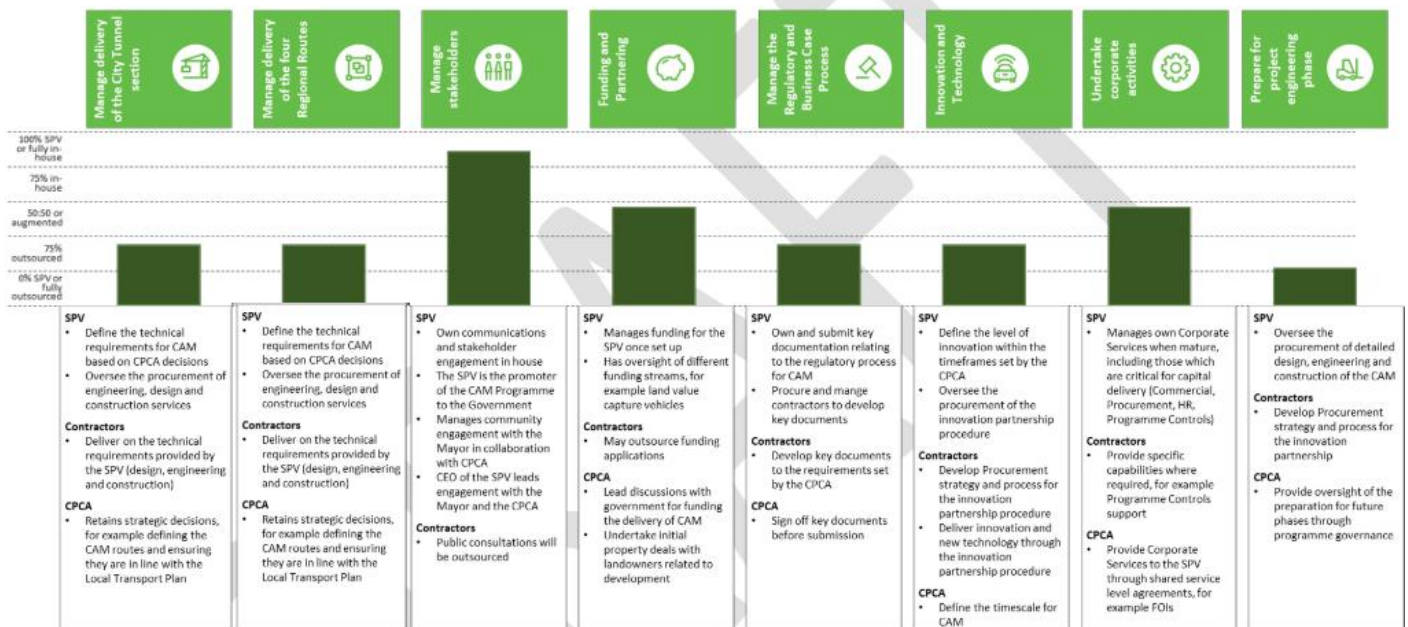
When appropriate and based on the recruitment plan to be agreed with the SPV CEO, the SPV will recruit its own key support services as shown in the “Recruitment and Staffing” section,

## 7. USE OF EXTERNAL SUPPLIERS

The CAM SPV will function as a lean organisation that can have the necessary agility to deliver the CAM programme over the course of its lifecycle as outlined in the previous sections. In order to maintain a lean structure, the SPV will utilise external suppliers for services to support the development and delivery of the CAM.

Figure H outlines an initial assessment of under which accountabilities the SPV will seek external support. Most notably, it is estimated that a majority of stakeholder engagement, management, and communications will be done in-house, with the exception of support during public consultation periods. Conversely, more supplier support will be sought to design the system and support technical, engineering, and construction work.

Figure H: Assessment of services to delivered within the SPV versus outsourced to suppliers





## 8. PROPERTY AND ASSETS

---

The CAM SPV will initially operation from shared offices with the CPCA at a location to be determined by the CPCA, particularly as the SPV will be minimally staffed in its first year of operations. Office accommodation arrangements will be reviewed frequently during the company's first three years of operations as it is expected to grow to a size of 20-30 employees by year four, at which time a separate office arrangement will likely be required.

Other potential assets to be owned and managed by the CAM SPV could include the intellectual property created through a design contest to create an innovative conceptual design for the CAM programme. Such a unique design would have value for the SPV to be marketed and sold to other regions interested in developing similar infrastructure systems. The CAM SPV's commercial and procurement strategies will determine how best to capture the value of any intellectual property and if it is to be shared with other partners.

DRAFT

## 9. INFORMATION SHARING

---

An information sharing process and appropriate tools will be identified upon the establishment of the SPV and initiation of activities.

DRAFT

## 10. DATA PROTECTION

---

The CAM SPV will comply with GDPR and other relevant legislation and guidance on data protection, including the adoption of suitable policies and procedures to ensure data is stored, managed and used safely and appropriately.

DRAFT

## 11. FREEDOM OF INFORMATION

---

As the CAM SPV will be wholly owned by the CPCA in its initial years of operation, the company will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI). As such, the company will maintain a records management system that complies with the relevant guidance concerning the maintenance and management of records.

The CAM SPV will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require, to answer requests it has received.

DRAFT

## 12. MARKETING STRATEGY

---

Upon the establishment of the CAM SPV Executive Leadership team, the marketing of the SPV will be assessed, including the naming of the company, logos and branding. Until that time, the CAM SPV will utilise the current CAM programme branding established by the CPCA and used in this business plan.

The CAM SPV's Head of Stakeholder Engagement and Communications will be in charge of the marketing strategy for the SPV, including its own branding, and messaging to be used in communication the CAM programme to local, national and international audiences.

DRAFT

## 13. BUSINESS DEVELOPMENT

---

The CAM SPV will be responsible for building and managing key stakeholder relationships, including, but not limited to, relationships with customers, partners, developers, landowners, contractors, advisors, the CPCA, as well as public sector partners, Government departments and Local Authorities.

The CAM SPV will be required to bridge the gap between the public and private sector to develop and deliver the CAM programme to achieve its objectives in connecting the region to affordable housing, jobs and new opportunities that can allow the economy to continue to grow.

The SPV will also be the promoter of the programme to all stakeholders to bring in partners and coordinate development of the CAM programme potentially across multiple delivery bodies in a responsible way. As the promoter of the programme, the SPV will be required to ensure the funding and financing of itself and the CAM programme through construction.

DRAFT

## 14. RISKS AND OPPORTUNITIES

---

The choice of delivering the CAM programme through the establishment of an SPV was made in part to reduce the risk of delivering such a large and complex infrastructure programme. There would be a significant risk in the CPCA carrying forward to deliver such a programme as it is a lean organisation without the required technical capabilities and experience. By handing over the CAM programme to an SPV, a specialised team can be recruited with an equally qualified Board to oversee it and provide critical assurance to the programme. Under the proposed governance structure, the CPCA is able to maintain control over critical decisions while allowing the daily activity of developing and delivering the CAM to a qualified, dedicated and specialised team.

Based on the above mentioned accountabilities to be undertaken by the CAM SPV and its anticipated activities, the following risks and opportunities have been identified. Risks and opportunities will be logged, regularly monitored, and managed.

### Risks

- The CPCA is unable to gain consensus across internal and external stakeholder groups causing inability to set up the SPV to deliver the programme
- The COVID 19 pandemic impacts the availability of suppliers or adequate funding, stifles recruitment, or otherwise impacts the schedule and delivery of the CAM programme
- The CPCA does not identify and suitably empower resources to support efforts to set up the SPV
- The CPCA does not identify sufficient funds to allow for the proper and timely set up of the SPV, as well as initial financial support to allow the SPV to become operational and identify opportunities to self-fund
- The CPCA is unable to articulate the company's organisational governance to describe the interactions and authorities between CPCA, other future sponsors and partners, and the new company
- The CPCA is unable to access, recruit and/or identify the required range of people to successfully run the SPV and deliver the CAM programme, or to sit on the SPV Board
- As the CPCA has critical decision making authority, such decision making is slow or unclear, putting the overall programme timetable at risk
- SPV staff commitment / motivation impacts on effective organisation set up, and further growth and delivery of the CAM programme
- The SPV is unable to efficiently liaise with a range of partner organisations, jeopardising efficient and effective collaboration that is essential to the success of the CAM programme

### Opportunities

- The creation of approximately 20-30 jobs within the SPV in the next few years with the potential for more jobs to be created as the programme progresses through its lifecycle
- The creation of indirect, highly skilled jobs for the regional population through the engagement of contractors and partners to support the innovative design and development of the CAM programme
- The creation of secondments within the SPV for employees of government organisations to increase the capability of the SPV and provide opportunities for public sector employees
- The linking of the CPCA, GCP and other key stakeholders to advance the CAM programme and associated benefits for the Cambridgeshire and Peterborough region
- The linking of local organisations like the University of Cambridge, Cambridge Business Park, among others, to input into the CAM programme
- Maintain and build upon Cambridgeshire's national and international standing as a highly skilled technology and science industry leader

## 15. BUDGET

The costs of the CAM SPV have been preliminarily assessed to reflect the establishment and first stage of recruitment, shown in *Figure 1* below (£ nominal). These are the operating costs of the SPV, which largely consist of staff costs for the roles described in the "Recruitment and Staffing" section of this plan. The current estimated cost for the SPV over FY20/21 and FY21/22 are estimated at £4.3m.

*Figure 1: CAM SPV Anticipated Costs from FY2020-2022*

<b>TOTAL</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total (2020/21 to 2021/22)</b>
Capital costs	£50,000	£250,000	£300,000
Staff costs	£1,077,596	£2,481,804	£3,559,400
Board costs	£38,025	£50,700	£88,725
<b>TOTAL</b>	<b>£1,165,621</b>	<b>£2,782,504</b>	<b>£3,948,125</b>
Contingency	£116,562	£278,250	£394,812
<b>TOTAL (including contingency)</b>	<b>£1,282,138</b>	<b>£3,060,754</b>	<b>£4,342,937</b>

The CAM SPV has been awarded £990k of Local Growth Funding (LGF) and £2m of CPCA Gainshare Funding to cover FY20/21 and FY21/22, including match funding to be sought from the LGF in parallel. The LGF funding is to be obtained in two tranches, one for costs up to 31 March 2021 and one for costs from April 2021 onwards. The first tranche of LGF funding (£999,000) was applied for in parallel with an application to CPCA, and the second will be applied for once the SPV is set up and the costings have been refined.

	<b>Financial Year</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Capital</b>	Local Growth Fund	£999,000	£999,000
	CPCA Gainshare Funding	£2,000,000	
	<b>Total</b>	<b>£2,999,000</b>	<b>£999,000</b>

The CAM SPV will have a funding and partnering function which will seek later stage development funding for the programme from private and public sector sources. The private sector sources targeted will be predominantly in Cambridgeshire. Some funding contributions may be in the form of land or work undertaken by private sector developers or property owners, linked to the property strategy for the CAM. The SPV will work with CPCA, GCP, MHCLG, DfT, HMT, Homes England and other relevant stakeholders in this work to access suitable funding streams.

The CAM SPV will also develop, with private sector partners and investors, the arrangements for construction of the CAM in phases to be agreed, and also for the funding and financing of this construction. These various aspects of the programme will be linked and the scope of innovation in the programme will also affect the choice of feasible funding and financing options. There is a range of potential options for the funding, financing and construction of the CAM to be assessed in the light of the appetite of private funding and finance providers, in addition to CPCA's objectives. The SPV will undertake this assessment and undertake the necessary negotiations with other parties.





## **CAM SPV**

# **INDEPENDENT CHAIR AND BOARD MEMBERS APPOINTMENT**



## **Cambridgeshire Autonomous Metro (CAM)**

The Cambridgeshire and Peterborough Combined Authority (CPCA) is the Transport Authority responsible for transport planning and public transport. It brings together the councils of the area and is led by the elected mayor.

The vision is for an expansive metro-style network that seamlessly connects regional settlements, major city fringe employment sites and key satellite growth areas across the region with key railway stations and Cambridge city centre, helping to nurture and sustain long-term regional economic growth. CAM is currently expected to use a technologically advanced, sustainable, highly flexible trackless electric vehicle.

The CAM network will comprise both tunnelled and surface elements and will be delivered over the next decade:

- The City Tunnel Section, which is the subject of this consultation, will include new underground tunnels and stations under the city of Cambridge, with planned major interchange hubs at the city centre and at Cambridge railway station;
- Four regional routes will connect St Neots, Alconbury, Mildenhall and Haverhill with the city of Cambridge and, through the central tunnelled section, with each other.

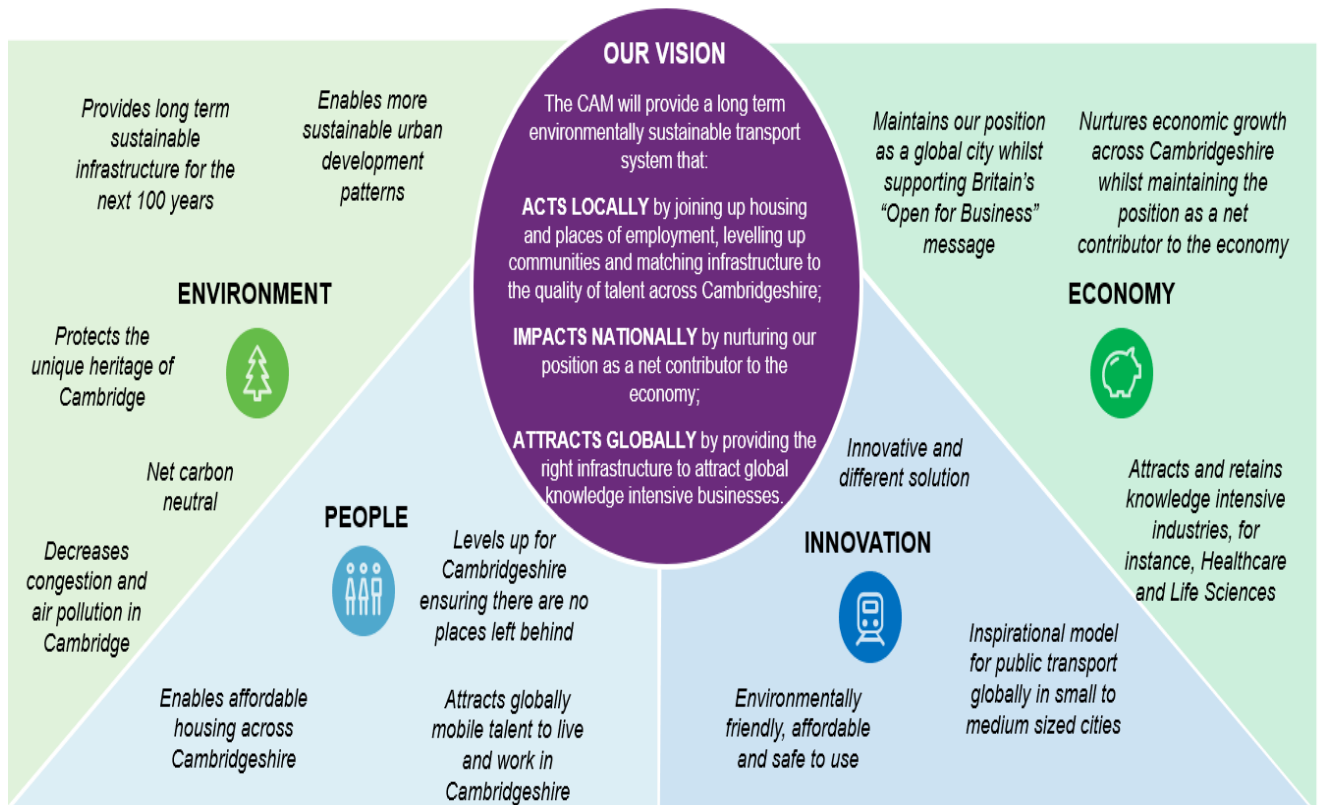
## **Development of the Special Purpose Vehicle (SPV)**

Based on the recommendations of the Delivery Sub-Group, the CPCA CEO commissioned Deloitte to provide an initial organisational design and governance structure to prepare for the establishment of an SPV to be responsible for delivering the CAM and apply for funding should this direction be agreed. A visioning exercise was undertaken to clearly articulate the purpose of the SPV, agreeing that, fundamentally:

*The CAM will provide a long term environmentally sustainable transport system that:*

- *Acts Locally by joining up housing and places of employment, levelling up communities and matching infrastructure to the quality of talent across Cambridgeshire.*
- *Impacts Nationally by nurturing our position as a net contributor to the economy.*
- *Attracts Globally by providing the right infrastructure to attract global knowledge intensive businesses.*

This vision statement and goals, shown overleaf on page 4, forms the basis of the SPV design, determining its key accountabilities and the focus of the SPV governance structures.





### ***SPV Board***

The SPV Board would have no political representation, and include an independent Chair, six independent Non-Executive Directors (NEDs) and the following SPV Executive Directors (EDs): CEO, Strategy and Sponsorship Director, Delivery Director, Engineering Director, and, the Chief Finance Officer. The independent Chair will be appointed by the CPCA based on relevant skills and experiences.

As the SPV will initially be wholly owned by the CPCA, there will be one shareholder representative director from the CPCA officer group, and the Mayor as an observer (to prevent conflicts of interest). As an observer there will be no expectation of taking part in, or commenting on, discussions unless specifically invited to by the SPV Chair.

All members of the SPV Board will be appointed based on the skills and experiences deemed necessary to drive the strategic vision of the CAM programme.

### ***CAM Partnership Board***

The CAM Partnership Board will remain as a forum for information sharing and engagement by the SPV in line with its stakeholder engagement strategy. It is not part of the decision-making structures. A programme of bi-yearly meetings and regular update newsletters would keep members informed. Membership of this group would likely include members of the current CAM Partnership Board and other interested stakeholders. It is anticipated that members of this group will include those local organisations with transport powers and authorities.

### ***SPV Board Committees***

The SPV Board Committee structure is aligned to the CAM vision and strategic priorities (Environmental; People; Innovative; and Economic). This follows leading practice and aligns the governance with the goals of the SPV, enabling the Board and its committees to be focused on strategic delivery and the associated risks.

The proposal is to have four Board Committees: Audit, Risk and Health & Safety; Economic and People; Innovation Delivery; and Remuneration and Nominations. These are assurance-based committees with Non-Executive Director chair and membership, supported by key Executive Directors.

This overall approach creates a clear assurance and escalation framework in place, with the Board having overall responsibility for the SPV and is tasked with ensuring that there is assurance on controls and the effective delivery of the CAM project. The Board Committees will seek assurance on strategic goals, strategic risks and overall performance.



## **RECRUITMENT PROCESS:**

### **Independent Chair, and Directors - Assignment and Objective**

- Initial briefing – Project team timeline and fixed key dates agreed
- Finalise role briefs, role descriptions, specifications
- Role announcements and advertising
- The selection and interview panel will comprise the Mayor (or the Deputy Mayor), the CPCA Chief Executives, a consultant representative of Deloitte MCS LTD, and a member of the Combined Authority Board [NB: the appointment of the Chair will precede the appointment of the Directors in order to benefit from the involvement of the Chair in those appointments]

### **Independent Chair**

#### **Candidate searches and selection**

- CPCA to agree interview panel with authority to recruit granted by the CA Board
- Public advertisement & research to identify candidates
- Screening process to produce long list
- Report long list results to Kim Sawyer and John Hill for selection of short list

#### **Interview**

- Schedule/ Co- ordinate interviews with candidates
- Conduct interviews (as described in the following table)

### **Appointment**

- Due diligence checks to be carried out by CPCA HR
- Notify preferred candidate
- Appointment of Independent Chair at September meeting CA Board
- Candidates sent Code of Conduct & Register of Interest form
- Formalisation of Appointment of Independent Chair by CAM SPV (week following the CA Board)
- Formal appointment letter issued
- Induction pack, interests, and code of conduct declaration

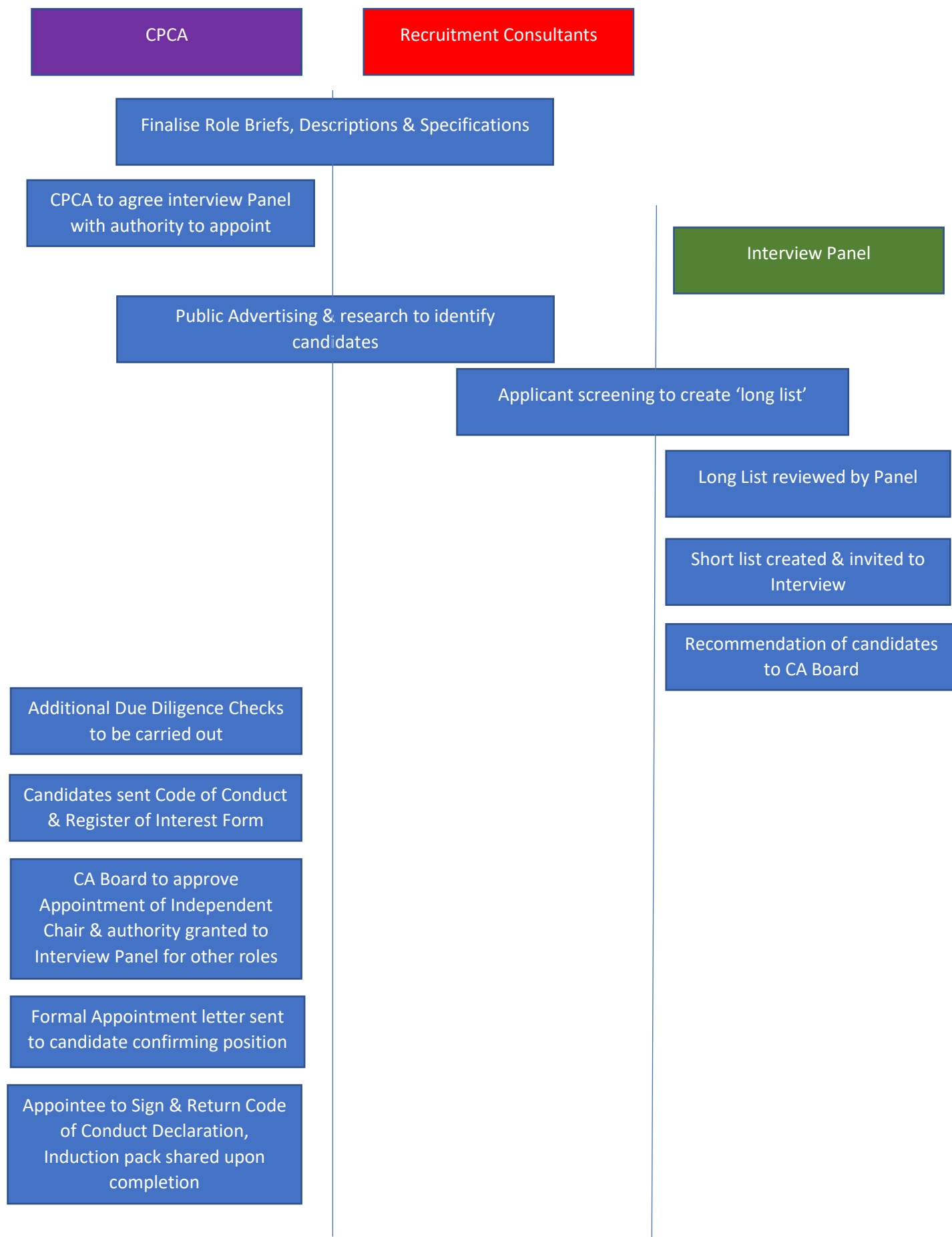


<b>Independent Chair, and SPV Board Members - Assignment and Objective</b>	
<b>PROPOSED TIMELINE</b>	<b>TIMIING</b>
<ul style="list-style-type: none"> <li>Initial briefing – Project team timeline and fixed key dates agreed</li> <li>Finalise role briefs, role descriptions, specifications</li> <li>Role announcements and advertising</li> </ul> <p>[NB: the appointment of the Chair will precede the appointment of the Directors in order to benefit from the involvement of the Chair in those appointments]</p>	<p><b>Weeks 1-2</b></p> <p>Week commencing 27th July - 7th August</p>
<b>Candidate Search &amp; Selection</b>	
<ul style="list-style-type: none"> <li>CPCA to agree interview panel with authority to recruit granted by the CA Board</li> <li>Public advertisement &amp; research to identify candidates</li> <li>Screening process to produce long list</li> <li>Report long list results to Kim Sawyer and John Hill for selection of short list</li> </ul>	<p><b>Weeks 3-5</b></p> <p><b>Week Commencing 10th – 28th August</b></p>
<b>Interview</b>	
<ul style="list-style-type: none"> <li>Schedule/ Co- ordinate interviews with candidates</li> <li>Conduct interviews (as described in the following table)</li> </ul>	<p><b>Week 6</b></p> <p><b>Week Commencing 31<sup>st</sup> Aug – 4<sup>th</sup> September</b></p>
<b>Appointment</b>	
<ul style="list-style-type: none"> <li>Due diligence checks to be carried out by CPCA HR</li> <li>Notify preferred candidate</li> <li>Appointment of Independent Chair at September meeting CA Board</li> <li>Candidates sent Code of Conduct &amp; Register of Interest form</li> <li>Formalisation of Appointment of Independent Chair by CAM SPV (week following the CA Board)</li> <li>Formal appointment letter issued</li> <li>Induction pack, interests, and code of conduct declaration</li> </ul>	<p><b>Week 7- 8</b></p> <p><b>Week Commencing 7<sup>th</sup> – TBC at September CA/SPV Board</b></p>



## **SPV Board Members**

- SPV Board members will be recruited after the independent chair appointment confirmation to allow Chair involvement in the board recruitment process.







**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR





## **Job Description CAM SPV Chair (Draft)**

**Salary:** Remuneration for the Chair role is set at [ ] per annum. There will be four Board meetings per year plus any extraordinary meetings as well as advisory and sub-committee meetings/Partnership Board meeting where appropriate. This will equate to one day per month of time commitment. (TBC)

### **Reports to:**

The CPCA Mayor and Board

### **Main Purpose:**

1. To provide independent leadership and strategic vision.
2. To chair the SPV Board.
3. To ensure the SPV Board has an independent objective and authoritative identity.
4. To ensure that the SPV Board operates effectively in promoting the purpose of the entity.

### **Key Responsibilities:**

1. Chair Board meetings 4 times per year (TBC) and any extraordinary meetings as required in an effective and professional manner including the setting of agendas, approval of minutes and management of associated business.
2. Ensure that the SPV Board works effectively, with good collaboration between its members.
3. Provide assurance that the SPV Board operates independently of the Combined Authority and that any conflicts of interest are appropriately managed.
4. Provide leadership, advice and guidance to SPV Board members.
5. Oversee the production of the CAM SPV annual report and business plan.
6. Facilitate discussion on the SPV Board budget.
7. Provide independent arbitration as necessary when conflicts of interest arise within the SPV Board.
8. To represent the CAM programme externally.

9. To implement the Chair's duties in an impartial and equitable manner, without favour.
10. Meet with the Combined Authority's Corporate Management Team and Officers as required.
11. Undertake any other duties as may be needed from time to time as necessary and appropriate to the role.
12. To lead the Board, sets its Board Agenda which should be primarily focused on strategy, performance, and values.
13. To promote a culture of openness and debate – managing the Board's relationship with the executives, in particular the CEO and ensure the Board is an effective working group.
14. To support the CAM SPV CEO (it is the CEO's responsibility to run the Company).
15. To demonstrate the highest standards of integrity and probity, and set clear expectations concerning the company's culture, values and behaviours, and the style and tone of Board discussions.
16. To conduct Board meetings effectively getting all Directors including the Non-Executive Directors involved in the Board's work and ensuring the Board focuses on its key tasks.
17. To ensure effective communication with shareholders/stakeholders (as appropriate).
18. To take responsibility for the Board's composition, development and succession planning.
19. Strategic and commercial expertise combined with highly effective influencing and communication skills.
20. Entrepreneurial skills and able to add commercial value.
21. Knowledge and understanding of complying with good Corporate Governance.
22. Experience of risk identification and risk management.
23. Understanding of financial planning, monitoring financial performance and accounting.
24. Strong interpersonal and negotiation skills.
25. Skills experience to be an effective Chair.
26. Able to analyse facts and make reasoned judgments, constructively challenge and while accepting accountability and the collective decision making of the Board.

## PERSON SPECIFICATION

### INDEPENDENT CHAIR OF THE CAM SPV

PERSONAL QUALITIES	KNOWLEDGE	EXPERIENCE	SKILLS
ESSENTIAL	ESSENTIAL	ESSENTIAL	ESSENTIAL
<p>Personal gravitas to lead an ambitious and significant infrastructure project</p> <p>Demonstrate tact and diplomacy with the ability to listen and engage effectively</p> <p>Capable of listening, considering and understanding potentially complex and inter-linked situations and opportunities</p>	<p>Broad understanding of public and private sector organisations</p> <p>Broad understanding of finance</p> <p>Working knowledge of major infrastructure projects</p> <p>Broad understanding of HM Government processes and procedures related to infrastructure development</p>	<p>Operating at a senior strategic leadership level within an organisation</p> <p>Successful track record of achievement throughout their career in business</p>	<p>Communication skills: interpersonal, presenting, media relations and maintaining positive public and professional profile.</p> <p>Ability to influence key stakeholders and decision makers.</p> <p>Assertive, clear thinking and able to negotiate.</p> <p>Problem solving skills; ability to identify issues and areas of risk, and lead members of the Board to effective resolution and decision.</p> <p>Chairing skills: ability to organise, coordinate and follow through on key decisions; manage competing or differing views, and positively challenge to achieve the desired outcome.</p>

27.





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.3</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **A10 JUNCTIONS AND DUALLING STRATEGIC OUTLINE BUSINESS CASE**

### **1.0 PURPOSE**

- 1.1. This report presents for the Board's approval the Strategic Outline Business Case (SOBC) for dualling the A10 between Cambridge and Ely and upgrading junctions on that section of the route, reports on public engagement about the options, and proposes next steps.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Delivery and Strategy Director</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Approve the Strategic Outline Business Case and agree in principle to proceed to Outline Business Case, subject to the outcome of funding discussions with the Department for Transport;  (b) Note the views of residents and businesses in response to the Virtual Public Exhibition.	<b>Voting arrangements</b>  Simple majority of all Members

## 2.0 BACKGROUND

- 2.1. The A10 between Ely and Cambridge spans just over 13 miles and is part of the longer route between London, Cambridge and King's Lynn. It is a strategic route for regional freight. But it is also a key road linking local communities and is heavily used by commuters. More than 18,000 vehicles use the road every day.
- 2.2. The route suffers from serious congestion leading to excess journey times. The safety record of this stretch of road is also unsatisfactory: between January 2014 and November 2019 it has seen 5 fatalities, 39 serious injuries, and 157 more minor injuries.
- 2.3. The Ely to Cambridge corridor has been identified in Local Plans as a focus for significant growth, linking Greater Cambridge to the wider Cambridgeshire area. Planned development includes:
  - Waterbeach Garden Town (potential for 11,000 homes)
  - Cambridge Fringe North East
  - Developments on the Cambridge Science Park and neighbouring innovation centres and business parks
  - Enterprise Zone growth at Ely
  - Housing growth North of Ely (3,000 homes).

An increase in transport capacity is necessary to support that growth.

- 2.4. The Devolution Deal committed the Combined Authority to recognise the significance of the A10. The Cambridgeshire and Peterborough Independent Economic Review stated in its final report that "an upgrade to the A10 bringing Ely and its environs into the Cambridge travel to work area seems to us the kind of strategically desirable scheme likely to score well on appraisal". The A10 corridor is identified as a key priority in the Authority's Growth Ambition Statement and is a Key Project in the Business Plan. The need to upgrade the A10 is also highlighted in the Local Transport Plan which the Board adopted in January of this year.
- 2.5. The Combined Authority Board agreed in 2019 to develop a strategic outline business case (SOBC) for dualling the A10 and making junction improvements between Milton and the A142 roundabout south-west of Ely.
- 2.6. A contract to develop the SOBC was awarded in December 2019 to Jacobs following a competitive procurement exercise.
- 2.7. The budget for the SOBC was set by the Board at £500,000. The work has been delivered comfortably within that budget, and on time.
- 2.8. Also during 2019, bids relating to the A10 were submitted to the Department for Transport (DfT) for its Major Route Network (MRN) and Large Local Majors (LLM) funding schemes for junction improvements and dualling. In this year's



Spring Budget, the government announced that it would support the MRN junctions bid. The LLM bid for dualling is expected to be determined later this summer.

### 3.0 STRATEGIC OUTLINE BUSINESS CASE SUMMARY

- 3.1. The final SOBC report is annexed to this paper and is summarised here. The document follows the principles of HM Treasury's Green Book and is set out in line with the five-case model.
- 3.2. The Strategic Case identifies scheme objectives that map onto the objectives of the Local Transport Plan and Local Industrial Strategy, as well as national policy objectives.
- 3.3. The SOBC initially developed 78 route options. A multi-criteria assessment (MCA) informed by the scheme objectives was used to reduce that to a 'long list' of 24 options and subsequently to 7 ranked options.
- 3.4. The options are labelled as;

A	Online and offline (Bypass to West of Stretham)
B	Online and offline (Bypass to East of Stretham)
C	Offline dual carriageway Milton to Waterbeach and Junction improvements to North
D	Complete offline dual carriageway to West of existing A10
E	Online dual carriageway (Bypass to West of Stretham)
F	Online dual carriageway Milton to Waterbeach and Junction improvements to North
G	Improvement to the scoped junctions alone

These can be found in Appendix 2.

The options include provision for active travel improvements as well as motorised traffic, and the SOBC reflects the Combined Authority's policies on increasing nature and achieving net zero carbon by 2050.

- 3.5. The Strategic case concludes that intervention is necessary to support growth and reduce congestion. It also concludes that the seven options would offer an opportunity to do that in a way that has a good strategic fit with national and local policy objectives.
- 3.6. The Economic Case assesses the options in accordance with the Department for Transport's (DfT) Technical Appraisal Guidance (TAG) to establish the value for money of each option as measured by the benefit cost ratio (BCR).
- 3.7. DfT guidance is that projects with a benefit cost ratio greater than 2 are considered to give 'High' value for money. The Combined Authority's

Assurance Framework says that the CA would normally require a scheme to offer a BCR above 2 before investing in it.

- 3.8. Almost all the options set out in the SOBC comfortably exceed that value for money benchmark. The dualling options A-F have BCRs above 4, which is considered “Very High” value for money. Option G (junctions only) offers “Medium” value for money on the BCR measure. Scheme costs and BCRs are summarised in the table below.

£ million	Option A	Option B	Option C	Option D	Option E	Option F	Option G
Construction	216.8	219.8	95.2	255.3	205.2	82.4	31
Preparation (inc design)	26.6	26.6	13.1	26.9	26.5	13.0	5.2
Total Capital	243.4	246.4	108.4	282.2	231.7	95.3	36.2
Maintenance	24.8	25.2	10.5	29.2	23.5	9.0	3.1
<b>Total</b>	268.2	271.6	118.9	311.4	255.2	104.3	39.3
BCR	5.5	5.4	5.7	4.3	5.2	4.6	1.9

- 3.9. The Financial Case considers options for funding the scheme. It concludes that the majority of funding should be sought from central government. This is in line with the strategy the Combined Authority has adopted to date. The LLM and MRN funds both require a local contribution to complement central government funding.
- 3.10. The Commercial Case considers options for procuring the delivery of the scheme. At this stage, the conclusion is that the Combined Authority should seek to let a contract on the Early Contractor Involvement model through an open Official Journal (OJEU) notice process. This thinking will be further developed at OBC stage.
- 3.11. The Management Case considers project governance and assurance mechanisms, analyses project risks, and discusses public engagement to date. It sets out an outline project plan which suggests the scheme could be open to the public by 2028, together with outlines of an Assurance and Approval Plan, a Communications and Stakeholder Management Plan, and a Risk Strategy. The options it describes for a project management approach will be further refined at OBC stage.

## COMMUNITY ENGAGEMENT

- 3.12. The development of the SOBC has been shaped by ongoing discussions with key stakeholders and engagement with the local community. A Technical Officers Liaison Group and Member Steering Group have each met twice to support the options development process.
- 3.13. It was part of the SOBC plan to hold public engagement events to test the options as they were developed. Since Covid restrictions made it impossible to hold face-to-face engagement events, a virtual public exhibition took place between 24 June and 14 July 2020.
- 3.14. Attendance is set out in the table below.

Unique visits to web site	6,535
Comments left on survey	709
Emails to the dedicated project email account	83

East Cambridgeshire District Council also submitted formal comments.

- 3.15. The responses indicated significant support for intervention, although there was a spread of opinion about the options. Issues raised included potential impacts on communities along the route, and a question was raised about the correct approach to the conclusion of the route at Ely. Public and member feedback will be taken into account in scoping the brief for the OBC stage of the project.

## NEXT STEPS

- 3.16. The SOBC concludes that there is a good strategic case for intervention on the A10 and identifies options that would provide very high value for money. On that evidence, a case is made out for the Board to take this project to Outline Business Case stage. The SOBC describes for each of the five cases the further work that would be needed to develop the project as an OBC. In particular, that would involve taking public feedback on board, and undertaking more detailed traffic modelling of the current seven options to enable a shorter list of options to be taken to formal public consultation before the selection of a preferred option.
- 3.17. As mentioned in paragraph 2.8 above, the Government has announced that it would support the next stage of work on A10 junctions, although no figure has been put on that support yet. A decision on the Combined Authority's Local Large Majors (LLM) bid for dualling is, officers understand, imminent. Officers expect that the Combined Authority would make a local contribution to the cost of the OBC work, and a budget line of £2 million, which is still subject to the Board's approval, has been provided in the MTFP. Officers will present a further paper to the Board reporting the outcome of the funding discussions with DfT and seeking approval of a final commitment within the available envelope.

3.18. Greater engagement with stakeholders, landowners, communities, and the general public will take place during OBC stage. This will include formal public consultation to inform option selection.

3.19. The Combined Authority team will continue working closely and collaboratively with interfacing projects such as the Greenways project and the CAM. A working group has been set up to include Highways England, Cambridgeshire County Council and the Greater Cambridge Partnership to take forward work on the interface between the A10 business case and the Milton interchange of the A14. Although that interchange was not within the scope of the SOBC, this is identified as an important interdependency in the SOBC work and the Combined Authority will give it close attention in collaboration with partners as the work progresses.

#### **4.0 OTHER SIGNIFICANT IMPLICATIONS**

4.1 None not reported above.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1. At its June 2020 meeting the CPCA Board amended the MTFP to budget a total of £2 million for next steps on the A10, over the two years 2020-21 and 2021-22. Paragraph 3.17 above notes that the Board will at a future meeting be asked to approve a drawdown on that Budget envelope for the Combined Authority's contribution to the OBC stage in the light of discussions with DfT about cost sharing.

5.2. As required by the Combined Authority's assurance framework, an independent review of the Strategic Outline Business case has been undertaken which confirms the SOBC's value for money assessment of the options proposed.

#### **6.0 LEGAL IMPLICATIONS**

6.1. The recommendations accord with CPCA's powers under Parts 3 and 4 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (S1 2017/251)

#### **7.0 APPENDICES**

Appendix 1 - A10 Dualling and Junctions Strategic Outline Business Case.  
This document is available to view at:

<https://cambridgeshirepeterborough-ca.gov.uk/about-us/programmes/transport/a10/sobc-board-papers-582020/>

Appendix 2 – Route options A-G

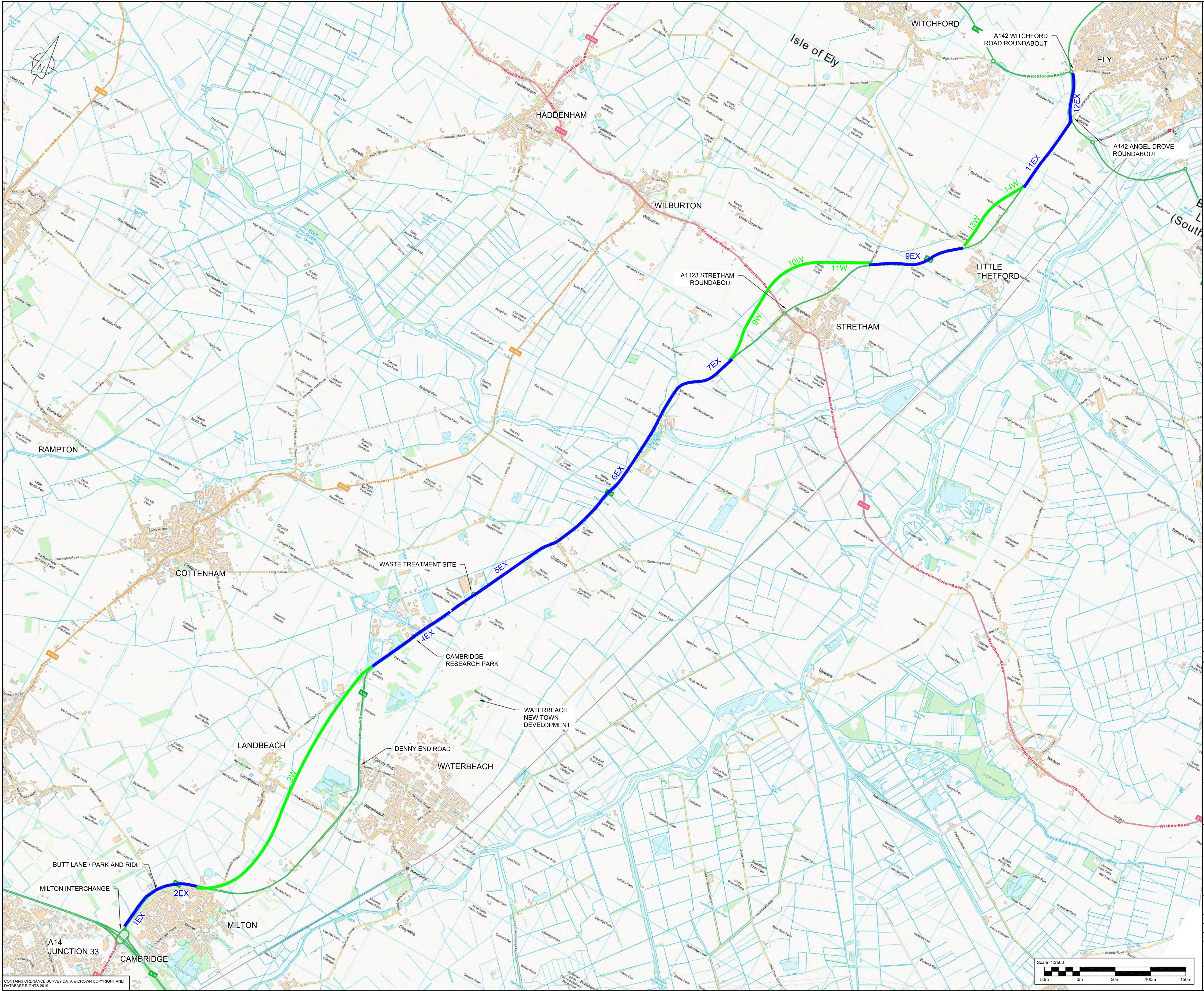
<b><u>Background Papers</u></b>	<b><u>Location</u></b>
2020 Government Budget	Section 2.12 <a href="#">budget-2020</a>
Link to A10 committee paper update of A10 progress, April 2020	<a href="#">link to CPCA A10 Committee Paper April 2020</a>
Link to A10 paper for Funding A10, 27 March 2019	<a href="#">A10 Funding of SOBC for £500,000</a>
Link to Board paper on 3 June 2020 to include £2.0 million capital reserve within the Medium Term Financial Plan	<a href="#">3rd June 2020 Board paper including recommendation of £2 million capital reserve for A10 OBC</a>





C:\pwworking\jacobs\_uk\_highways\_ssa\gandhi\0152301\BESP0020-JAC-HGN-XX-SK-CH-0016.dwg - 07/05/2020 13:32:38 - Layout1 - Gandhi

CONTAINS ORNAMENTAL SURVEY DATA © CROWN COPYRIGHT AND  
DATABASE RIGHTS 2016



Notes:

1. Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment

Option 8F	Length (m)
1EX	692
2EX	585
2W	4196
4EX	1345
5EX	1747
6EX	2983
7EX	742
9W	1257
10W	715
11W	782
9EX	1374
13W	493
14W	727
11EX	1164
12EX	674
TOTAL	19476

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALLING**

Drawing title  
**A. OPTION 8F  
ONLINE WIDENING TO DUAL  
(MILTON WEST/STRETHAM WEST)**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

Drawing number  
**BESP0020-JAC-HGN-XX-SK-CH-0016**

Rev

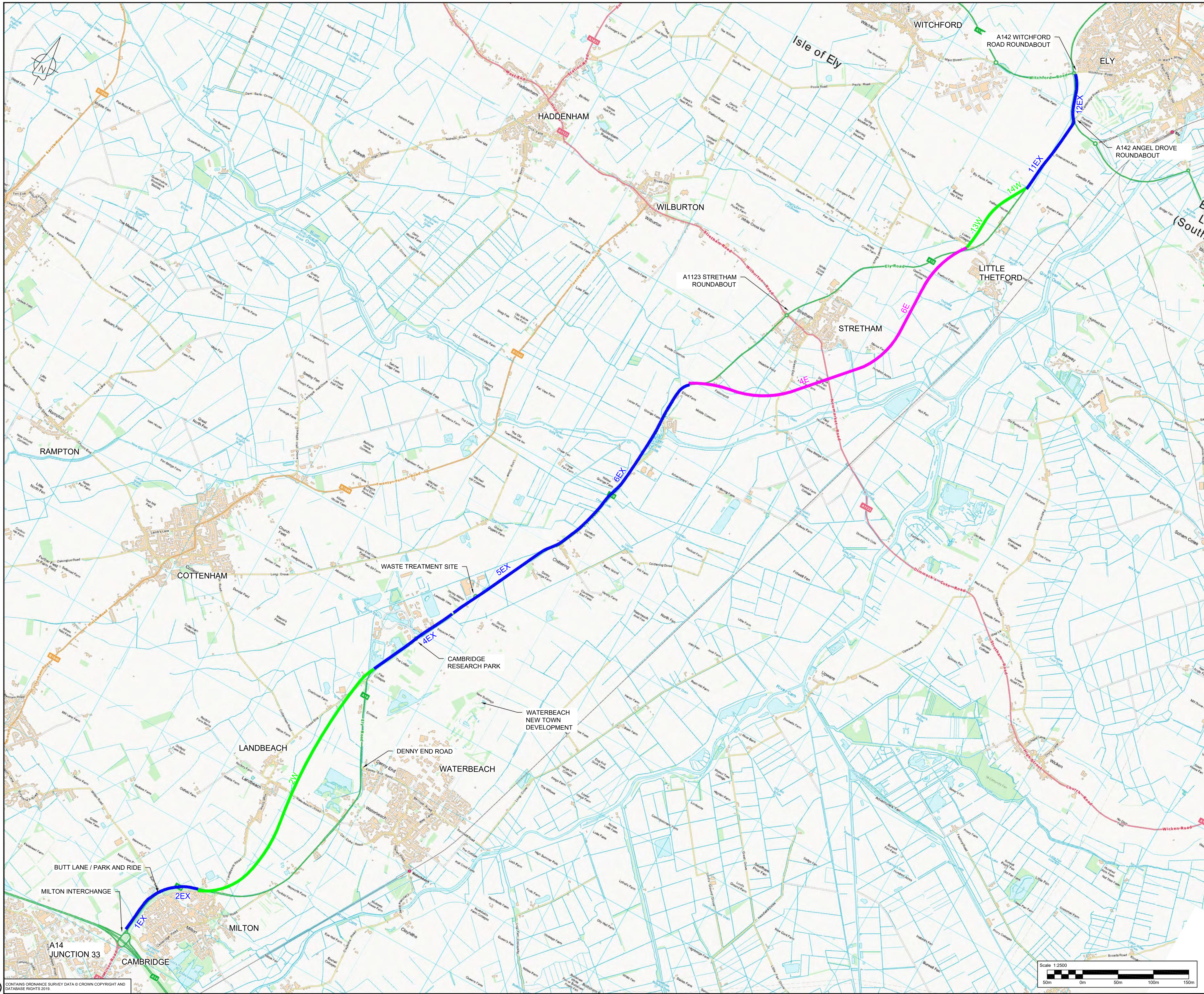
P00

© Copyright 2020 Jacobs U.K. Limited. The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Limitation: This drawing has been prepared on behalf of, and for the exclusive use of, Jacobs' Client, and is subject to, and issued in accordance with, the provisions of the contract between Jacobs and the Client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this drawing by any third party.



C:\pwworking\jacobs\_uk\_highways\_ssa\gandhi\015201\BESP0020-JAC-HGN-XX-SK-CH-0020.dwg - 07/05/2020 13:31:43 - Layout1 - Gandhi

CONTAINS ORNAMENTAL SURVEY DATA © CROWN COPYRIGHT AND  
DATABASE RIGHTS 2016



Notes:

- Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment

Option 8L	Length (m)
1EX	692
2EX	585
2W	4196
4EX	1345
5EX	1747
6EX	2983
4E	3243
6E	1595
13W	493
14W	727
11EX	1164
12EX	674
TOTAL	19444

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALLING**

Drawing title  
**B. OPTION 8L  
ONLINE WIDENING TO DUAL  
(MILTON WEST/STRETHAM EAST)**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

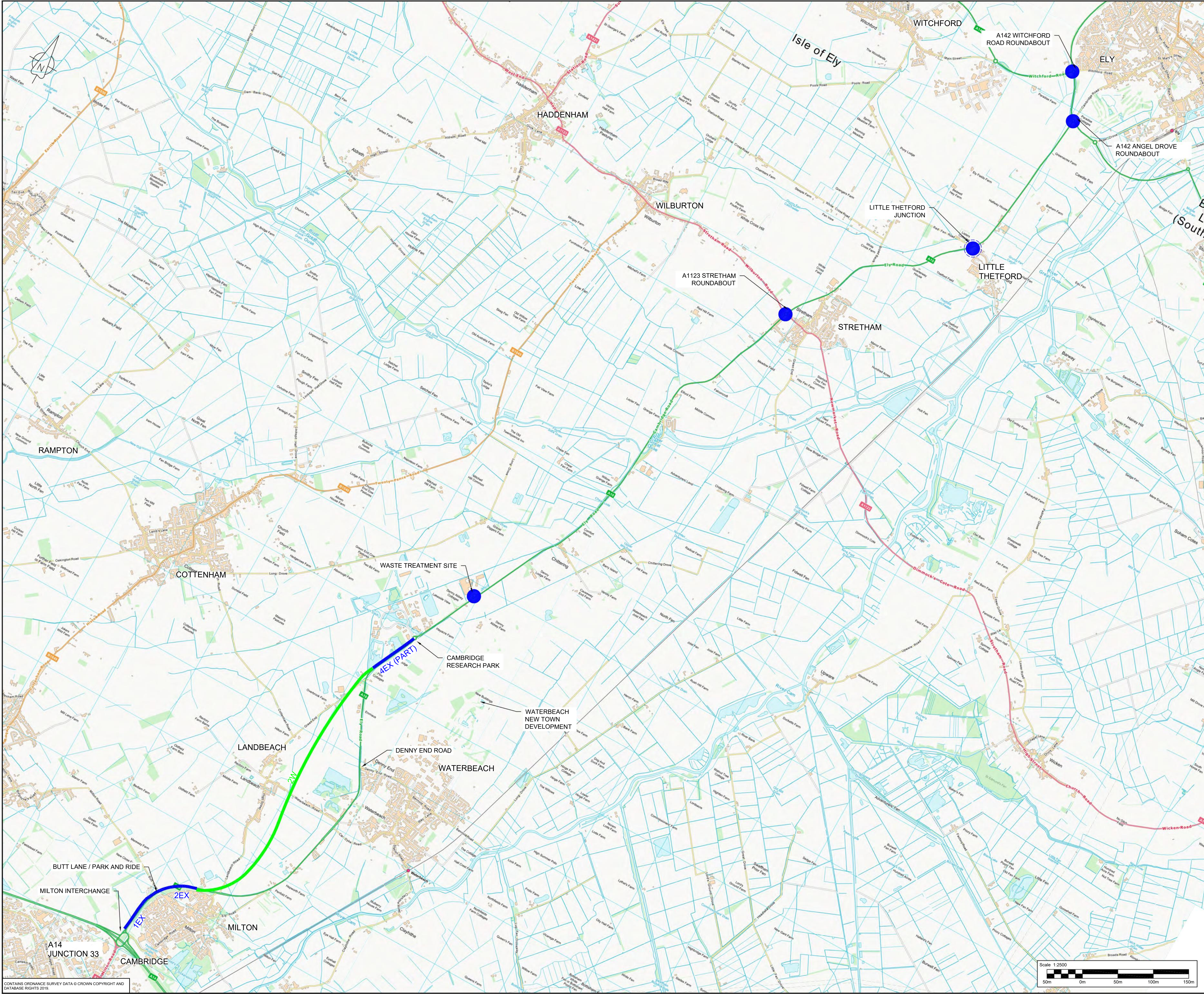
Drawing number  
**BESP0020-JAC-HGN-XX-SK-CH-0020**

Rev  
**P00**

© Copyright 2020 Jacobs U.K. Limited. The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Limitation: This drawing has been prepared on behalf of, and for the exclusive use of, Jacobs' Client, and is subject to, and issued in accordance with, the provisions of the contract between Jacobs and the Client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this drawing by any third party.



C:\working\jacobs\_uk\_highways\_ssa\gimtl\_sauilum\0152301\BESP0020-JAC-HGN-XX-SK-CH-0023.dwg - 19/06/2020 12:07:50 - Layout1 - Sauilum



Notes:

1. Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment
- Junction Improvements
- Little Thetford Junction - identified for future assessment

Option 10B	Length (m)
1EX	692
2EX	585
2W	4196
4EX (Part)	709
TOTAL	6182

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
P01	19/06/20	SUITABLE FOR INFORMATION				
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALING**

Drawing title  
**C. OPTION 10B  
DUAL TO WATERBEACH  
AND JUNCTIONS TO THE NORTH**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

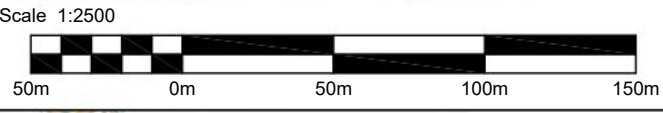
Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

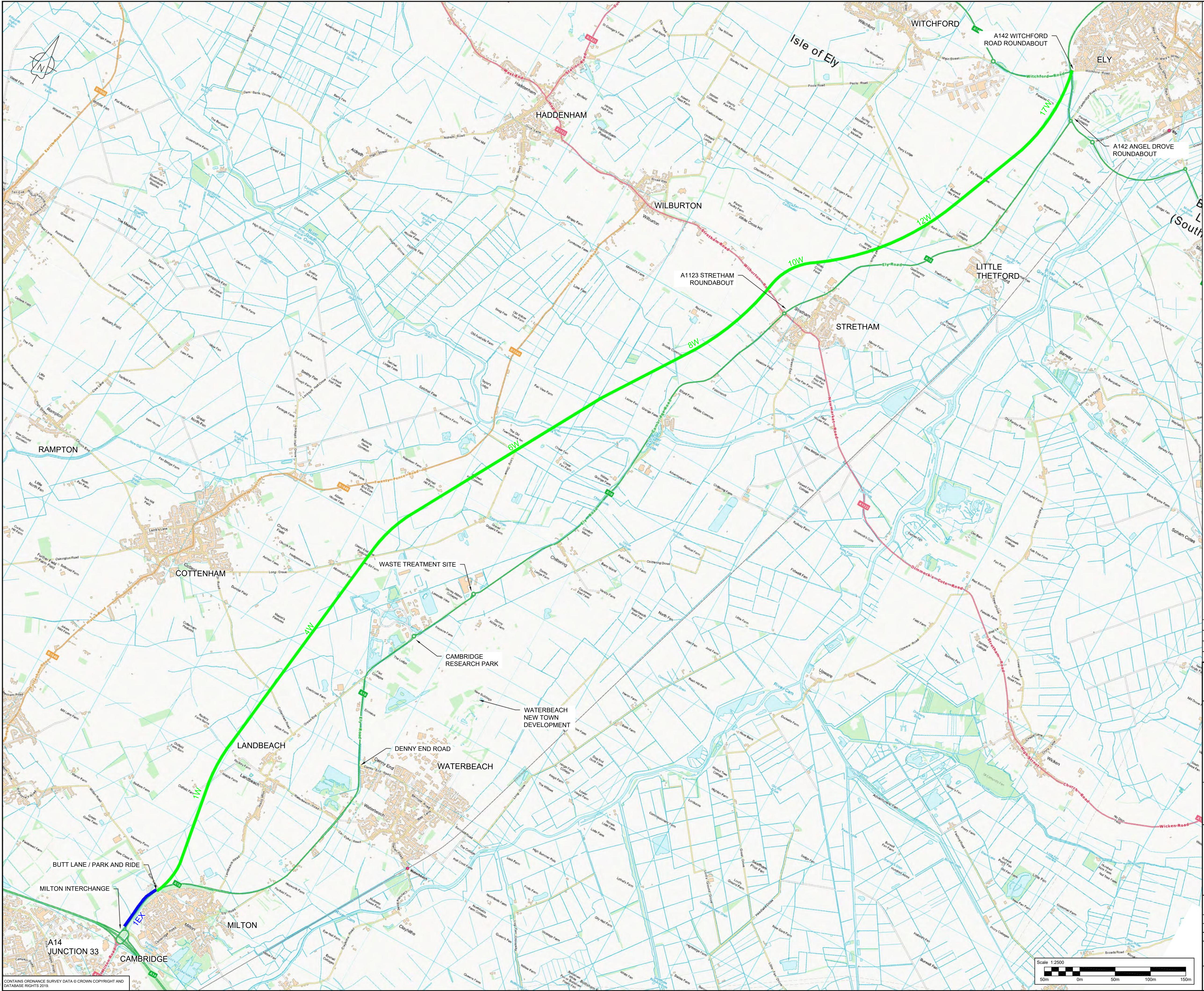
Drawing number  
BESP0020-JAC-HGN-XX-SK-CH-0023

Rev  
P01





C:\pwworking\jacobs\_uk\_highways\_ssa\gandhi\015201\BESP0020-JAC-HGN-XX-SK-CH-0007.dwg - 07/05/2020 13:34:42 - Layout1 - Gandhi



Notes:

1. Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment

Option 1	Length (m)
1EX	692
1W	2625
4W	3290
6W	3751
8W	2933
10W	715
12W	3216
17W	1500
TOTAL	18722

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALLING**

Drawing title  
**D. OPTION 1  
FULL OFFLINE WEST**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

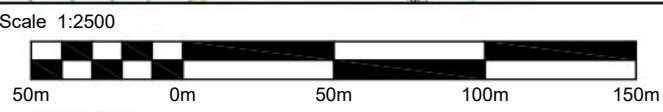
Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

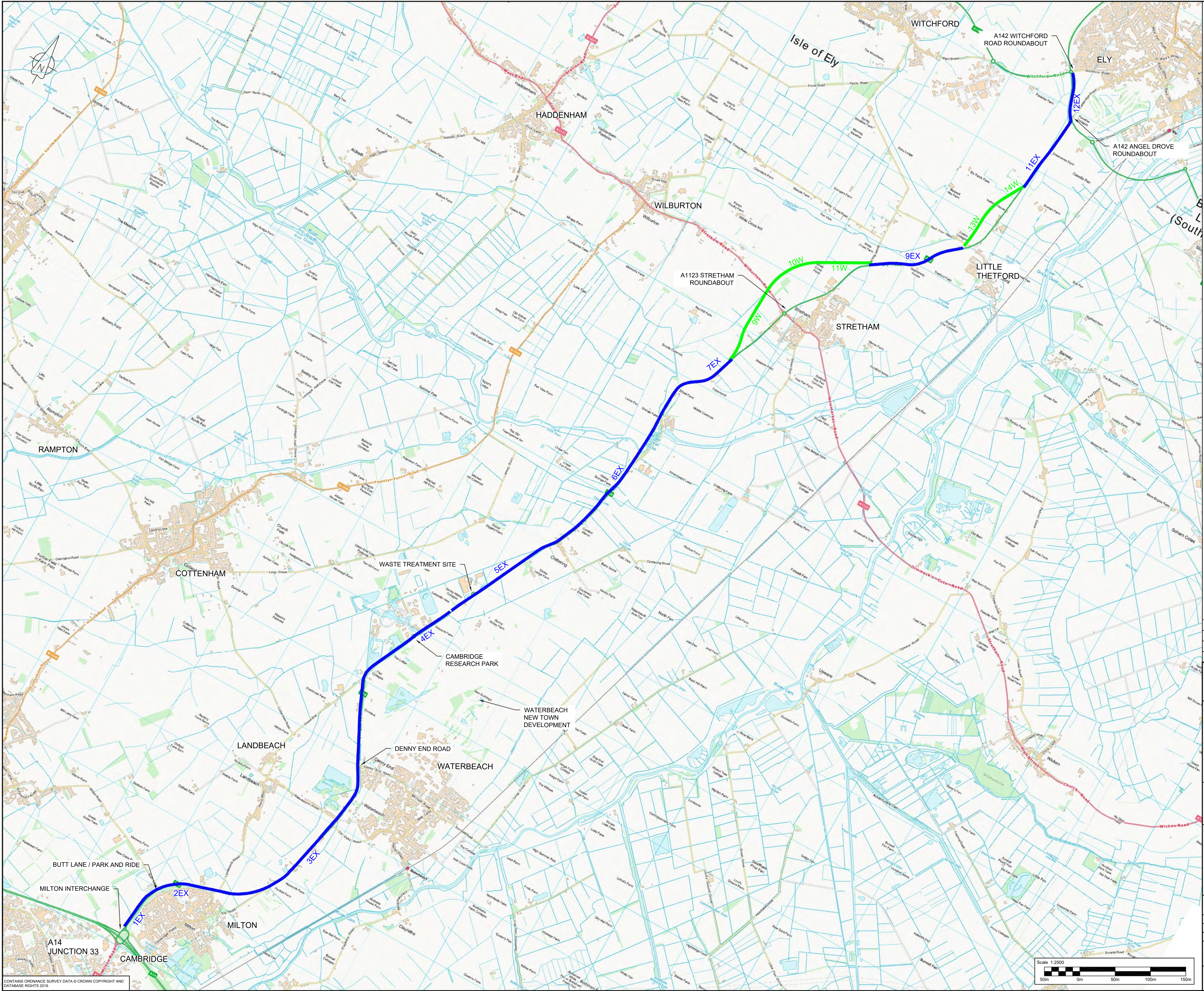
Drawing number  
BESP0020-JAC-HGN-XX-SK-CH-0007

Rev  
P00





C:\pwworking\jacobs\_uk\_highways\_ssa\gandhi\015201\BESP0020-JAC-HGN-XX-SK-CH-0008.dwg - 07/05/2020 13:33:27 - Layout1 - Gandhi



Notes:

1. Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment

Option 5B	Length (m)
1EX	692
2EX	585
3EX	4716
4EX	1345
5EX	1747
6EX	2983
7EX	742
9W	1257
10W	715
11W	782
9EX	1374
13W	493
14W	727
11EX	1164
12EX	674
TOTAL	19996

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALLING**

Drawing title  
**E. OPTION 5B  
ONLINE WIDENING TO DUAL  
(MILTON WEST/STRETHAM EAST)**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

Drawing number  
**BESP0020-JAC-HGN-XX-SK-CH-0008**

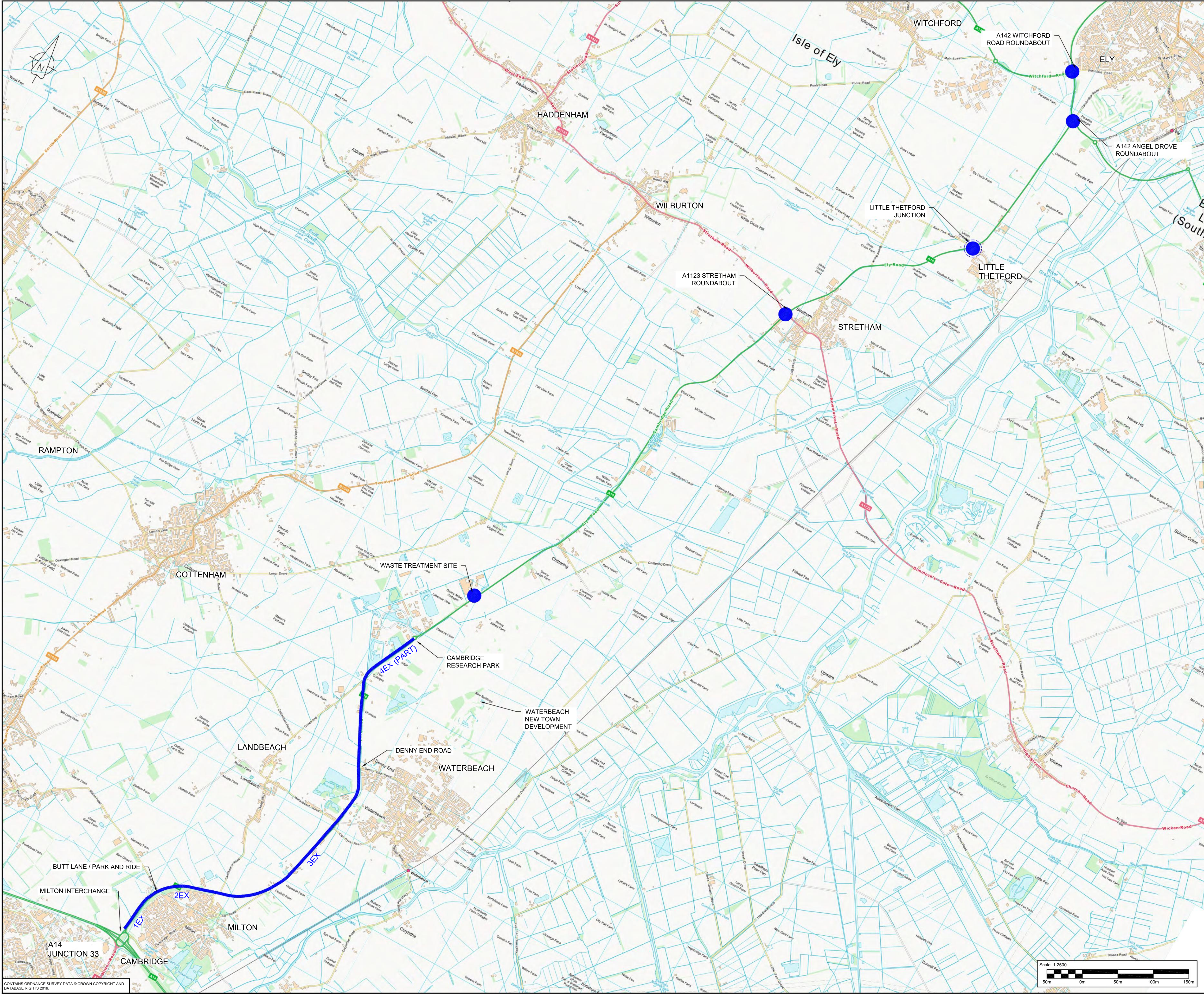
Rev

P00

10 Copyright 2020 Jacobs U.K. Limited. The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Limitation: This drawing has been prepared on behalf of, and for the exclusive use of, Jacobs' Client, and is subject to, and issued in accordance with, the provisions of the contract between Jacobs and the Client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this drawing by any third party.



C:\working\jacobs\_uk\_highways\_ssa\jgiml\_sauilim\0152301BESP0020-JAC-HGN-XX-SK-CH-0022.dwg - 19/06/2020 12:05:09 - Layout1 - Sauilim



Notes:

1. Do not scale.

Key:

- Proposed Offline Alignment (West)
- Proposed Offline Alignment (East)
- Proposed Online Alignment
- Junction Improvements
- Little Thetford Junction - Identified for future assessment

Option 10A	Length (m)
1EX	692
2EX	585
3EX	4716
4EX (Part)	709
TOTAL	6702

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
P01	19/06/20	SUITABLE FOR INFORMATION				
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**  
7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client

**CAMBRIDGESHIRE & PETERBOROUGH**  
COMBINED AUTHORITY

Project  
**A10 JUNCTIONS AND DUALLING**

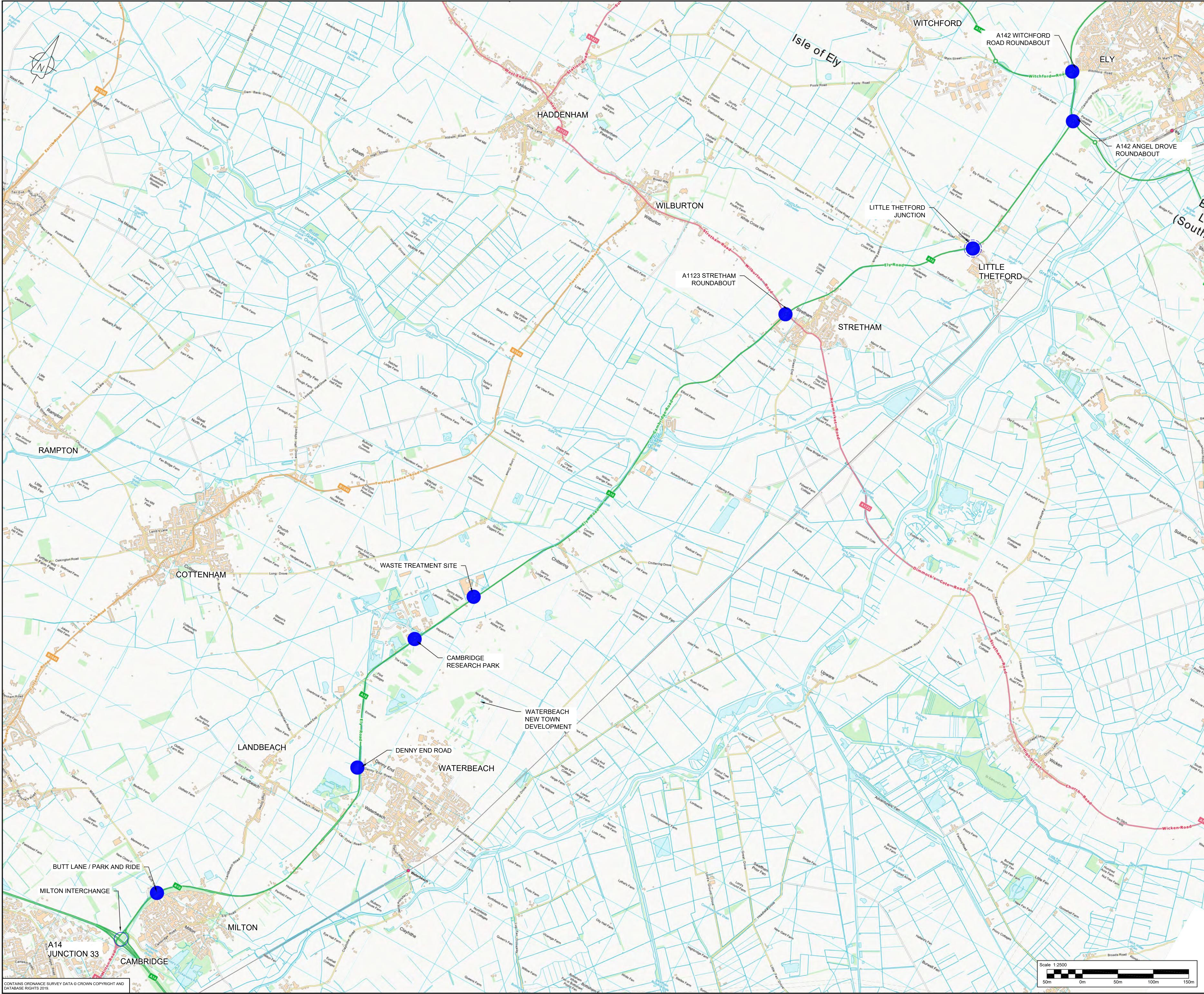
Drawing title  
**F. OPTION 10A  
DUAL TO WATERBEACH  
AND JUNCTIONS TO THE NORTH**

Drawing status	<b>S2 - SUITABLE FOR INFORMATION</b>	
Scale	1:2500@A1	DO NOT SCALE
Jacobs No.	NA	
Client no.		
Drawing number	BESP0020-JAC-HGN-XX-SK-CH-0022	Rev P01

10 Copyright 2020 Jacobs U.K. Limited. The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Limitation: This drawing has been prepared on behalf of, and for the exclusive use of Jacobs' Client, and is issued to, and issued in accordance with, the provisions of the contract between Jacobs and the Client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this drawing by any third party.






C:\working\jacobs\_uk\_highways\_ssa\jgiml\_saqulim\152301\BESP0020-JAC-HGN-XX-SK-CH-0026.dwg - 19/06/2020 12:14:09 - Layout1 - Saqulim



Notes:

1. Do not scale.

Key:

-  Junction Improvements
-  Milton interchange slip road improvements
-  Little Thetford Junction - identified for future assessment

P00	07/05/20	SUITABLE FOR INFORMATION	KG	SS	CM	KB
P01	19/06/20	SUITABLE FOR INFORMATION				
Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Appr'd

**Jacobs**

7th Floor, 2 Colmore Square, 38 Colmore Circus  
Queensway, Birmingham, B4 6BN  
Tel: +44(0)121 237 4000 www.jacobs.com

Client



Project  
**A10 JUNCTIONS AND DUALLING**

Drawing title  
**G. OPTION 12  
ONLINE JUNCTION  
IMPROVEMENTS**

Drawing status  
**S2 - SUITABLE FOR INFORMATION**

Scale  
1:2500@A1  
DO NOT SCALE

Jacobs No.  
NA

Client no.

Drawing number  
BESP0020-JAC-HGN-XX-SK-CH-0026  
Rev  
P01

© Copyright 2020 Jacobs U.K. Limited. The concepts and information contained in this document are the property of Jacobs. Use or copying of this document in whole or in part without the written permission of Jacobs constitutes an infringement of copyright. Limitation: This drawing has been prepared on behalf of, and for the exclusive use of Jacobs' Client, and is subject to, and issued in accordance with, the provisions of the contract between Jacobs and the Client. Jacobs accepts no liability or responsibility whatsoever for, or in respect of, any use of, or reliance upon, this drawing by any third party.







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.4</b>
<b>05 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **A141 HUNTINGDON CAPACITY STUDY AND THIRD RIVER CROSSING**

### **1.0 PURPOSE**

- 1.1. To summarise the outcome of the A141 and Huntingdon Third River Crossing study, and makes recommendations for next steps.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Delivery &amp; Strategy</b>
<b>Forward Plan Ref: KD2020/056</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Note the outcomes of the A141 and Huntingdon Third River Crossing Study</p> <p>(b) Approve the drawdown of budget of £350,000 for undertaking a Strategic Outline Business Case for the A141</p> <p>(c) Approve the drawdown of budget of £500,000 from the Subject to Approval budget within the Medium-term Financial Plan for undertaking a Strategic Outline Business Case and further develop a package of Quick Wins</p>	<p><b>Voting arrangements</b></p> <p>Item (a) n/a</p> <p>Items (b) and (c) 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 and Peterborough City Council, or their Substitute Members</p>

## **2.0 BACKGROUND**

- 2.1. In April 2018, the A141 Huntingdon Capacity Study (commissioned by Cambridgeshire and Peterborough Combined Authority) and the St Ives Area Transport Study (commissioned by Cambridgeshire County Council) commenced as a joint delivery study to consider the capacity challenges in the area.
- 2.2. In March 2019, the Combined Authority subsequently approved the commissioning of a Huntingdon Third River Crossing feasibility study to also consider how that proposal might address the capacity challenges in the area.
- 2.3. Emerging findings from the A141 Huntingdon Capacity Study and St Ives Area Transport Study suggested that they needed to take into account the wider growth issues in the Huntingdon and St Ives area. It was therefore agreed by the January 2020 Transport and Infrastructure Committee and Combined Authority Board that this work be extended to include the Huntingdon Third River Crossing work.
- 2.4. The change to the study scope meant that was necessary to compare the performance of the wider road network as a result of both schemes. The proposal for a Huntingdon Third River Crossing was therefore included within the traffic modelling and a high-level environmental desktop study for the area. The options compared included a bypass route for the A141 North of Huntingdon as well as the river crossing.

## **3.0 OUTCOMES OF THE STUDY**

### **Strategic Assessment**

- 3.1. The comparison of the Third River Crossing with the A141 bypass has shown that the A141 bypass offers greater benefits than a Third River Crossing, in particular, by supporting additional growth beyond that identified within the Huntingdon Local Plan. The most significant benefit of the A141 bypass over a Third River Crossing is that it addresses the capacity issues along the existing A141 route, where a number of significant Local Plan development sites are located. A Third River Crossing does not.
- 3.2. Sensitivity testing was undertaken to determine if a Third River Crossing, with junction capacity improvements along the existing A141, would address the capacity issues and support additional growth. The sensitivity test concluded that significant capacity issues would still remain along the A141, with many junctions being at, or over capacity. The test also demonstrated that any capacity improvement along the A141 would draw more trips away from a Third River Crossing, reducing the benefits from that scheme. This confirmed that an A141 bypass would be preferable.
- 3.3. A final test considering a Third River Crossing along with an A141 bypass was also undertaken to understand if delivering both options together could support additional growth over and above the Huntingdon Local Plan. This concluded that the combination of a Third River Crossing and the A141 bypass did not

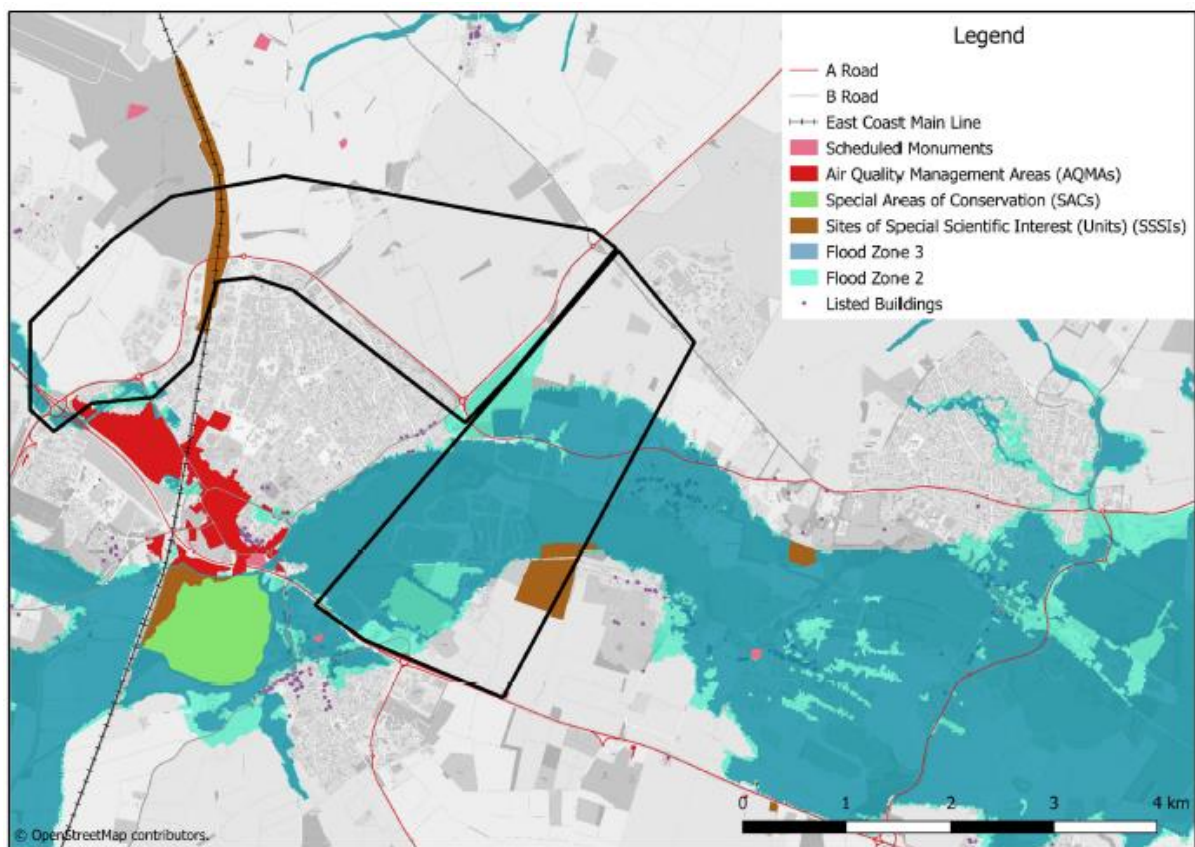


provide any significant improvement beyond delivery of the A141 bypass alone, and network-wide junction capacity issues remained.

- 3.4. The strategic assessment for the A141 offline by-pass identified the potential to support an additional 6,750 dwellings in the region, 4,500 dwellings at Wyton Airfield and 2,250 at Land North of Huntingdon.
- 3.5. However, the assessment found that it was not possible to support additional growth to the east of St Ives, for example at Gifford's Park, due to wider network capacity issues, especially at the A1123 / B1040 / A1096 Junction and along the A1096 Harrison Way. Further investigation is therefore needed to identify a strategic intervention to deliver wider growth aspirations and bring significant improvement to St Ives.

#### **Environmental Desktop Study**

- 3.6. A high-level Environmental Assessment has been undertaken to identify the key issues associated with delivering a Third River Crossing between Huntingdon and St Ives. The assessment has also considered the broad area through which the A141 bypass, would pass, to enable a comparison of the environmental factors relating to the two options.
- 3.7. The assessment considered the following environmental factors:
  - Air Quality
  - Cultural Heritage
  - Ecology and Wildlife
  - Landscape
  - Noise
  - Water Environment.
- 3.8. **Figure 1** below, provides an overview plan showing the key environmental factors identified within the assessment, with the approximate area of a Third River Crossing and A141 bypass outlined in black.
- 3.9. The figure shows that the main environmental concerns identified immediately within the Third River Crossing and A141 bypass search areas which are Flood Risk and Sites of Special Scientific Interest (SSSI). In addition flood risk is far more prevalent within the Third River Crossing area, and much of the land is situated within Flood Risk Zone 2 and 3, which would pose a significant challenge to the deliverability of a Third River Crossing within this area.
- 3.10. There are also a total of six SSSI's within the potential alignment area for a Third River Crossing which could potentially affect the alignment of a Third River Crossing. There is a single SSSI within the A141 bypass search area which runs north / south along the embankments of the East Coast Main Line. A bypass in this location would require a highway bridge over the railway line, which would take the road clear of the SSSI within the embankments, although mitigation would still be required.



**Figure 1: Overview Plan of Environmental Sensitive Locations**

3.11. In conclusion, the evidence demonstrates that a A141 bypass is the better performing option for addressing current and future capacity issues and enabling growth, and has the least environmental impacts.

## **4.0 NEXT STEPS**

4.1. The study provides the evidence for proceeding to develop a pair of Strategic Outline Business (SOBC) documents, one for the A141 bypass and one for capacity improvements at St Ives as well as a package of Quick Wins. The medium term financial plan (MTFP) provided a budget for further work to follow up on the A141 study which is adequate to fund these business cases.

4.2. Procurement will commence upon agreement by the Combined Authority Board. It is currently envisaged that it would require approximately seven to eight weeks to appoint suitable suppliers.

4.3. The expected programme to complete both the SOBC is programmed to take between six to eight months. In line with the approach we have taken in other cases, the SOBC programme will build in engagement with the public and with businesses that depend on the new infrastructure coming forward.

## **5.0 FINANCIAL IMPLICATIONS**

5.1. The amended MTFP provides £0.5 million of capital in 2020-21 and £1 million of capital in 2021-22 to follow up on the A141 study.

- 5.2. Our most up to date estimate is that a SOBC for the A141 bypass will cost £350,000 and for St Ives £500,000. The latter will be subject to programme and costings developed by Cambridgeshire County Council.
- 5.3. Experience with the A10 project suggests that rapid progress can be made at SOBC stage through in-house procurement, although that approach requires such expenditure to be scored as revenue rather than capital. Officers have identified revenue savings sufficient to fund the A141 SOBC work. It is therefore recommended that the A141 SOBC be funded from revenue and procurement carried out directly by the Combined Authority.
- 5.4. The St Ives SOBC will be funded through a capital grant to Cambridgeshire County Council, which will then procure contractors. The package of Quick Wins programme and costs will be developed further and brought back to the Combined Authority Committee and Board for approval.

## **6.0 LEGAL IMPLICATIONS**

- 6.1. There are no legal implications in relation to the recommendations.

## **7.0 OTHER SIGNIFICANT IMPLICATIONS**

- 7.1. No significant implications have been identified at this stage.

## **8.0 APPENDICES**

- 8.1. Appendix 1 – A141 and St Ives Transport Studies – Option Assessment report Executive Summary
- 8.2. The full Option Assessment report is available to view at:

<https://cambridgeshirepeterborough-ca.gov.uk/about-us/programmes/transport/a141-board-papers/>

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
1: March 2018 Combined Authority Board Paper	<a href="#">1: March Board Paper</a>
2: January 2020 Combined Authority Transport and Infrastructure Committee Paper	<a href="#">2: Huntingdon Transport Strategic Study T&amp;I Paper</a>





Option Assessment Report

# A141 and St Ives Transport Study

July 2020



Document Control

Job Number: 5 (CS/097421)								
Document ref: A141 & St Ives Transport Study Option Assessment Report					Authorisation			
Rev	Purpose	Originated	Checked	Reviewed	Capita	Date	Skanska	Date
2.0	Final Draft	TM / EL / RJ	EL / JB	TD	TD	02.07.20	RJ	05.07.20
3.0	Issued Report	TM / EL / RJ	EL / JB	TD	TD	16.07.20	RJ	17.07.20



## Table of Contents

Executive Summary .....	1
Introduction .....	1
Existing and Future Conditions .....	2
Future Conditions .....	3
Option Development.....	4
Strategic Assessment Summary .....	6
Operational Assessment Summary .....	7
Third River Crossing Summary .....	11
Conclusion and Next Steps.....	12
 1. Introduction .....	 13
1.1. Overview.....	13
1.2. Study Areas and Context .....	13
1.3. Strategic Policy .....	18
1.4. Huntingdonshire Strategic Transport Study 2017 .....	19
1.5. A141 and St Ives Transport Studies .....	20
1.6. Report Structure.....	25
 2. Existing and Future Conditions .....	 26
2.1. Introduction.....	26
2.2. A141 Huntingdon Review of Existing Conditions .....	27
2.3. St Ives Existing Conditions .....	30
2.4. Recent Developments.....	33
2.5. Future Conditions.....	34
2.6. Summary.....	43
 3. Option Development.....	 45
3.1. Overview.....	45
3.2. Development of Quick Wins .....	45
3.3. Development of Strategic Options.....	48
3.4. Development of St Ives Options .....	50
3.5. Summary.....	51

4.	A141 Strategic Assessment.....	53
4.1.	Introduction.....	53
4.2.	Modelling Methodology.....	53
4.3.	Phase 1: Assessment of Shortlisted A141 Options.....	58
4.4.	Phase 2: Further Consideration of Option 4 and Option 5 .....	66
4.5.	Phase 3: Further Refinement of Option 4.....	68
4.6.	Phase 4: High Growth and High Growth Plus Assessment .....	87
4.7.	Strategic Assessment Summary .....	101
5.	Operational Assessment .....	103
5.1.	Introduction.....	103
5.2.	Assessment Methodology .....	104
5.3.	Traffic Modelling.....	106
5.4.	Phase 1: St Ives Town Centre.....	122
5.5.	Phase 2: Assess the Impact of Additional Growth at Wyton Airfield.....	145
5.6.	Phase 3: Assess the impact of additional growth at Giffords Park.....	155
5.7.	Phase 4: Assess the impact of additional growth North of Huntingdon .....	162
5.8.	Operational Assessment Summary .....	167
6.	Assessment of a Third River Crossing.....	169
6.1.	Introduction.....	169
6.2.	Third River Crossing Assumptions .....	170
6.3.	Additional Growth Scenarios .....	171
6.4.	Third River Crossing Strategic Assessment .....	172
6.5.	Consideration of Costs.....	198
6.6.	Environmental Assessment .....	199
6.7.	Assessment of a Third River Crossing Summary.....	212
7.	Summary .....	213
7.2.	Strategic Assessment Summary .....	214
7.3.	Operational Assessment Summary .....	215
7.4.	Third River Crossing Summary.....	218
7.5.	Conclusion and Next Steps .....	218

Appendices .....220

Appendix A – Environmental Report..... 221

## Tables

Table 1.1: Key Junctions within the Study Areas .....	15
Table 2.1: Ratio of Flow to Capacity at Junctions on the A141 .....	29
Table 2.2: CSRM2 Total Demand .....	34
Table 2.3: Traffic Flow Data (PCUs) .....	36
Table 2.4: Increase in PCUs between the Base Year and 2036 .....	37
Table 2.5: Junction Capacities by Peak Hour and Assessment Year .....	39
Table 2.6: Journey Time Data (mm:ss) .....	41
Table 2.7: Differences between Journey Times in the Base Year and 2036 (mm:ss) .....	42
Table 3.1: Options Progressed to Operational Assessment .....	52
Table 4.1: Key Study Area Junction References .....	56
Table 4.2: AM Peak Hour Junction Capacity (V / C) .....	63
Table 4.3: PM Peak Hour Junction Capacity (V / C) .....	64
Table 4.4: AM Peak Hour Journey Time & Average Speed for Eastern Connection Options .....	72
Table 4.5: PM Peak Hour Journey Time & Average Speed for Eastern Connection Options .....	72
Table 4.6: AM Peak Hour Comparison for Grade Separated and At-Grade Junctions .....	75
Table 4.7: PM Peak Hour Comparison for Grade Separated and At-Grade Junctions .....	75
Table 4.8: 2036 AM Peak Hour: Junction Capacity Ratios in the Do Minimum and Option 4 Scenarios .....	83
Table 4.9: 2036 PM Peak Hour: Junction Capacity Ratios in the Do Minimum and Option 4 Scenarios .....	85
Table 4.10: 2036 AM Peak Hour: Option 4 HG & HG+ Junction Capacities (V / C) Ratios .....	94
Table 4.11: 2036 AM Peak Hour: Option 4 HG & HG+ Junction Capacities (V / C) Ratios .....	97
Table 4.12: 2036 AM Peak Hour: Option 4 Average Speed and Average Journey Times .....	100
Table 4.13: 2036 PM Peak Hour: Option 4 Average Speed and Average Journey Times .....	100
Table 5.1: 2036 AM Peak Hour HLP Development Trips .....	111

Table 5.2: 2036 PM Peak Hour HLP Development Trips .....	111
Table 5.3: 2036 Total Future Demand Matrix (HLP Growth).....	111
Table 5.4: HSTS Local Junction Mitigation Measures.....	112
Table 5.5: AM Peak Hour Additional Growth Trips (Beyond HLP) .....	116
Table 5.6: PM Peak Hour Additional Growth Trips (Beyond HLP).....	116
Table 5.7: 2036 Total Future Matrix Demands (HLP Growth + Additional Growth).....	117
Table 5.8: Level of Service Definitions and Descriptions.....	118
Table 5.9: 2036 AM Peak Hour Junction Performance (with Bypass).....	120
Table 5.10: 2036 PM Peak Hour Junction Performance (with Bypass) .....	121
Table 5.11: AM Peak Hour: Meadow Lane / Harrison Way Traffic Flows .....	130
Table 5.12: PM Peak Hour: Meadow Lane / Harrison Way Traffic Flows .....	130
Table 5.13: AM Peak Hour: St Ives Town Centre Through Trips .....	131
Table 5.14: PM Peak Hour: St Ives Town Centre Through Trips.....	132
Table 5.15: AM Peak Hour: St Ives Junction Performance.....	134
Table 5.16: PM Peak Hour: St Ives Junction Performance .....	135
Table 5.17: AM Peak Hour: Junction L Mitigation Test.....	136
Table 5.18: AM Peak Hour: Junction M Mitigation Test .....	138
Table 5.19: PM Peak Hour: Junction M Mitigation Test.....	139
Table 5.20: AM Peak Hour: 20 mph Zone with Mitigation Measures + Priority Changes.....	141
Table 5.21: PM Peak Hour: 20 mph Zone with Mitigation Measures + Priority Changes .....	141
Table 5.22: Phase 2: 2036 AM Peak Hour Junction Performance (+ Wyton) .....	146
Table 5.23: Phase 2: 2036 PM Peak Hour Junction Performance (+ Wyton).....	147
Table 5.24: Phase 3: 2036 AM Peak Hour Junction Performance (+ Giffords).....	156
Table 5.25: Phase 3: 2036 PM Peak Hour Junction Performance (+ Giffords) .....	158



Table 5.26: Phase 3: 2036 AM Peak Hour Junction Performance (+ Giffords 10% Sensitivity Test) .....160

Table 5.27: Additional Growth Levels North of Huntingdon .....162

Table 5.28: Phase 4: 2036 AM Peak Hour Junction Performance (+ Growth North of Huntingdon) .....163

Table 5.29: Phase 4: 2036 PM Peak Hour Junction Performance (+ Growth North of Huntingdon) .....165

Table 6.1: Third River Crossing vs A141 Bypass: 2036 AM Peak Hour Junction Capacities (V / C ratios).....182

Table 6.2: Third River Crossing vs A141 Bypass: 2036 PM Peak Hour Junction Capacities (V / C ratios) .....184

Table 6.3: A141 Capacity Improvement Sensitivity Test: 2036 PM Peak Hour Junction Capacities (V / C ratios)  
.....191

Table 6.4: Third River Crossing & A141 Bypass High Growth Plus Test: 2036 AM Peak Hour Junction  
Capacities (V / C ratios).....194

Table 6.5: Third River Crossing & A141 Bypass High Growth Plus Test: 2036 PM Peak Hour Junction  
Capacities (V / C ratios).....196

## Figures

Figure 1.1: Map of the A141 and the St Ives Road Network .....	14
Figure 1.2: Junction Locations Included in the A141 and St Ives Transport Studies .....	16
Figure 1.3: Study Areas of the A141 and St Ives Transport Studies .....	20
Figure 1.4: Stages and Key Outputs of the A141 and St Ives Transport Studies .....	22
Figure 1.5: A141 and St Ives Transport Studies Assessment Process .....	23
Figure 2.1: Traffic Growth on the A141 (2013-17).....	27
Figure 2.2: Through Traffic within in St Ives Town Centre .....	31
Figure 2.3: Huntingdon Road Network Improvements .....	34
Figure 2.4: Journey Time Routes .....	40
Figure 2.5: Differences Between Journey Times in the Base Year and 2036.....	42
Figure 3.1: Locations of Quick Wins.....	47
Figure 3.2: The Short List of Five Strategic Options for Assessment for the A141 .....	49
Figure 4.1: CSRM2 Model Area .....	54
Figure 4.2: Huntingdon Network Changes.....	55
Figure 4.3: Study Area Key Junctions .....	57
Figure 4.4: Journey Time in the AM Peak Hour .....	59
Figure 4.5: Journey Time in the PM Peak Hour.....	60
Figure 4.6: AM Peak Average Speeds for A141 Options .....	61
Figure 4.7: PM Peak Average Speeds for A141 Options.....	62
Figure 4.8: Downgraded Existing A141 and A141 Bypass.....	69
Figure 4.9: Option 4 Connection with Spittals Interchange .....	70
Figure 4.10: Bypass Eastern Connection Options.....	71



Figure 4.11: PM Peak Hour Traffic Flow Changes in Option 4 with an Eastern Connection at Wyton Roundabout.....	73
Figure 4.12: Option 4 Intermediate Junctions .....	74
Figure 4.13: AM Peak Hour Comparison of Traffic Flows between the Bypass with At-Grade Junctions and Grade Separated Junctions (At Grade minus Grade Separated) .....	76
Figure 4.14: PM Peak Hour Comparison of Traffic Flows between the Bypass with At-Grade Junctions and Grade Separated Junctions (At Grade minus Grade Separated) .....	77
Figure 4.15: Existing and Revised A1123 / B1090 Sawtry Way Layout .....	78
Figure 4.16: AM Peak Hour Eastbound Routing Analysis.....	79
Figure 4.17 : PM Peak Hour Westbound Traffic Routing Analysis .....	80
Figure 4.18: AM Peak Hour Eastbound Traffic Routing Analysis (A1123 Hill Rise, St Ives) .....	81
Figure 4.19: Additional Growth Scenarios.....	87
Figure 4.20: Wyton Airfield Routing, AM Peak Hour Trips Out (Originating) .....	88
Figure 4.21: Wyton Airfield Routing, PM Peak Hour Trips In (Destined) .....	89
Figure 4.22: Gifford's Park Routing, AM Peak Hour Trips Out (Originating).....	90
Figure 4.23: Gifford's Park Routing, PM Peak Hour Trips In (Destined) .....	91
Figure 4.24: Land North of Huntingdon Routing, AM Peak Hour Trips Out (Originating) .....	92
Figure 4.25: Land North of Huntingdon Routing, PM Peak Hour Trips In (Destined) .....	92
Figure 4.26: PM Peak Hour: Total Delay, HG+ Scenario .....	99
Figure 5.1: Operational Assessment Sequential Phases .....	104
Figure 5.2: Key Junctions within the Study Area .....	105
Figure 5.3: Zone 916 / 917 Network Access .....	109
Figure 5.4: Zone Alconbury Weald Grange Farm (Zone 1015) Network Access .....	109
Figure 5.5: St. Ives West Network Access .....	110
Figure 5.6: Land North of Ermine Street Network Access .....	110

Figure 5.7: St. Ives and Huntingdon Model DS Model (with Bypass) .....	113
Figure 5.8: Wyton Airfield Network Access.....	114
Figure 5.9: Gifford's Park Network Access .....	115
Figure 5.10: Land North of Huntingdon Network Access.....	116
Figure 5.11: St Ives Town Centre Through Trip Routes.....	123
Figure 5.12: St. Ives Town Centre Options.....	124
Figure 5.13: Examples of Bus Gates .....	126
Figure 5.14: St Ives Town Centre Eastbound Bus Journey Times .....	127
Figure 5.15: St Ives Town Centre Westbound Bus Journey Times .....	128
Figure 5.16: Traffic Flow Count Sites .....	129
Figure 5.17: Junctions Monitored for Performance .....	133
Figure 5.18: Junction M Signalisation of Western Junction .....	137
Figure 5.19: Signal Staging for Junction M Western Junction .....	138
Figure 5.20: AM Peak Hour Bus Journey Times, 20 mph Zone with Mitigation Measures .....	139
Figure 5.21: PM Peak Hour Bus Journey Times, 20 mph Zone with Mitigation Measures .....	140
Figure 5.22: AM Peak Hour Bus Journey Times, 20 mph Zone with Mitigation Measures + Priority Changes .....	142
Figure 5.23: PM Peak Hour Bus Journey Times, 20 mph Zone with Mitigation Measures + Priority Changes .....	143
Figure 5.24: Location of Wyton Mitigation Measures .....	148
Figure 5.25: A141 / Huntingdon Road / Abbotts Ripton Road Gating .....	149
Figure 5.26: A141 / B1514 / A1123 (BP Roundabout) Gating Feature .....	150
Figure 5.27: A141 / B1090 Sawtry Way Proposed Layout .....	151
Figure 5.28: Junction M: A1123 / A1096 Harrison Way Roundabout.....	152
Figure 5.29: Y5 A141 Bypass / B1090 Abbotts Ripton Road Mitigation .....	154

Figure 6.1: Indicative Location of Third River Crossing Relative to Option 4: Offline Single Carriageway Bypass.....	170
Figure 6.2: Additional Growth Scenarios.....	171
Figure 6.3: Third River Crossing within the CSRM Model Network .....	172
Figure 6.4: 2036 AM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in Huntingdon, High Growth Scenario .....	173
Figure 6.5: 2036 AM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in St Ives, High Growth Scenario.....	174
Figure 6.6: 2036 PM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in Huntingdon, High Growth Scenario .....	175
Figure 6.7: 2036 PM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in St Ives, High Growth Scenario.....	176
Figure 6.8: 2036 AM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in Huntingdon, High Growth Plus Scenario.....	177
Figure 6.9: 2036 AM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in St Ives, High Growth Plus Scenario .....	178
Figure 6.10: 2036 PM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in Huntingdon, High Growth Plus Scenario.....	179
Figure 6.11: 2036 PM Peak Hour, Traffic Flow Differences between Third River Crossing and DM in St Ives, High Growth Plus Scenario .....	180
Figure 6.12: PM Peak Hour Impact of Third River Crossing in the High Growth Scenario.....	185
Figure 6.13: 2036 PM Peak Hour Impact of Option 4 in the High Growth Scenario.....	187
Figure 6.14: 2036 PM Peak Hour Impact of Option 4 in the High Growth Plus Scenario .....	188
Figure 6.15: 2036 PM Peak Hour Impact of Third River Crossing in the High Growth Scenario .....	189
Figure 6.16: 2036 PM Peak Hour Impact of Third River Crossing in the High Growth Plus Scenario .....	190
Figure 6.17: 2036 PM Peak Hour Impact of Option 4 in the High Growth Scenario.....	192
Figure 6.18: Environmental Assessment Search Area.....	199
Figure 6.19: Overview Plan of Environmental Assessment .....	201

Figure 6.20: AQMAs Relative to the Study Area .....202

Figure 6.21: Cultural Heritage Features in Huntingdon and St Ives.....204

Figure 6.22: Key Landscape Designations in the Study Area.....207

Figure 6.23: Map of Noise From A-Roads Only, At 1.5m High.....209

Figure 6.23: Flood Zone Map.....211



## Glossary

Term	Definition
AADF	Annual Average Daily Flow
ANPR	Automatic Number Plate Recognition
ATC	Automatic Traffic Count
CCC	Cambridgeshire County Council
CPCA	Cambridgeshire and Peterborough Combined Authority
CSRM2	Cambridgeshire Sub Regional Model
DfT	Department for Transport
DM	Do Minimum (Traffic Model)
DS	Do Something (Traffic Model)
HDC	Huntingdonshire District Council
HLP	Huntingdonshire's Local Plan to 2036
IP	Inter Peak
LTP	The Cambridgeshire and Peterborough Local Transport Plan (2020)
MCTC	Manual Classified Turning Count
OAR	Options Assessment Report
PCUs	Passenger Car Units
RFC	Ratio of Flow to Capacity
SIHM	St Ives and Huntingdon Model
SLA	Select Link Analysis
V / C	Volume to Capacity Ratio

## Executive Summary

### Introduction

The A141 and St Ives Transport Studies Options Assessment Report (OAR) documents the work undertaken to develop and assess a range of potential improvement options for the A141 Huntingdon, and St Ives Town Centre.

The OAR is the final report within Stage 1 of the A141 and St Ives Transport Studies, and concludes the technical work undertaken to prepare packages of schemes for this stage of the studies.

Following this OAR, Stage 2 will involve further assessment and design of the best performing options, as identified through the OAR process. Stage 2 of the A141 and St Ives Transport Studies will follow the Department for Transport's (DfT) three-phase decision making approach for major investment decisions, starting with a Strategic Outline Business Case (SOBC).

### Purpose of A141 and St Ives Transport Studies

The purpose of the A141 and the St Ives Transport Studies is to identify transport interventions to:

- Address existing congestion and capacity constraints along the A141, and the St Ives road networks
- Mitigate the traffic impact of additional future growth, beyond the HLP
- Restrict through traffic in St Ives Town Centre
- Improve bus service reliability through St Ives.

The A141 and St Ives Transport Studies areas are shown in Figure 1 below. The A141 portion of the study area includes all A141 junctions and links east of the A141 / A1307 Junction (Spittals Interchange) through to the B1090 Sawtry Way. The St Ives portion of the study area includes the main junctions on the A1123, and A1096 through St Ives, plus the town centre through routes.

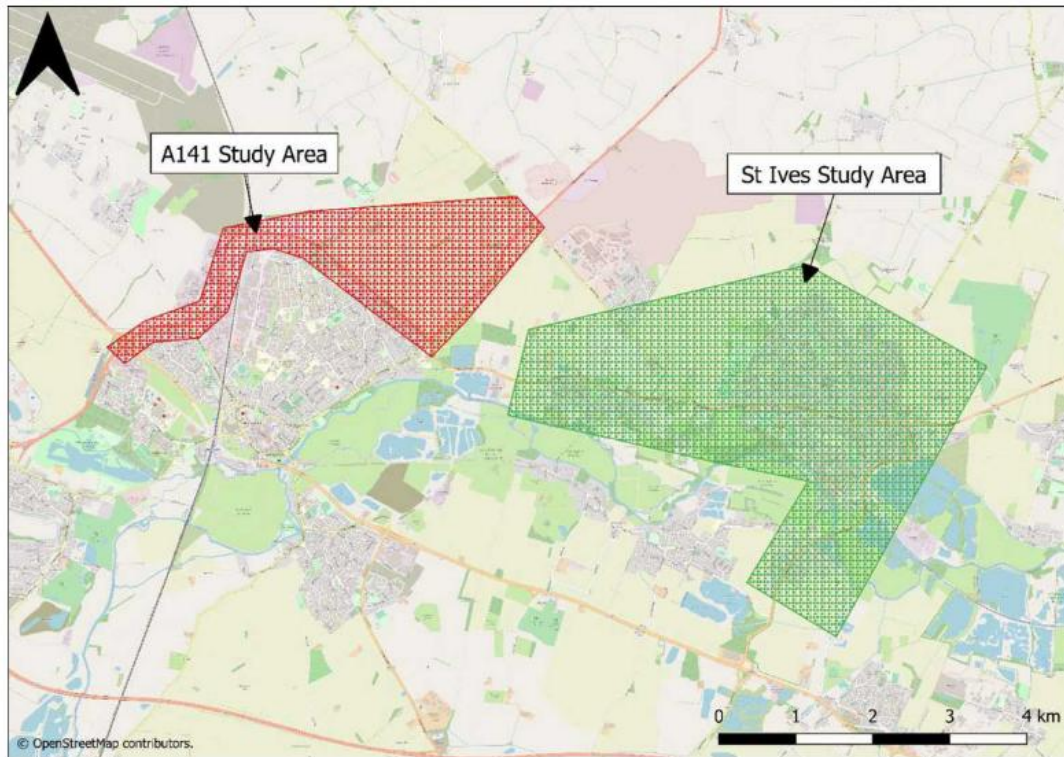


Figure 1: The A141 Huntingdon and St Ives Transport Study Areas

The proximity and interconnectivity of the A141 and the St Ives transport network required the impact of interventions to be considered across both study areas. This approach is reflected by the coordinated project delivery and joint modelling platform used to development and assess highway improvement options for both the A141 and St Ives.

### Existing and Future Conditions

A summary of the existing and future network conditions across the study areas provides an evidence base for why highway improvement schemes for the A141 and St Ives are required.

Existing conditions on the A141 in Huntingdon and St Ives prior to the opening of the Huntingdon Southern Bypass (HSB) in December 2019, and the completion of the A14 scheme in May 2020, reflect pre-COVID-19 travel patterns. The key issues discussed in these sections include traffic growth, congestion and over capacity junctions on the A141 in Huntingdon and congestion, through traffic in St Ives Town Centre, and the detrimental effects of traffic on local bus routes. These issues highlight the present cases for change on the A141 and in St Ives.

Peak period traffic congestion affects the main road network around Huntingdon, with the A141 north of Huntingdon, the A1123 and A1096 in St Ives, experiencing congestion in both the AM and PM peak hours.



Prior to commencement of the SOBC further assessment of the existing conditions in the study area will need to be undertaken to reflect the changing travel demand and traffic conditions as a result of the opening of the HSB, the completion of the A14 scheme in May 2020, and the implications of the Coronavirus pandemic.

### Future Conditions

The increase in travel demand as a result of the planned housing and employment growth within the adopted HLP will place additional pressure on the local road network, particularly around the A141 to the north of Huntingdon.

The CSRM2 strategic transport model was used to forecast traffic conditions in 2036, incorporating housing and employment growth from the HLP, and shows that this is expected to result in:

- A 30% growth in traffic across the Cambridgeshire network
- A 33% increase in vehicles during the AM peak hour on the A141, A1123, A1096 Harrison Way, B1090 Sawtry Way and B1040 Somersham Road
- A 29% increase in vehicles during the PM peak hour on the A141, A1123, A1096, B1090 and Somersham Road, with the biggest increases on B1090 Sawtry Way (southbound) and A1096 Harrison Way (southbound) links
- Five (out of seventeen) (29%) junctions in the study area will be approaching capacity or over capacity in the AM peak hour in 2036.
- Eight (47%) junctions in the study area will be approaching capacity or over capacity in the PM peak hour in 2036
- Journey times during the AM and PM peak hours are forecasted to increase on most sections of the A1096 Harrison Way, Ramsey Road, A1123, B1514 Hartford Road, St Peters Road and A141. Specifically:
  - In the AM peak, journey times will be over 50% higher on the B1514 Hartford Road.
  - In the PM peak, journey times will more than double on the A1096 northbound and the B1514 in both directions, and will be over 50% higher on St Peters Road southbound.

The future forecasts highlight the need for investment in highway infrastructure in order to address existing issues in Huntingdon and St Ives, and to provide further capacity for growth beyond the HLP.

The Huntingdonshire Strategic Transport Study, 2017 (HSTS) identified a package of measures throughout the study area to mitigate the impact of the HLP growth. This study considers mitigation above that already identified within the HSTS to support the HLP growth.



### Assessment Process

This OAR forms part of a suite of outputs from the A141 and St Ives Transport Studies, and is the final report within Stage 1 of the studies, as shown in Figure 2 below.



Figure 2: Stages and Key Outputs of the A141 and St Ives Transport Studies

The assessment process used to identify emerging options for the A141, and St Ives Transport Studies, has been delivered in four sequential stages, with each stage informing the next, leading to the identification of a best performing option, or package of options. The four assessment stages are:

- Option Development
- Strategic Assessment
- Operational Assessment
- Assessment of a Third River Crossing (between Huntingdon and St Ives).

Each of these are discussed and summarised in turn below.

### Option Development

The Option Development process was informed by data analysis, site visits, and engagement with key stakeholders. Option Development workshops were held and attended by stakeholders from various transport, planning and engineering disciplines, with delegates representing:

- Cambridgeshire County Council
- Huntingdonshire District Council
- Skanska / Capita.

The Cambridgeshire and Peterborough Combined Authority (CPCA) were also invited to the Option Development Workshop, but were unable to attend.

Options for each of the key junctions and links were identified, discussed and developed with delegates sharing knowledge and challenging option development on technical and delivery grounds.

The Option Development process identified a shortlist of five options for the A141, including:

- Option 1: Local Improvements (Two lane junction entry / exits on existing A141)
- Option 2: Signalisation of Existing A141 Junctions
- Option 3: Online Dualling of Existing A141
- Option 4: Offline Single Carriageway Bypass
- Option 5: Offline Dual Carriageway Bypass.

These options were then assessed in the Strategic Assessment, to identify a best performing option.

The process of developing options for the St Ives network ran in conjunction with the assessment and identification of the preferred A141 option. The St Ives options development focussed on identifying measures to ease congestion on the A1123 and the A1096, mitigate the impact of an emerging A141 strategic solution, and reduce through traffic in St Ives Town Centre. The options identified are shown below in Table 1.

Table 1: Options Identified

Options	Description
Mitigate congestion on A1123/A1096	Assess signalisation and two-lane entry / exits at the A1123 / A1096 roundabout.
	Review signal phasing at A1123 junctions with Ramsey Road junction and Hill Rise.
Restricting Through Traffic in St Ives Town Centre	Bus gate on East Street.
	Traffic calming measures on through routes in town centre.
	Restricting through traffic movements in St Ives town centre (except for buses and emergency services)
	Restricting turning movements into Needingworth Road, Pig Lane or Ramsey Road.
Improving Town Centre Accessibility	Change junction priority: Ramsey Road / North Road.
	Change junction priority: Globe Place / West Street / East Street.
	Change junction priority: North Road / Broad Leas / Globe Place.

Three quick wins were identified for St Ives to support the development of schemes to improve town centre access for buses and visitors. These were:

- Town Centre Parking Review – completed in spring 2020
- Bus Service Accessibility Review – completed in spring 2020
- Pedestrian and Cycling Wayfinding Audit – completed in spring 2020.

## Strategic Assessment Summary

The Strategic Assessment has been conducted in four distinct phases, using CSRM2. These phases are:

- Phase 1: To assess the five shortlisted options for the A141 improvements (as discussed in Chapter 3), and to identify the best performing option
- Phase 2: To further consider Option 4 and Option 5, which were identified as the two performing options from Phase 1, to determine which to progress
- Phase 3: To further refine the best performing option, and define its key characteristics
- Phase 4: To consider the ability of the best performing option to support additional growth beyond that identified in the HLP, including a High Growth (HG) and High Growth Plus (HG+) scenario.

### Phase 1: Assessment of Five Shortlisted Options

Phase 1 of the assessment compared the five shortlisted A141 options and identified that Option 4 (offline single carriageway bypass) and Option 5 (offline dual carriageway bypass) offered the greatest level of benefit, and did the most to address congestion and delay along the existing A141. This is because both would provide significant reductions in traffic along the existing A141, improving junction capacity along the route.

### Phase 2: Further Assessment of Option 4 and Option 5

A comparison of Option 4 and Option 5 was then undertaken, and considered performance, construction cost and land requirements. The marginal performance benefits provided by Option 5, were not considered to outweigh the additional costs associated with construction, and the additional land required for the dual carriageway bypass, when compared to a single carriageway bypass. As a result of this, Option 4 was progressed as the best performing option.

### Phase 3: Further Refinement of Option 4

Further refinement of Option 4 identified that the bypass should connect with the Junction A (A141 / A1307, Spittals Interchange) in the west via a roundabout which also provides direct access to Spittals Way. To the east, the assessment determined that the new bypass should connect to the existing A141 via an upgraded roundabout at Junction G (A141 / B1090 Sawtry Way, Wyton Roundabout).

The further refinement of Option 4 concluded that the bypass should have at-grade, rather than grade separated junctions at three intermediate points (Ermine Street, Huntingdon Road and Kings Ripton Road).

Consideration of the impact of the bypass on the wider network identified that mitigation measures would be required at several junctions along the A1123 through St Ives.



#### Phase 4: Additional Growth Assessment

The final phase of the Strategic Assessment considered how the new A141 bypass would perform in the HG, and HG+ scenarios. These growth scenarios consist of:

- **High Growth**, consisting of:
  - 4,500 dwellings at Wyton Airfield (north east of Huntingdon), and
  - 2,200 dwellings at Gifford's Park (to the east of St Ives).
- **High Growth Plus**, consisting of:
  - 4,500 dwellings at Wyton Airfield (north east of Huntingdon)
  - 2,200 dwellings at Gifford's Park (to the east of St Ives), and
  - 4,500 dwellings to the north of Huntingdon.

The assessment concluded that Option 4 could support the additional growth identified in the HG scenario with mitigation measures provided at Junction M (A1123 / B1040 / A1096) and Junction V (B1514 Main Street / Desborough Road).

Assessment of the HG+ scenario indicated that multiple junctions within the model network would be at, or over capacity with the additional growth at Land North of Huntingdon, and that Option 4 would struggle to support this level of growth. Further testing has been undertaken to confirm this, and consider the mitigation needed in detail and to confirm the level of development that could be accommodated by the best performing option.

#### Operational Assessment Summary

The Operational Assessment used the Paramics Discovery based St Ives and Huntingdon Model (SIHM) to undertake a series of sequential tests to determine the effectiveness of interventions to reduce through trips in St Ives Town Centre, and how effectively Option 4, in conjunction with local junction improvement measures, could support the additional growth contained within the HG and HG+ scenarios.

The Operational Assessment was undertaken in the following four phases:

- Phase 1: Consider interventions to improve traffic conditions in St Ives, and reduce through trips from the town centre
- Phase 2: Consider the ability of Option 4, in conjunction with local junction improvements, to support additional growth at Wyton Airfield
- Phase 3: Consider the ability of Option 4, in conjunction with local junction improvements, to support additional growth at Gifford's Park (building upon the previous phase)
- Phase 4: Consider the ability of Option 4, in conjunction with local junction improvements, to support additional growth North of Huntingdon (building upon the previous phase).



**Note:** that all of these assessments assumed that the mitigations identified in the HSTS (to support the HLP growth) were already in place.

#### Phase 1: St Ives Town Centre

The first phase of assessment considered the potential for different interventions to improve traffic conditions in St Ives Town Centre, and reduce through trips. Interventions assessed included a series of speed reduction zones and bus gate features, as well as priority changes and movement restrictions.

The assessment has shown that the introduction of a 20 mph zone was the best performing option as it reduced a moderate number of through trips, without significantly compromising the surrounding road network, and had a positive impact on bus journey times.

Supplementing the 20 mph zone with the signalisation of the western roundabout at Junction M (A1123 / B1040) mitigates the impact of displaced traffic on the surrounding road network, and even offers an improvement at this junction over the base scenario. A right turn ban out of Needingworth Road onto the A1123 should also be incorporated into this package to remove delay from Needingworth Road and further reduce the proportion of through trips using this route.

Signalisation of the junction offers a benefit during both peak hours, and input from a traffic signal specialist would further optimise the performance of the junction.

Both the introduction of two bus gates and a 10 mph zone resulted in the greatest reduction in through trips (as the through route is severed by the bus gates), however the diverted trips cause significant congestion and many of the surrounding junctions are expected to go over capacity, with a large increase in bus journey times in both peak hours to an extent that cannot be mitigated by localised improvements.

The one bus gate intervention had a limited impact on the surrounding network, which was partially offset by traffic signal amendments at Junction L (A1123 Houghton Road / Ramsey Road) and offered a marginal eastbound bus journey time benefit in the AM peak hour, however it was counterproductive and encouraged an increase in through trips in the town centre.

Based on the assessment described above, the following package of measures is considered to offer the most benefit to St Ives Town Centre.

- Reduce town centre speeds to 20 mph, most likely through physical measures such as traffic calming
- Signalisation of the western half of Junction M (A1123 / B1040)
- Ban the right turn movement from Needingworth Road onto the A1123
- Priority Changes at:
  - Ramsey Road / North Road
  - North Road / Globe Place / Broad Leas
  - Globe Place / East Street.

#### Phase 2: Additional Growth at Wyton Airfield

Phase 2 of the Operational Assessment considered the impact of the additional growth at Wyton Airfield within the context of the new bypass. This assessment demonstrated that it is possible to mitigate the impact of the Wyton Airfield growth on junction performance within the study area to nil detriment, or close to nil detriment, with a series of local junction improvements at the following locations.

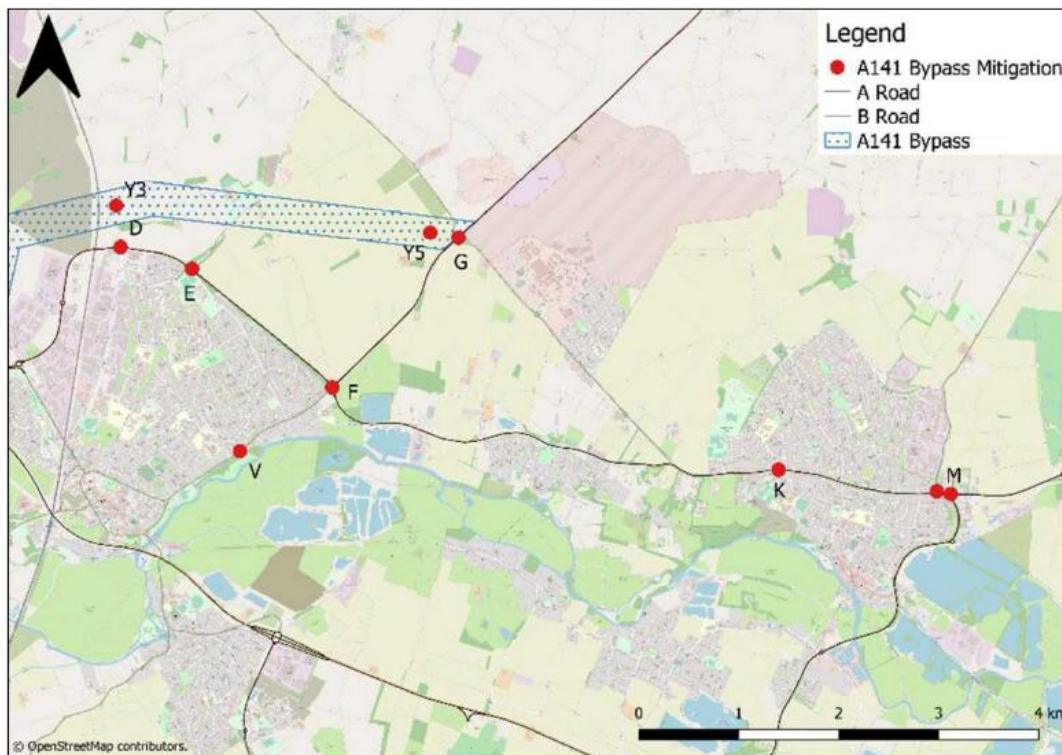


Figure 3: Local Junction Improvements to Support Additional Growth at Wyton Airfield

### Phase 3: Additional growth at Gifford's Park

Phase 3 considered whether additional growth at Gifford's Park could be supported by Option 4.

The analysis shows that, due to the scale of the impact of Gifford's Park on junctions throughout St Ives, and specifically at Junction M (A1123 / B1040 Somersham Road / A1096 Harrison Way), it is not considered possible to deliver the additional growth at Gifford's Park with localised junction improvements alone. This would instead require a more strategic intervention.

A sensitivity test was undertaken, which applied 10% of the Gifford's Park demand. This test confirmed that the obstacle to delivering this growth was network constraints, and not the scale of growth at Gifford's Park.

The volume of additional traffic attempting to pass through Junction M significantly increases delay at this junction, and a more significant strategic scheme is required to unlock the growth in St Ives, and to provide alternative access routes onto the surrounding road network for development traffic.

### Phase 4 Summary

Phase 4 has assessed the level of additional growth that can be supported at Land North of Huntingdon through a series of incremental tests.

The results show that junction performance begins to deteriorate most notably between scenarios with 40% and 60% growth during the AM peak hour. This suggests that the network could support somewhere in the region of 2,250 additional dwellings to the north of Huntingdon in addition to 4500 dwellings at Wyton Airfield, without the need for further significant improvements. Conditions were generally better in the PM peak hour, however the scale of growth is limited by network capacity in the AM peak hour.

### Scale of Growth Supported by Option 4

The Operational Assessment has identified that Option 4 (offline single carriageway bypass), in conjunction with local junction improvements throughout the study area, could potentially support a total of 6,750 dwellings beyond those identified in the HLP. In this assessment, this consisted of 4,500 dwellings at Wyton Airfield, and approximately 2,250 dwellings additional dwellings to the North of Huntingdon.

Any growth at Gifford's Park would require a new strategic intervention looking at options for St Ives, which should be considered further as part of a Strategic Outline Business Case for St Ives.



### Third River Crossing Summary

In January 2020, the CPCA approved an increased scope for the A141 Huntingdon Transport Study to include the assessment of a Third River Crossing over the River Great Ouse between Huntingdon and St Ives.

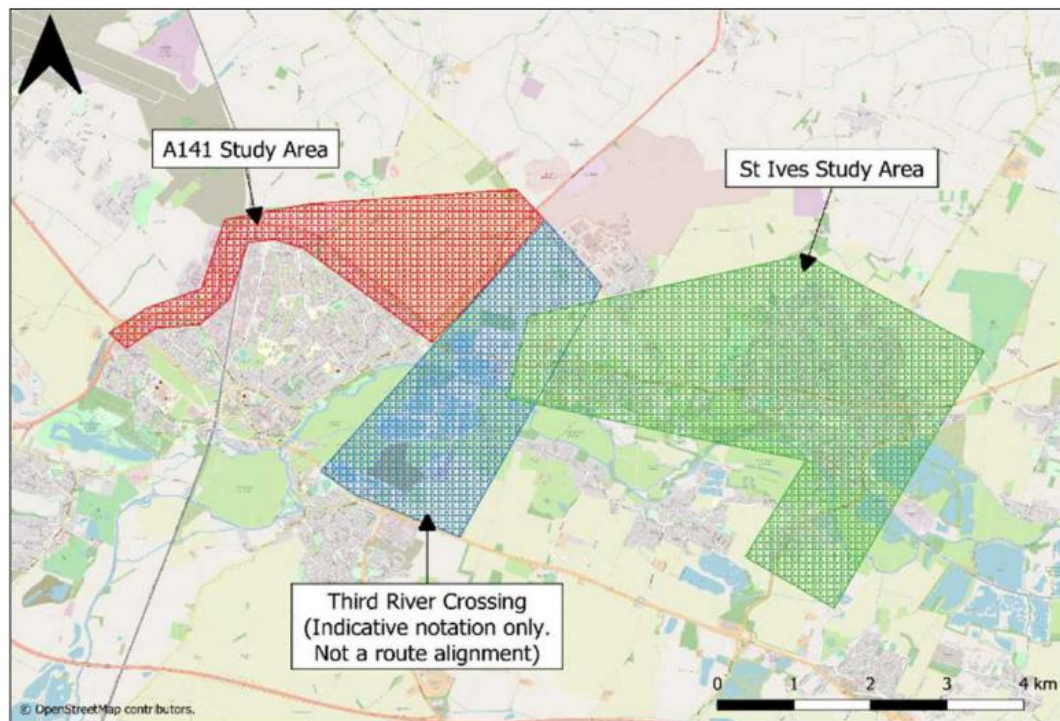


Figure 2: Third River Crossing Study Area Relative to the A141 Huntingdon and St Ives Transport Study Areas

This OAR sets out the transport modelling and environmental assessment that has been undertaken to compare the performance of a Third River Crossing between Huntingdon and St Ives, against the best performing A141 option, in its ability to deliver additional growth.

The comparison of a Third River Crossing with the A141 bypass has been undertaken using Strategic Modelling, and has shown that the A141 bypass offers greater benefit in delivering additional growth beyond that identified within the HLP. The most significant benefit of the A141 bypass over a Third River Crossing is that it addresses the capacity issues along the existing A141 route, which the Third River Crossing does not.

The provision of a Third River Crossing would not facilitate the additional development North of Huntingdon (HG+ scenario), as additional capacity along the A141 would be required which the Third River Crossing would not create. A test to see if providing additional capacity on junctions along the A141 between Junction A (A141 / A1307, Spittals Interchange) and Junction F (A141 / A1123 / B1514, BP Roundabout), showed that it had little impact on junction capacity along the route.



An assessment of the benefit of delivering both a Third River Crossing and an A141 bypass shows that this offers marginal benefit over delivering the A141 bypass on its own, and network wide junction capacity issues still remain in the HG+ scenario.

The Third River Crossing assessment has identified that the A141 bypass is the better performing option in transport terms for enabling additional growth (beyond HLP) and has the least environmental impact. The A141 option (Option 4) should be progressed instead of a Third River Crossing between Huntingdon and St Ives.

### Conclusion and Next Steps

This OAR has identified that the best performing A141 option is Option 4, an offline single carriageway bypass, with at-grade junctions, between Junction A (A141 / A1307, Spittals Interchange), and Junction G (A141 / B1090, Wyton Roundabout).

The assessment has identified that this option, in conjunction with a series of local junction improvements within the study area, has the potential to support an additional 6,750 dwellings beyond those already identified within the HLP. This includes 4,500 dwellings at Wyton Airfield, and 2,250 additional dwellings North of Huntingdon.

This option was compared to a Third River Crossing between Huntingdon and St Ives, to determine which had the most potential to support additional growth beyond that identified in the HLP. The assessment considered transport performance, affordability and existing environmental factors, and confirmed that Option 4 was the better performing of the two options, and should be progressed over a Third River Crossing between Huntingdon and St Ives.

The study has also identified a package of improvement measures for St Ives Town Centre, including the introduction of a 20mph zone, a right turn ban from Needingworth Road onto the A1123, and signalisation of the A1123 / B1040 Junction. This will reduce through trips in the town centre, improve bus journey times and mitigate the impact of displaced traffic from the town centre, on junctions along the A1123.

The assessment identified that it was not possible to support additional growth at Gifford's Park with localised improvements alone, due to network capacity issues, especially at Junction M (A1123 / B1040 / A1096 Junction) and along the A1096 Harrison Way. Consequently further investigation needs to be undertaken to identify a strategic intervention to bring significant improvement to St Ives and enable the delivery of additional growth in St Ives.

The next stage for both the A141 and St Ives Transport Studies, is to produce a Strategic Outline Business Case to further define the design and feasibility of Option 4 for the A141, and a strategic intervention for St Ives.





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.5</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **MARKET TOWNS PROGRAMME – APPROVAL OF MASTERPLANS FOR EAST CAMBRIDGESHIRE (ELY, SOHAM AND LITTLEPORT)**

### **1.0 PURPOSE**

- 1.1. The Cambridgeshire and Peterborough Combined Authority (CPCA) is working closely with Town Councils, District Councils' and local partners across Huntingdonshire, Fenland and East Cambridgeshire to deliver 11 key market town masterplans. The Market Towns Programme is supported by revenue investment from the CPCA for each market town to commission new research and analysis required to deliver the bold growth ambitions.
- 1.2. The purpose of this paper is to request that the Combined Authority Board approve market towns Masterplans produced for the East Cambridgeshire towns of Ely, Soham & Littleport.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>John T Hill, Director for Business &amp; Skills</b>
<b>Forward Plan Ref: KD2020/018</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to:  (a) approve the East Cambridgeshire Market Town Masterplan Action Plans produced for Ely, Soham, and Littleport.	<b>Voting arrangements</b>  Simple majority of all Members

## **2.0 BACKGROUND**

- 2.1. A third of our population lives in market towns, with nearly as many again living in surrounding areas and although links with our core cities are vital – investment and attention has often favoured cities and forgotten the role that market towns play for our region. Alongside this under-investment towns are facing many external pressures like the declining town centres and high streets, an ageing population, and a reduction of in-town job opportunities leading to more outward commuting.
- 2.2. The CPCA is committed to the future prosperity and success of every market town in the county and is investing in making this a reality by supporting market towns as economic and social hubs. This approach gives each town its own starting point, and the evidence base in order to tailor and customise interventions to meet the distinctive needs of each local economy.
- 2.3. There is no one-size-fits-all solution – and the CPCA is providing investment that adds value by helping towns clarify and reassess their priorities for future growth. In this way the identity and role of each town will be brought to prominence and enable each town to grow their economies and contribute to the overall doubling of our gross value added (GVA) over the next 25 years.
- 2.4. The strategic need, economic and commercial case for the projects will be examined and a programme of proposed interventions will be presented to the Combined Authority Board for each town. The CPCA are providing additional capital investment to mobilise each town masterplan and to act as a funding catalyst to securing additional investment
- 2.5. Following this process, the CPCA retains a strategic partner role – ensuring that county-wide decisions meet the needs of each town masterplan, and lobbying Government for further resource to deliver high-growth towns (and to promote the concept of place-based interlinked growth strategies).
- 2.6. This focus on market towns has been heralded by Government, by the Cambridgeshire and Peterborough Independent Economic Commission, and by other partners as a bold and progressive step towards inclusive growth.
- 2.7. Following a successful pilot scheme undertaken in St Neots, the Combined Authority Board agreed to provide funding to create masterplans for a further 10 key market towns within the CPCA area at the Board meeting held on 28 March 2018. The other 10 market towns are: St Ives, Huntingdon, Ramsey, March, Wisbech, Chatteris, Whittlesey, Ely, Littleport, and Soham.
- 2.8. With the aim of bringing jobs, infrastructure and growth, the masterplans would enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy. A commitment of £50k revenue support was made by the CPCA to produce a masterplan for each of the key towns.



## **East Cambridgeshire Market Town Masterplans**

- 2.9. Following the successful St Neots pilot project, a procurement exercise was undertaken at the end of last year to appoint economic specialists to help deliver a Masterplan for Ely, Soham and Littleport. Consultants were appointed having demonstrated substantial masterplanning experience in working with other market towns. They also have in depth knowledge of the local area having been the lead consultant for producing the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.10. Market Town Masterplans for Ely, Littleport and Soham were developed as a series of living documents, developed and updated by East Cambridgeshire District Council, in partnership with the Combined Authority and other stakeholders throughout their evolution – collating research and data in relation to various factors including:
- Population demographics
  - Retail information (including vacancy rates on the High Street)
  - Transport connectivity and commuter information
  - Occupation categories
  - Housing numbers and planned developments
  - Access to the countryside
  - Educational attainment
  - Job opportunities
  - Health stats
- 2.11. Key interventions, within each plan, have been selected for the purpose of contributing to the Combined Authority's regional goal of doubling Gross Value Added over the next twenty-five years.
- 2.12. The localised understanding of Covid-19 recovery within the market towns has also been integrated as a key priority, to expedite delivery of targeted investment and to drive economic growth whilst celebrating the unique character and strengths of each individual town and local area.
- 2.13. Funding opportunities will be sought from the CPCA and other sources to deliver the proposals outlined in the masterplans. Delivery will be further improved through attracting external funding to deliver the outlined projects whilst linking with other initiatives being delivered in the local area.
- 2.14. On 18 June 2020, the East Cambridgeshire District Council's Finance & Assets Committee approved the masterplans for Ely, Littleport and Soham for submission to the Combined Authority Board for approval.
- 2.15. As part of the development of the masterplans the Council has taken a holistic approach to increasing the economy of each respective area. Recognising the importance of engaging with the relevant stakeholders to achieve delivery, the Council is committed to undertaking wider consultation through the implementation process of the respective plans.

2.16. The final Masterplan reports are attached as Appendices 1 to 3.

### **3.0. FINANCIAL IMPLICATIONS**

3.1. There is £10m CPCA capital within the Medium Term Financial Plan (Market Towns Pump Priming) to support delivery and implementation of each market town Masterplan. The development of these masterplans has been funded from CPCA revenue budget.

### **4.0. LEGAL IMPLICATIONS**

4.1. Market Towns Programme is a key priority within the Combined Authority's Business Plan 2019-20 and the Constitution reserves decisions on the adoption, withdrawal or amendment of each market town Masterplan to the Combined Authority Board.

### **5.0. OTHER SIGNIFICANT IMPLICATIONS**

5.1 None.

### **6.0. APPENDICES**

6.1 Appendix 1 – Ely Market Town Masterplan.

6.2 Appendix 2 – Soham Market Town Masterplan.

6.3 Appendix 3 – Littleport Market Town Masterplan.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Combined Authority Board 28 March 2018 reports, decision summary and minutes	<a href="#">CA Board 28 March 2020</a>

# A Market Town Plan for



Ely





---

## Contents

About this document	4
Introduction	5
A vision for Ely	6
Area of focus 1: Station gateway	16
Area of focus 2: City Centre	20
Area of focus 3: Connectivity	25
Implementation Plan	29

---

# About this document

This document has been commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA), working in partnership with East Cambridgeshire District Council. This Market Town Plan is a series of living documents, owned and updated by local partners including the District Council and the Combined Authority.

The devolution deal which created the combined authority recognises the **important role of market town economies** in growing the wider Cambridgeshire and Peterborough economy. A masterplan for each of the eleven market towns across the region provides the opportunity to look at the unique features of each town, and offers deliverables which will benefit the immediate and wider economy.

This Market Town Plan for Ely endorses Mayor James Palmer's target for the combined authority region to **double its Gross Value Added (GVA) over the next twenty-five years**. To achieve this, market town economies must 'do their bit' – the interventions outlined in this document have been selected for the purpose of achieving this.

We don't expect everything in this document to be funded immediately. There are some quick wins where an injection of funding can get things moving. For other projects, we will need to spend time developing detailed plans and compelling investment cases before we can begin to leverage in funding. While the Cambridgeshire and Peterborough Combined Authority (CPCA) has funded this report, and is keen to invest in our city, we know we will need to build a coalition of supporters, including central government, to get some of the schemes detailed here delivered.

As part of this dialogue with central government, this document signposts a recovery plan from the economic consequences of Covid-19. We have identified positive responses to the global economic shock, which, with government support, will relaunch our local economy, ensuring that our city comes out of the current crisis stronger than it was before.

---

# Introduction

The historic city of Ely sits nestled alongside the River Great Ouse and is crowned by its impressive Norman cathedral, known fondly as ‘the ship of the Fens’, for its protruding presence against the flat landscape. Those visiting Ely on one of its market days<sup>1</sup> will be sure to experience the city’s bustling character.

Though city by status, Ely’s economy is categorised alongside Cambridgeshire and Peterborough Combined Authority’s **market town economies**. Market towns vary in size, provision, and performance - Ely is the largest market town economy in context of East Cambridgeshire, estimated as contributing 32.7% of the district’s GVA.

Ely is the most developed market town economy in East Cambridgeshire and acts as a retail, service and administrative centre for a wide rural catchment. Its commercial centre has undoubtedly experienced the Cambridge effect and is destined for further growth. In a recent market town workshop attended by businesspeople based in Cambridge, Ely scored as the most familiar economy, averaging at a familiarity score of 7.5/10.<sup>2</sup>

The interplay between Ely’s offers plays to the Combined Authority’s ambition: ‘delivering a leading place in the world to **live, learn and work**’.

- **Live:** Housing provision, access to environment and leisure opportunities, amenities, strong connectivity
- **Learn:** A competitive education offer, with plans for an additional primary school
- **Work:** An important commuter city for Cambridge, with direct rail connectivity to London, also attracting high levels of inward commuting for work from other market towns and rural communities.

Ely’s charm and competitive education offer will continue to make it a desirable place to live, but this is insufficient in attracting investment essential to support and grow the local economy. Ely’s proximity to Cambridge will be viewed as a missed opportunity if other market town economies ‘step up’ to the challenge of providing a complementary and competitive alternative.

**This market town plan focuses on prioritising Ely as a leading place to work.** This involves building a strong, competitive and specialist commercial reputation which is supported by Ely’s housing and educational offer.

---

<sup>1</sup> 3 main and 3 ‘mini-markets’ per week, with a farmers’ market twice a month

<sup>2</sup> Cambridge Ahead, Market Town Workshop

---

# A vision for Ely

There are already lots of good things happening in Ely. **This document delivers a vision for Ely, structured around economic recovery from Covid-19 and growth.**

The overview of Ely draws upon a broad analysis of available data. Interventions outlined in this vision are supported by an action plan at the end of this document.

Our vision is driven by three major opportunity areas, which have been identified as priorities to secure economic growth in Ely and its surrounding area as well as contributing to doubling Cambridgeshire and Peterborough's GVA targets.

**Ely's output (GVA) was £566m in 2017 – doubling this would place Ely's GVA at over 1 billion.**

The **three opportunity areas** for Ely explored in this document must be prioritised to deliver maximum economic growth in Ely, and its surrounding area. These are as follows:

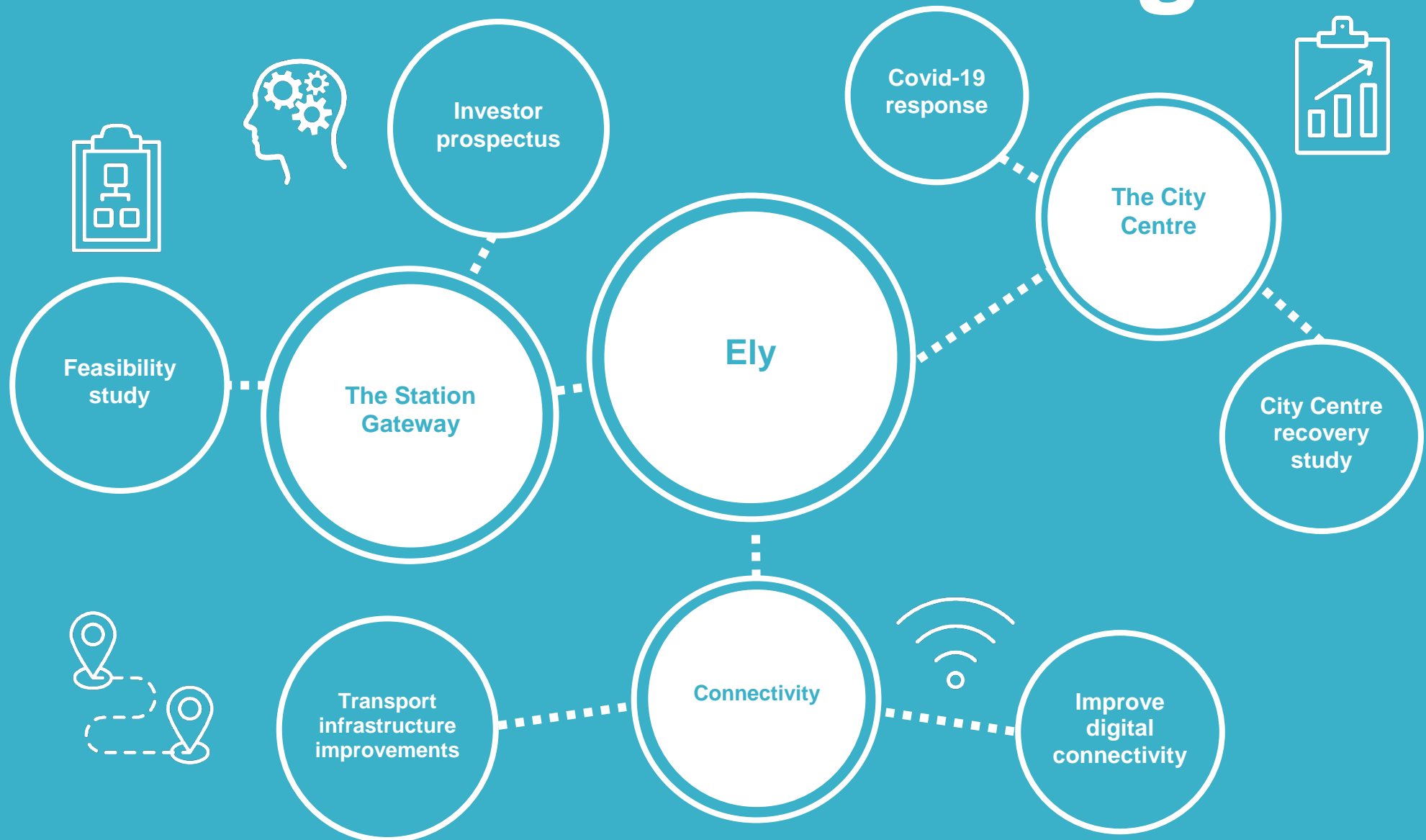
1. The Station Gateway
2. The City Centre
3. Connectivity

This market town plan recognises that local business bases across the country have been heavily affected by Covid-19 induced economic consequences. Under the direction of precise immediate to short-term actions, local economies can position themselves on the path to recovery. This market town plan looks at the city's role as a service centre for the district highlighting medium-term to long-term investments that are essential to Ely's expected economic trajectory. Support and funding for these three opportunity areas underpin predicted economic growth for the district and Combined Authority economy.

**Ely needs to react to the changing market and position itself competitively with other market towns and the Cambridge economy.** To achieve this, Ely must build itself a commercial reputation that is well thought out - both contemporary and future proof, offering a broad employment mix and facilities, digital connectivity for businesses and improved road infrastructure.



# The Plan on a Page



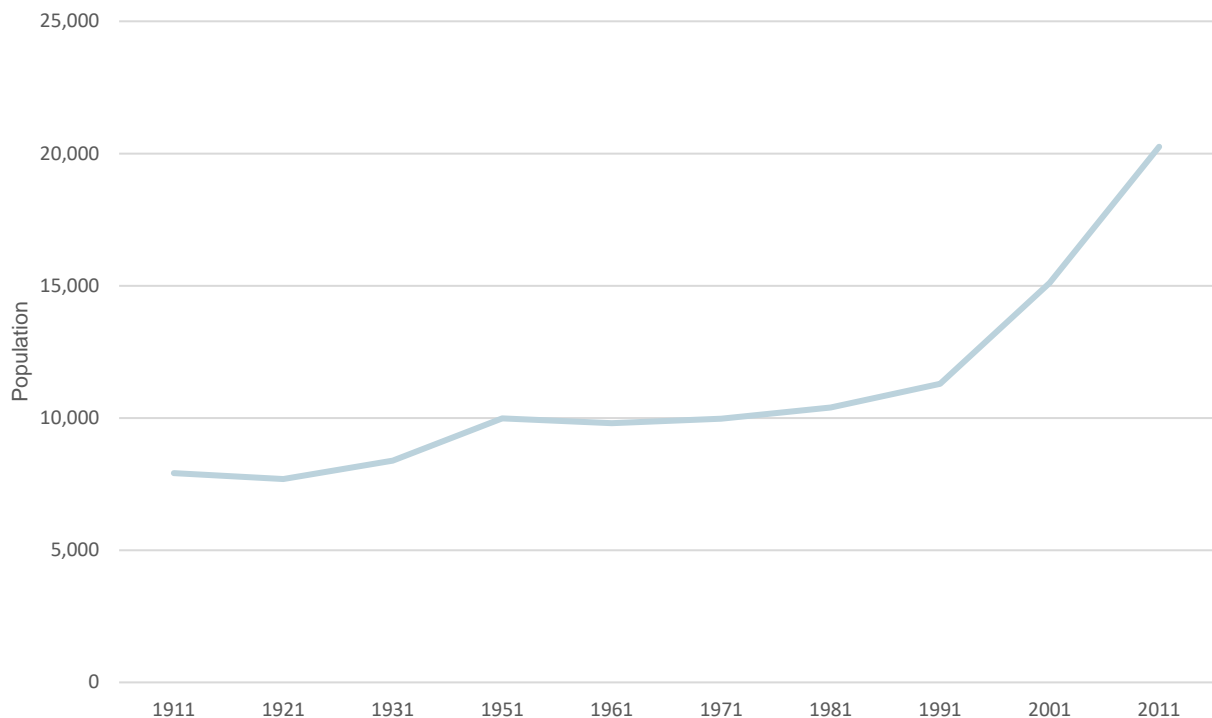
---

## An overview of Ely

### An attractive place to live and work

The population of Ely almost doubled between 1981 and 2011 (see fig. 1). This dramatic growth has been followed by a much slower pace in recent years, of 4% between 2013 and 2018.

**Figure 1. Ely's population over the last hundred years, 1911-2011**

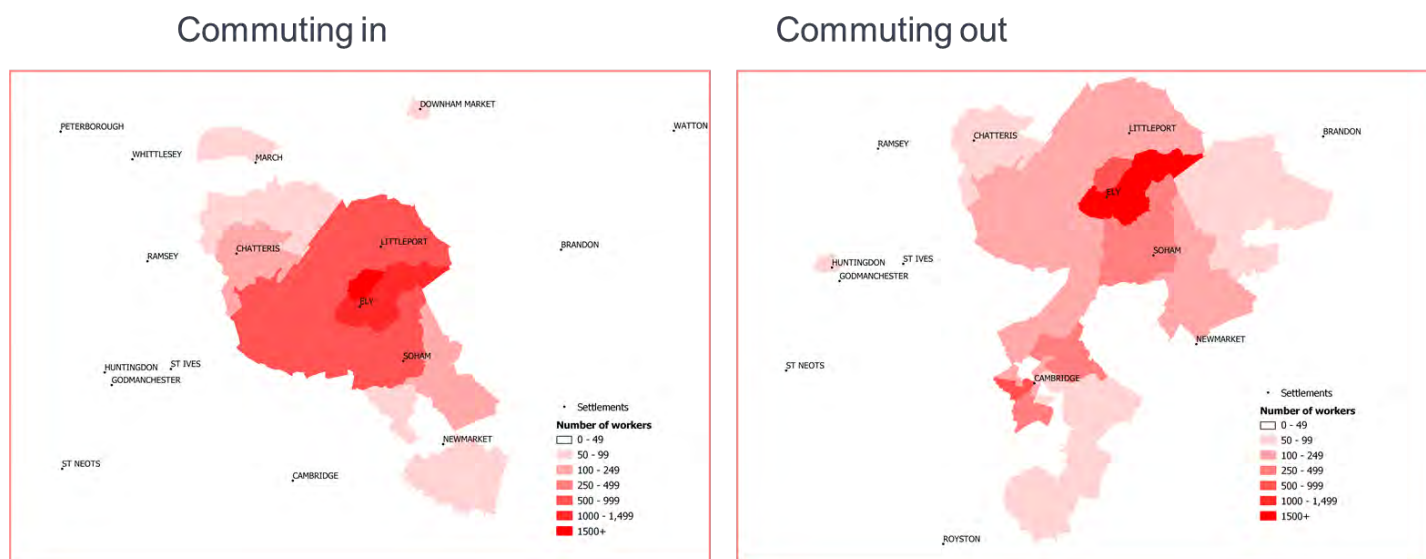


*Source: Census 2011*

Ely's population is expected to grow by more than 35% by from 2016 to 2036. And like all Cambridgeshire market towns, Ely's population is expected to age - there are to be an estimated 2,840 more over-65s living in Ely by 2036 – an increase of 76% from 2016. Interestingly over the last five years, the 25-44 age group has declined in size, this may raise concerns about the future vitality of the city.

Ely is an important commuter city for Cambridge, but also attracts high levels of inward commuting for work from the other market towns and rural communities. (see fig.2)

**Figure 2. Commuting data**



*Source: Census 2011*

### Ely is the primary centre of economic output in the district

Ely produces almost a third of East Cambridgeshire's Gross Value Added (GVA), making it the primary centre of economic output in the district. (see fig.3) Ely's significant economic output is focused on **manufacturing, property and retail** and Ely produces a proportionally high level of economic output in the **service industry**.

Five out of ten of Ely's top specialisms are in Manufacturing - Ely is over *nine times* more specialised than Great Britain in the Manufacture of computer, electronic, and optical products. Another specialism is Scientific Research and Development, in which Ely is nearly 3.5 times more specialised than Great Britain.

**Figure 3. Estimated GVA**

Geography	GVA by District – 2017 prices	GVA by District (% of East Cambridgeshire's total GVA)
Ely	£566m	32.7%
Soham	£190m	11%
Littleport	£126m	7.3%
Other	£849m	49%

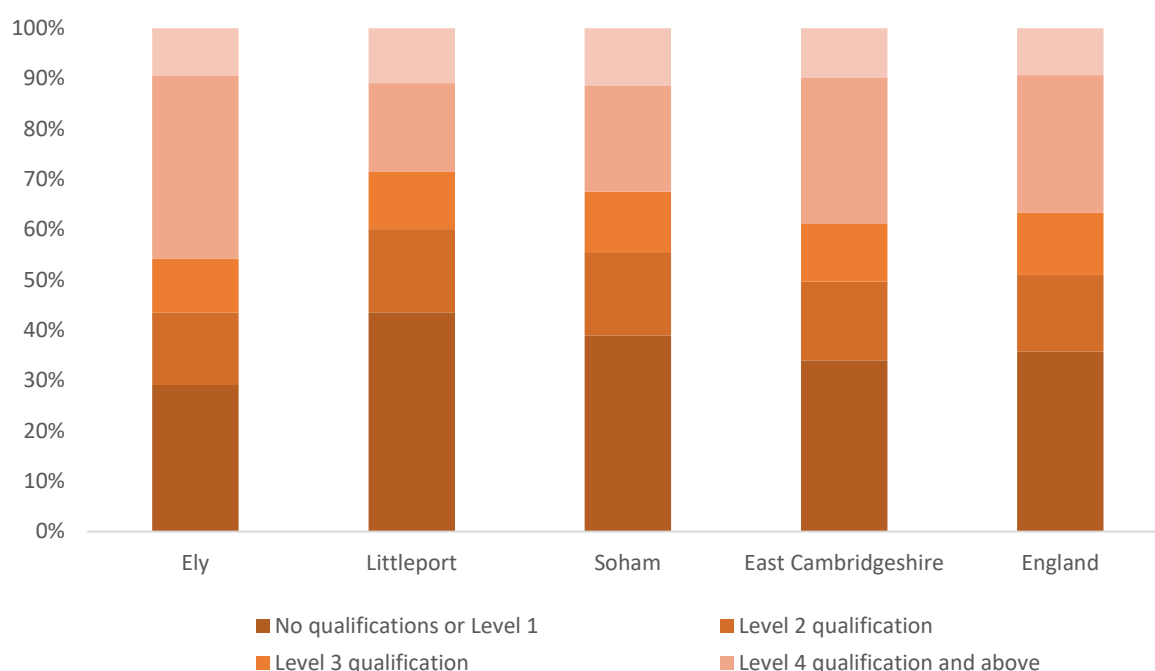
*Source: East Cambridgeshire District Council*

## A highly skilled population

Ely's population has a higher percentage of residents with Level 4 qualifications and above than market town comparators, the East Cambridgeshire average and England average. It also has a lower proportion of Level 1 or no qualifications than the above comparators. (see fig. 4)

Ely is a desirable place for professional and highly skilled workers to live. Just under half of Ely's residents are employed in the three highest skilled occupations (Managers, directors and senior officials, Professional occupations and Associate professional and technical occupations) this is higher than the district, county and country average.<sup>3</sup> Though, Ely's skilled workers command higher wages by commuting out of the district. The median wage for a resident of East Cambridgeshire (£24,885) is significantly higher than the average worker in the district (£21,147).

**Figure 4. Level of qualification attained by geographical area**



*Source: Census 2011*

## Relatively low deprivation

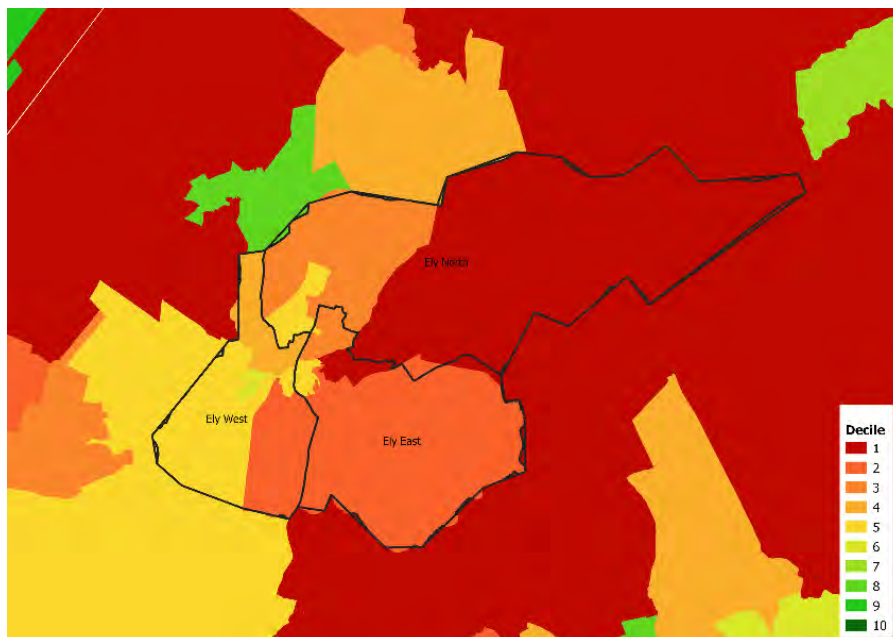
Ely has relatively low levels of deprivation as a whole, but some parts of the city are more deprived than others. The Index of Multiple Deprivation (IMD) is a relative measure of deprivation constructed by combining seven domains of deprivation according to their respective weights. The domains where Ely scores as more highly deprived are Barriers to Housing (see fig. 5) and Services and Education, Skills and Training Deprivation (see fig. 6),

<sup>3</sup> Highest skilled SOC occupations



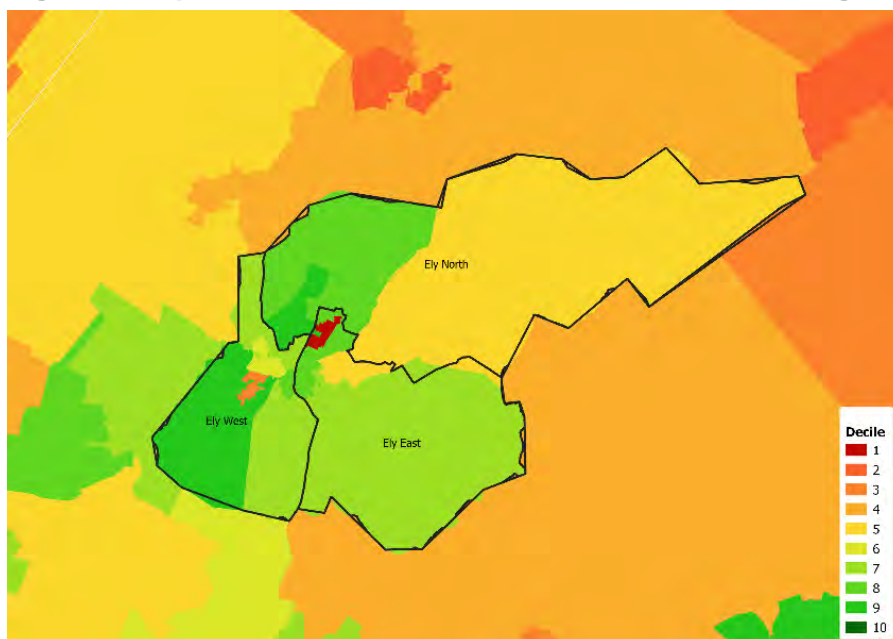
on both counts some neighbourhoods in Ely are among the 10% and 20% most deprived neighbourhoods in the country.

**Figure 5. Deprivation Indices – Barriers to Housing and Services**



Deprivation spanning from Barriers to Housing and Services is high across most of Ely, but is considerably higher in neighbourhoods in Ely North (the dark red shows neighbourhoods among the 10% most deprived in the country), followed by the majority of Ely East and parts of Ely West (the dark orange shows neighbourhoods in the 20% most deprived in the country). Ely West is the relatively least deprived, with neighbourhoods in the west of the ward among the 50% most/least deprived neighbourhoods in the country. These neighbourhoods are around the built-up area of Ely.

**Figure 6. Deprivation Indices - Education, Skills and Training Deprivation**



Source: MHCLG (2019)

---

Generally, levels of deprivation in Education, Skills and Training Deprivation are relatively low. Ely West is the relatively least deprived ward, with the exception of a neighbourhood that is among the 20% most deprived in the country. Moving into Ely North, neighbourhoods fall in line with the median levels of deprivation (50% most/least deprived). The dark red neighbourhood in Ely East is the City Centre, and among the 10% most deprived neighbourhoods in England.

### **A competitive education offer**

Ely has a good provision of schools – nine primary schools, one secondary school, one independent school (Acremont & Nursery, Junior and Senior) and one special school. Nine out of ten schools that have undergone Ofsted review have been awarded ‘good’ status.

Ely is also part of the **Fenland and East Cambridgeshire Opportunity Area**, which looks to tackle social mobility challenges through additional education funding.

### ***Early years and primary education***

Ely has a higher proportion of early years achieving ‘at least expected at all early learning goals’ and achieving a ‘good level of development’ than the averages for Cambridgeshire and the UK. In primary education, KS2 students achieving the expected standard in reading, writing and maths combined is lower in Ely than the county and national averages - 60.2% compared to the county (62.8%) and UK averages (65.3%).

### ***Secondary schools and sixth form colleges***

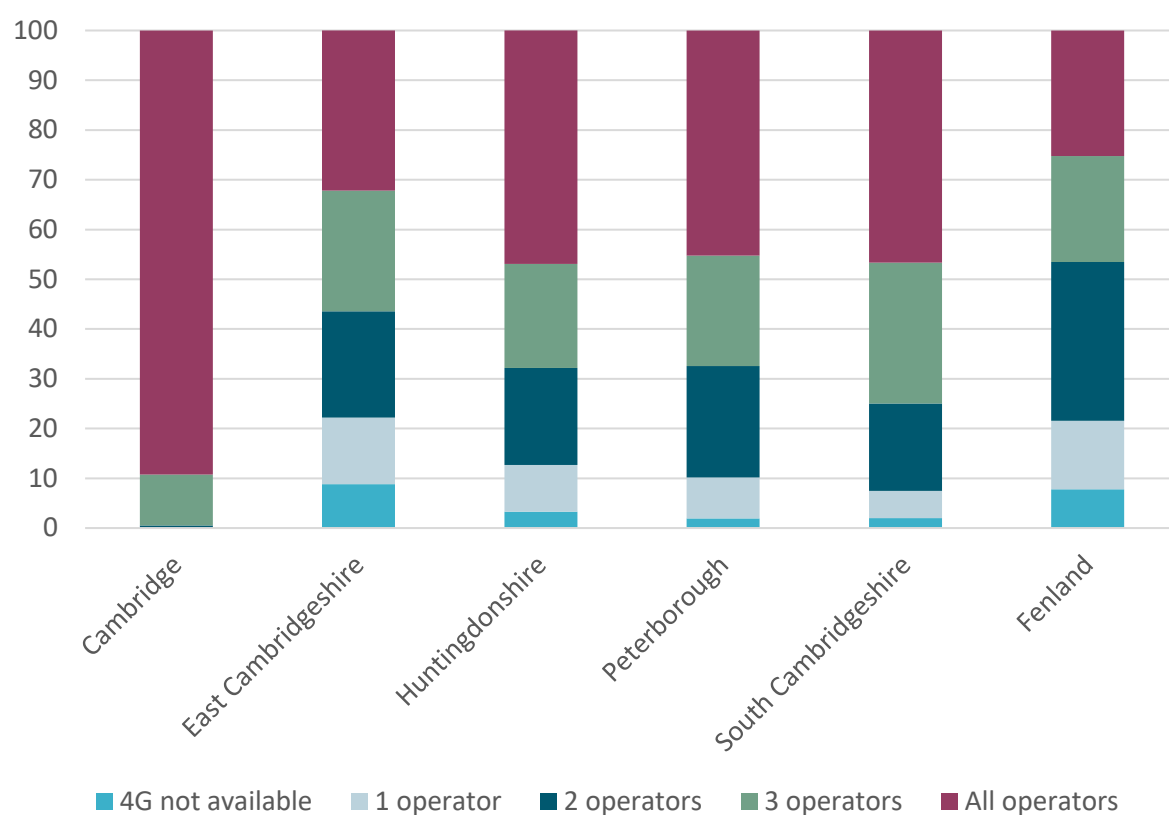
There is a disparity between secondary school provision, with King’s Ely performing above the Cambridgeshire and England averages in the % of secondary school pupils achieving a 9-5 pass in English and Maths GCSE. Ely College performs just below the Cambridgeshire average and just shy of the England average.

Sixth form performance shows King’s Ely has a higher average for A Levels and Bishop Laney Sixth Form offers a range of Level 3 Vocational Courses, A Levels and Level 2 and performs well.

### **Digital connectivity – with varying strength and provision**

Poor mobile coverage is a district-wide issue. East Cambridgeshire has the highest % of premises without 4G in Cambridgeshire and Peterborough. The chart overleaf shows it performs only marginally above Fenland in the next bracket, in being the second most likely district to only be covered by one mobile operator. (see fig. 10) Ely Cathedral and City Centre are both recognised in the Combined Authority’s ‘Top 20’ priority locations for mobile coverage improvements.

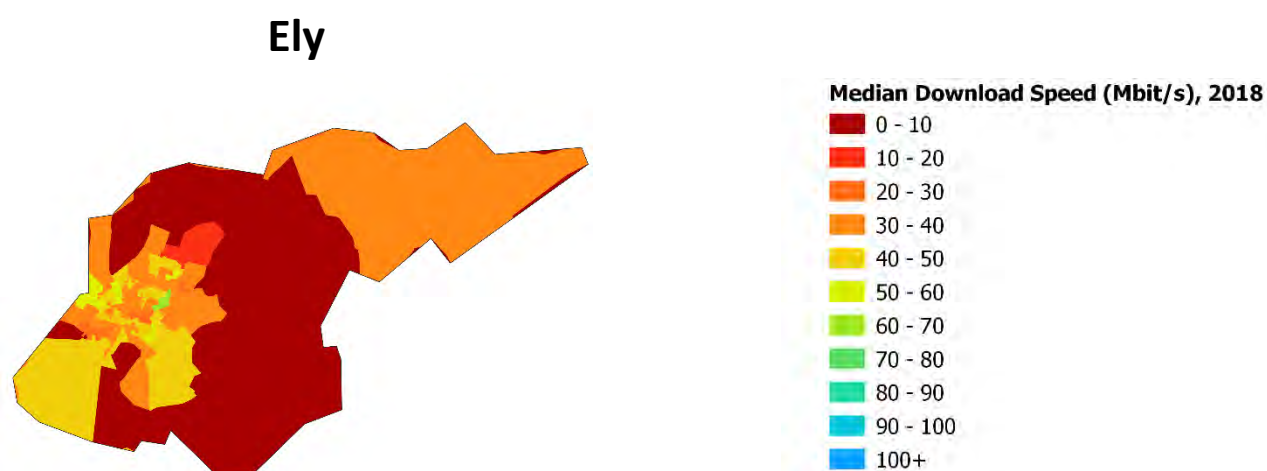
**Figure 10. Mobile signal - % of premises, by number of mobile phone operators giving coverage, by district**



*Source: Ofcom Connected Nations Spring Update 2018, output area level*

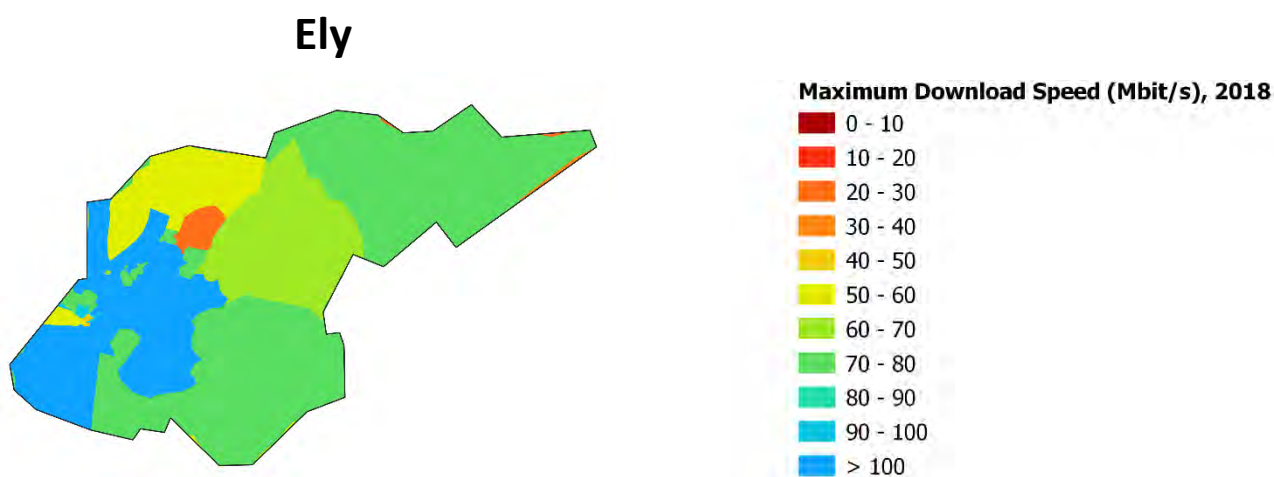
Ely suffers from slow median broadband download speeds, with the exception of the city centre. Large areas of Ely are within the 0-10 Mbit/s decile as shown in the map below and not everyone has the means of accessing broadband. (see fig. 11)

**Figure 11. Broadband: median download speed**



On the other hand, most areas of Ely have access to speeds within the superfast category. (see fig. 12) 'Superfast' broadband is measured as a service that offers speeds of more than 24Mbit/s.) But this is not enough for many businesses, particularly in data-heavy sectors where ultrafast and full fibre are needed.

**Figure 12. Broadband: maximum download speed**



*Source: Ofcom Connected Nations Spring Update 2018, output area level*

### **Good public transport connectivity via rail, while Ely's bus services leave room for improvement**

Weekday transport is made efficient by rail, directly connecting Ely with Cambridge (both the central station and Cambridge North), King's Lynn and London. The new Cambridge South station will provide a rail link to the south of Cambridge. Many combine this with active travel (cycling and walking), as Ely has a higher than average proportion of people commuting to



---

work by train, bike, and walking than the district, region and England averages. However, there is still an issue about how people can access the station. Access from the rural hinterland is a more difficult problem and may still be car based for the foreseeable future

Bus services are less efficient. While they offer direct services to Soham, Littleport and Cambridge – their frequency is often every two hours. There is need to change buses to reach March and Newmarket, St Ives and Huntingdon which significantly increases travel time, in comparison to that by car and when different service providers operate the route, passengers may face variable ticketing charges.

The district is predominantly rural with a dispersed population, which creates challenges in providing a comprehensive public and active transport network. Many local communities are reliant on the car as their only transport option to access Ely.

There is a need and an opportunity to change the whole balance of transport use and provision in order to underpin the economic viability of Ely City Centre, the new residential communities on the edge of the city, and its rural hinterland. This strategy will need to examine what the key elements of such change should be and how they should be brought into effect.

---

# Area of focus 1: Station gateway

## Introduction

**The station gateway has been identified as the key to achieving the target of doubling GVA** - the new hub will work in tandem with the Enterprise Zone at Lancaster Way Business Park as Ely's commercial hubs. Strategic redevelopment is essential to support existing businesses in the station gateway area, as well as to attract new businesses to this prime location and broaden the employment mix.

The area in question lies between green space on either side and backs on to the River Great Ouse, and the Ely Southern Bypass (see orange shaded area on map below). The value of this area was recognised in the East Cambridgeshire Core Strategy (2009), Ely Masterplan (2010), and North Ely: Joint Strategic Masterplan (2013), yet the case for redevelopment of the station gateway has never been stronger. A fresh approach to the station gateway project provides opportunity to reflect what the current market can deliver.



---

### ***Developing the commercial offer***

The station gateway area already serves a commercial function - the Cambridge Business Park and The Dock Business Park (both a short walk from the station) accommodate approximately 40 companies including:

- ALS Food and Pharmaceuticals (Pharma testing)
- Shearline Precision Engineering (Manufacturing)
- IT Governance (Data protection)
- Oil & Gas Systems
- Thorlabs (Hi Tech Manufacturer)

The new station gateway will be characterised by specialist companies, similar to those identified above. Ely's commercial offer will attract high skilled workers from the Cambridge ecosystem and encourage business start-ups.

### ***Rail connectivity***

The station is a huge asset to Ely, offering direct journeys to Cambridge and London King's Cross and an interchange to Stanstead Airport, Ipswich, Norwich, King's Lynn, Peterborough and further afield to the midlands and the north. The station gateway's commercial offer will continue Ely's trend as an inbound commuting destination.

### ***Integrating the station gateway into the city***

The aesthetic of the station gateway area is a harsh contrast to the city centre, much of which is a conservation area. From the elevated station entrance there is a dramatic view up Station Road and Fore Hill to the Cathedral. The proximity of the Cathedral, the old buildings along station Road, and the steepness of the slope of the island, accentuate the visual and physical dominance of the Cathedral from this view. Landscaping the development will soften what is currently dominated by tarmac, and improve the impression a visitor receives upon arriving in Ely.

Creating a natural pedestrian flow to the river and city centre will incorporate a transitioning of green and blue space that surrounds the station gateway area and is such an asset to Ely.

## **1. Feasibility study**

The station gateway area involves a significant number of stakeholders – several key landowners and tenants have been identified by the District Council. A feasibility study will need to be conducted to determine opportunities for development in this area, which will include a site options appraisal and require consultation with key stakeholders and landowners.

---

## 2. An investor prospectus setting out the vision for the station gateway

It is important to look forward to what we want the station gateway to be, and some of its components. Once the commercial vision for the area has been agreed, an investor prospectus will be a vital document to pitch Ely station gateway to potential investors.

A vision for the station gateway development may include:

### *Provision for a broad employment mix*

The commercial quarter needs to support businesses which are already located in the station gateway area and attract new talent.

The vision for Ely recognises an opportunity to develop the city's commercial reputation. Centre for Cities research indicates that successful city centres are supported by **'knowledge-based'** industries such as marketing, finance and law.<sup>4</sup> Just 20 miles from the station gateway is Cambridge Biomedical Campus, Europe's largest centre of medical research and health science. The proposed new Cambridge South station will provide a rail link from Ely to this. Ely needs to position itself as a key component in the Cambridge ecosystem, particularly attracting these knowledge-based companies. One way of strengthening Ely's commercial reputation is for the station gateway redevelopment to reflect Ely's **sector specialisms**, such as the manufacture of computer, electronic, and optical products, and pharmaceuticals.

New talent also includes **business start-ups** - attracting entrepreneurs to grow their business in Ely. The District Council's e-space South business centre already provides some office space for small businesses, but the station gateway needs to include provision for growth space and be integrated into a business support network provided by the District Council and Combined Authority

### *Introduction of high-quality business space into the city*

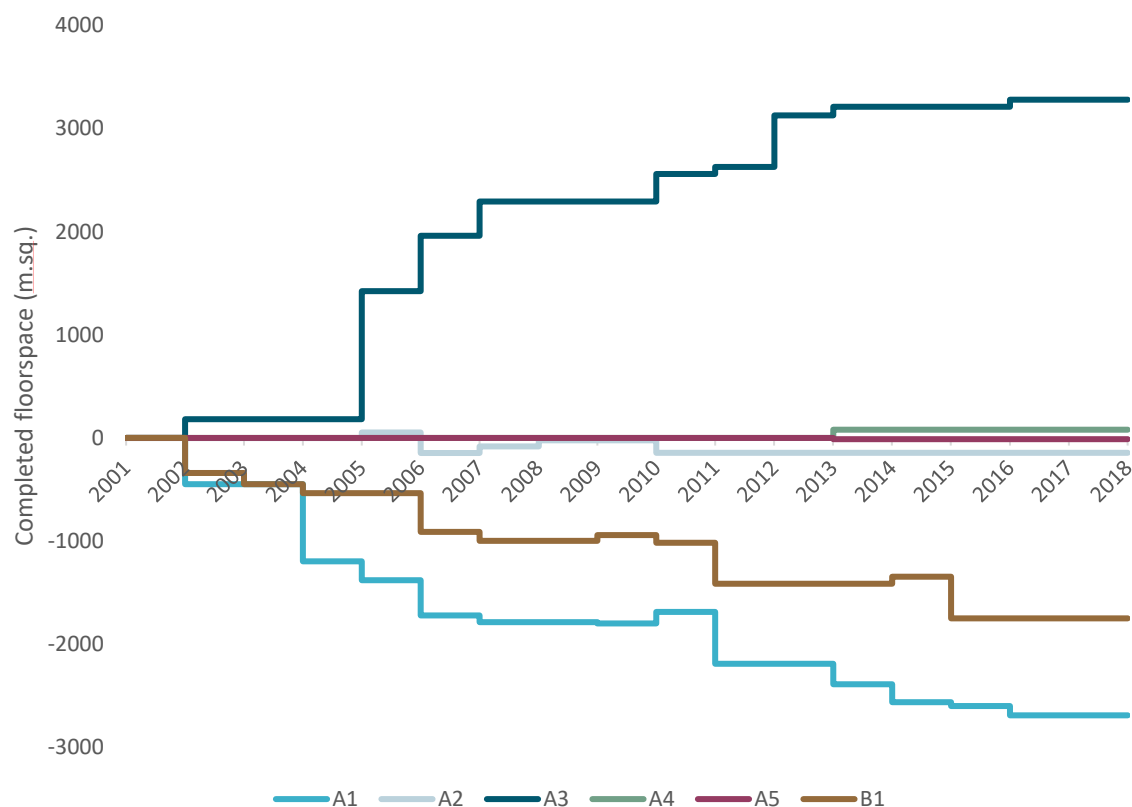
The station gateway offers companies a prime location to base their business, with strong rail and road connectivity and close proximity to the charming city centre. Introducing more office space into the city responds to demand and lack of current provision - looking at change of use data reveals a steady decline in office space (land use class B1). One reason for this is that permitted development rights have led to offices being converted to residential uses. (see fig. 7).

---

<sup>4</sup> <https://www.centreforcities.org/press/open-for-business-britains-strongest-city-centres-suggest-the-high-street-is-not-dead/>



**Figure 7. Changes of use: net gains/losses in space since 2001 by planning use class**



*Source: Cambridgeshire County Council, CoStar*

If the station gateway is to secure Ely's role in the Cambridge ecosystem, the site needs to offer **high-quality business space** - attracting firms who may be looking to expand or relocate their headquarters.

#### ***State-of-the-art facilities***

Over time, we need to work towards provision of state-of-the-art facilities – including laboratory space, training facilities, and conference suites.

As a starting point, the station gateway should include **co-working spaces**, which are becoming increasingly popular amongst smaller businesses and self-employed workers.

#### ***Additional car parking***

The station gateway will need to include additional car parking, catering for the businesses and commuters.

---

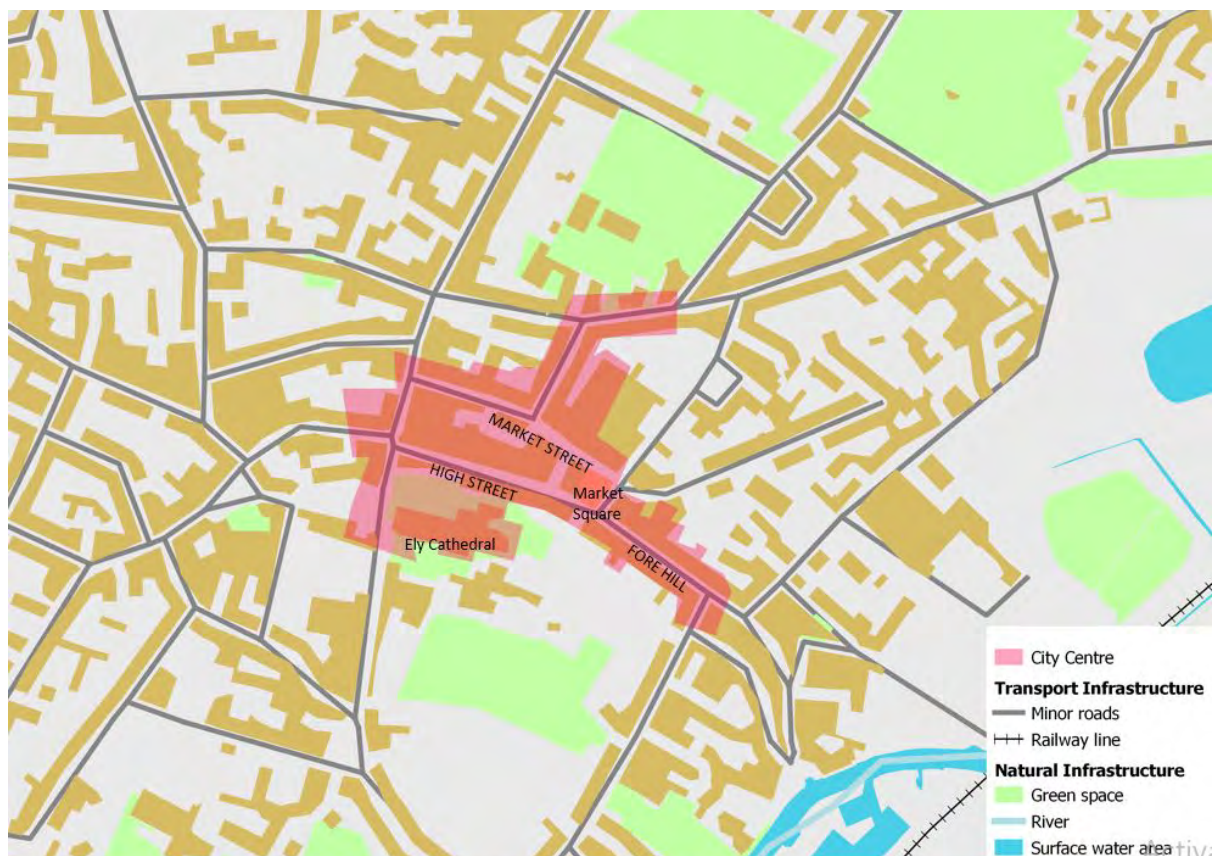
# Area of focus 2: City Centre

## Introduction

Ely's city centre has developed around its historic core (highlighted in red on the map below). A number of important sites including Ely Cathedral, Ely Market, Ely Museum, Oliver Cromwell's House and the Cloisters are located in this small geography. Ely city centre therefore provides a varied offer to visitors and residents, including:

- Heritage
- Retail
- Leisure

The above offer attracts 1.5 million visitors annually and can be enjoyed by tourists as well as people who live and work in Ely. Headlines from a 2017 study revealed Ely Markets generated turnover of more than £5 million per year, with market customers going on to spend a further £10 million in the wider Ely economy.



---

## The impact of Covid-19 has had an instant dramatic effect on local economies

Across the UK people are restricting movements to key work, essential goods, and exercise. Covid-19 has caused a shift in behaviours overnight, many businesses have been ordered to close, to furlough staff or instate a work from home policy. A change to business models has seen a number of companies rely or revert to a 'takeaway' service, or to move their business online.

In the Combined Authority area, restrictions around travel have impacted the movement of people, with patronage on buses down by 90%.<sup>5</sup> In Ely city centre, the government-required lockdown has prevented people from using the space as they would usually. Sectors in Ely city centre recognised as being particularly vulnerable to this economic shock are retail, leisure and hospitality.

The economic impact of Covid-19 poses direct challenges to the future of Ely city centre, including an uncertain future of tourism and Ely's experience economy.

- **Tourism** – Ely will remain a desirable place to visit on account of its built and natural environment, but visitor patterns are likely to change as a consequence of the pandemic. This may be short-lived, particularly around international tourism – but we must not allow complacency in assuming things will return to 'how they were before'.
- **Experience economy** – Pre Covid-19, Ely's "experience economy", which includes visitor experiences and unique cultural attractions, could be considered as healthier than other market town offers. A stand out element of this would be Ely's food and drink offer, since 2001 change of use has added an extra 3.000 m.sq. of floorspace in Ely to food and drink planning use.<sup>6</sup>

The experience economy has been hit hard by the impact of Covid-19, and despite government support, many smaller businesses will be uncertain about their future. For those businesses that do stabilise and recover in the short-term, the question of how long it will take for patterns of demand to return is paramount.

## 1. Immediate Covid-19 response

Covid-19 poses an immediate challenge to ambitions for the city centre, therefore it is important that local businesses are **signposted to existing and emergency support** offered by the District Council, Combined Authority and Government.

---

<sup>5</sup> CPCA Transport committee, Covid-19

<sup>6</sup> Cambridgeshire County Council, CoStar

---

## 2. Developing an evidence-based city centre strategy

Understanding the local economy plays a crucial role in directing local authorities' response to the Coronavirus pandemic. **An immediate action is for East Cambridgeshire District Council to produce a bespoke study of Ely's economy to inform a Covid-19 response.**

This must include:

- The latest research
- Best practice from around the UK and abroad
- Labour market assessment (particularly around universal credit data, and unemployment and redundancy figures)
- Business premises assessment (monitoring vacancy rates for different types of businesses)

These findings will work into a **district wide Covid-19 economic recovery strategy**, which will include recommendations for individual market town economies including a sectoral response.

Before this detailed study implements a Covid-19 economic recovery strategy it is useful to assess data that is already available.

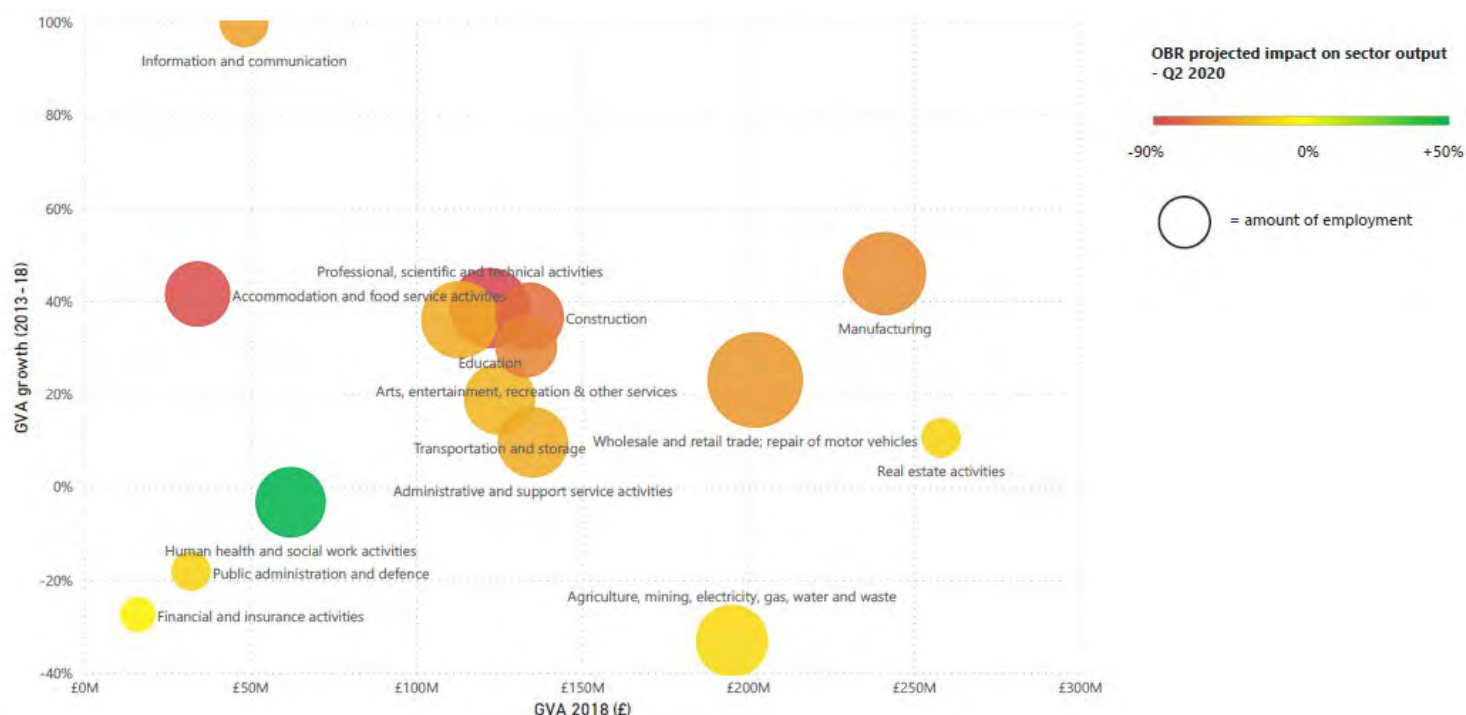
### **Economic vulnerability assessment**

Looking at the mix of sectors and professions is a useful starting point for Ely's recovery post Covid-19. The graph overleaf (fig. 8) shows the most at-risk sectors in East Cambridgeshire according to OBR estimates are in tourism and professional, scientific and technical services. In particular, Ely's fast-growing IT sector, which has doubled its output in five years, is at medium risk.

Some of the least affected sectors, financial and insurance, public admin, health, are a small and shrinking part of the economic mix. Whilst the oranges and reds are more typically the bigger, growing sectors - this poses existential threat to the business community in Ely should the recession turn out to be longer-lived.



**Figure 8. OBR projected impact on UK sectors, by local GVA, growth and employment**



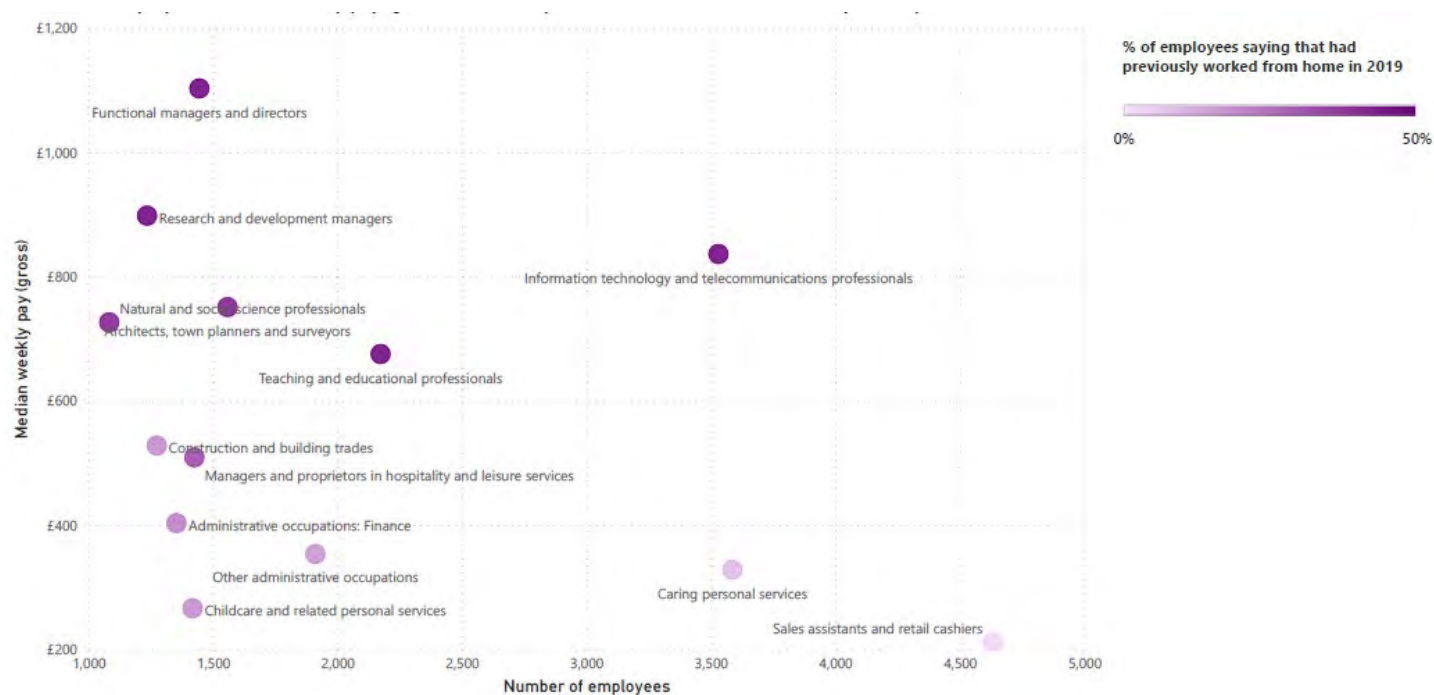
*Sources: Office for Budget Responsibility, ONS Regional Accounts, ONS Business Register and Employment Survey*

The increasing possibility of prolonged social distancing measures significantly impacts the workforce, and it is probable that parts of the economy will return to work in increments. It is useful to look at working from home data to provide insight to the proportion of the economy that can continue working under these measures.

From the graph overleaf (fig. 9), we can see a clear positive correlation in East Cambridgeshire between employees' past experience of working from home and higher median earnings. These occupations include Functional managers and directors, and research and development managers. The larger employing occupations, such as caring personal services and sales assistants and retail cashiers are less likely to be able to work from home by the nature of their role, and these employees earn less.

Across the UK we are seeing effects of Covid-19 exaggerating social and economic inequalities. It is important that East Cambridgeshire District Council and the Combined Authority are aware of this trend, and identify the communities, sectors and occupations at highest risk.

**Figure 9. Number of employees, Median weekly pay (gross), First Occupation and % ever work at home**



Sources: ONS dataset Coronavirus and homeworking in the UK labour market 2019, ONS Annual Survey of Hours and Earnings table 14.1a, ONS Social Survey (ad hoc request). Note some professions not included as numbers suppressed by ONS for being too small to be statistically significant.

---

## Area of focus 3: Connectivity

**Ely's connectivity needs to be exceptional to support its businesses and residents as part of the vision to double GVA.** As per the CPIER recommendation: 'A package of transport and other infrastructure projects to alleviate the growing pains of Greater Cambridge should be considered the single most important infrastructure priority facing the Combined Authority in the short to medium term. These should include the use of better digital technology to enable more efficient use of current transport resources.'<sup>7</sup>

### Digital connectivity

Free public Wi-Fi is available to retailers and visitors in the city centre, serving the Market Place, High Street and Fore Hill areas. This allows people to access services 'on the go' and has been transformative in allowing market traders to take contactless payments. But this provision serves only a small function, the bigger picture reveals broadband and mobile connectivity across Ely is not fit for purpose. The recent shift towards 'working from home' models and for a business need to be well-connected has heightened the demand for digital connectivity improvements in Ely and East Cambridgeshire - improvements which could be transformative to residents and businesses alike.

### Transport infrastructure

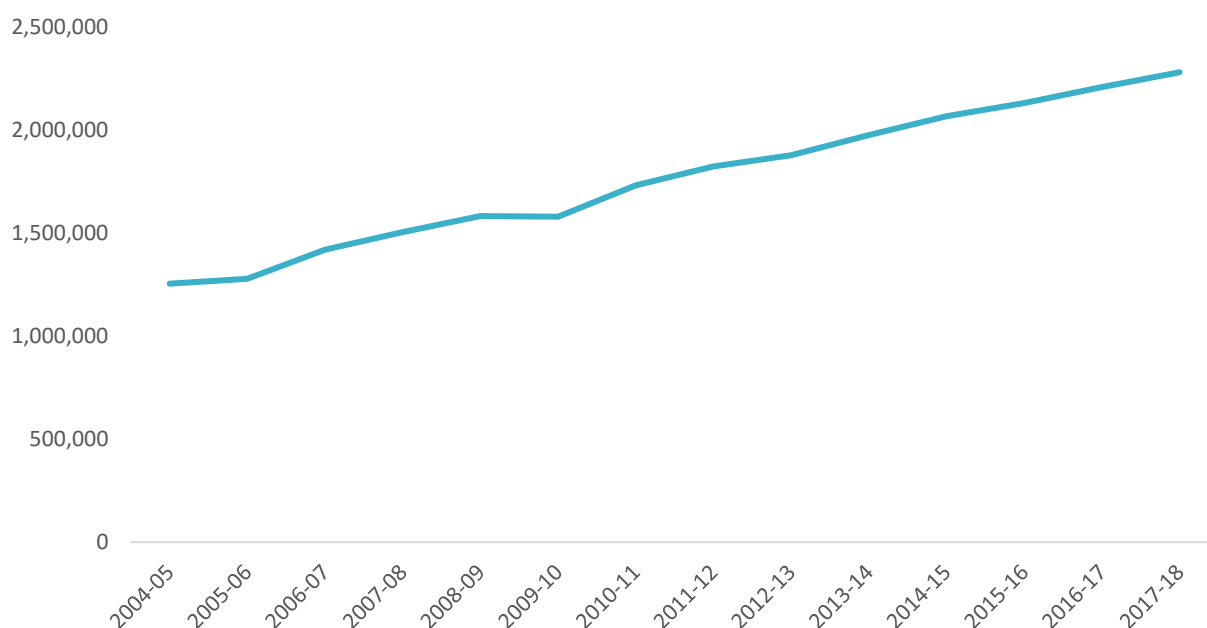
Ely is well-connected via a number of modes of transport. Rail usage in Ely has steadily grown, the chart overleaf plots annual estimates of station entries and exits from Ely station. (see fig 13) This has helped secure Ely as a commuter destination and as a viable daytrip option.

Ely Southern Bypass was opened in 2018. After years of suffering the effects of delays and congestion on the busy A142 route, this has delivered a boost to residents and the economy of East Cambridgeshire and beyond. Ely is also a popular destination for boating traffic along the River Great Ouse, which sees many visitors venturing into the centre to enjoy the heritage and food and drink offer. Ely has good public transport connectivity via rail, while its bus services leave room for improvement.

---

<sup>7</sup> CPIER

**Figure 13. Annual estimates of Station entries and exits from Ely 2004 – 2018**



*Source: Office for Rail and Road*

## 1. Improve digital connectivity

**The strength and provision of digital connectivity across Ely needs to be improved so that businesses and residents can benefit.**

As aspects of our life increasingly go online, the importance of reliable and fast connections grows. The following actions have been identified as part of this initiative to improve digital connectivity.

- Support the free WiFi provision in the city centre and develop a medium-long term sustainable option providing a service to the wider city centre and beyond.
- Work with mobile network providers to make better mobile coverage available. An immediate action is to improve 3G and 4G coverage, this includes an opportunity to share masts and data via the Shared Rural Network (SRN), as part of a wider Combined Authority ambition. Further ambition is to work with Connecting Cambridgeshire to identify the infrastructure needed to support 5G.
- In order to position itself as 5G ready, there is an opportunity for Ely to work with the public sector to explore opportunities for being a test bed for the Internet of Things (IoT). As part of this, Ely could position itself as a smart city - the use of smart sensors and devices would provide innovative opportunities, such as that around smart mobility, including increased efficiency managing traffic and parking.



---

## 2. Transport infrastructure improvements

Key transport infrastructure improvements around active travel, road and rail are listed below. In all cases, these are ongoing projects which will require support to deliver.

### Bus Services and Cycling and Walking Routes Consultation

East Cambridgeshire District Council has recently been consulting with residents to identify key bus services and cycling and walking routes that will allow local people to get to work, college, doctors, shops, public services or visit family and friends. The findings from this consultation will help shape transport improvements; funding will be required to deliver new bus services, cycleways and footpaths.

Evidence over the last 10 years shows that a city bus service for Ely is needed and could be commercially viable in the long term. This should be a fundamental aspiration of the strategy, as it supports economic development of the city centre.

The impacts of COVID-19 will also need to be assessed, in particular whether patterns of travel and modes of travel will change.

### Road

The first study is the **'Lancaster Way A10-A142 Improvements'** this concerns two roundabouts (the BP roundabout and Lancaster Way roundabout) which are often congested. The agreed interim improvements, which are now funded and moving to implementation will enable the delivery of the enterprise zone at Lancaster Way business park second phase extension, paving the way for 2,500+ new jobs.

The second, and largest project is the **A10 dualling and junction upgrades**. The A10 serves the local economy and is a route in high demand, yet lengths of the busy stretch remain single carriageway with few safe passing places. **The Combined Authority must make A10 improvements a central project, as identified in the CPIER.**

The A10 connects Ely with Cambridge and King's Lynn, two key places of commerce. The stretch of road between Ely and Cambridge carries the third highest level of north-south traffic in Cambridgeshire, with more than 18,000 vehicles currently using the A10 daily between Ely and Stretham, and up to 25,000 vehicles a day using the section between Waterbeach and the A14.

The A10 is critical to Ely's connectivity to the knowledge industry associated with the Cambridge ecosystem and will gain importance with the delivery of a new town, north of Waterbeach. The A10 joins the Cambridge and Fenland economies, benefiting East and North Cambridgeshire.

Improvements include dualling the 16 mile stretch of the A10 between the A14 north of Cambridge and the A142 at Ely and junction upgrades as well as delivering a new off road cyclepath from Ely to Cambridge. Opportunities exist for realignment of the A10 from Stretham to Ely, with the potential to significantly improve the congestion problems around

---

the Lancaster Way area. Support for plans which are currently at Strategic Outline Business Case (SOBC) stage will:

- Cater for long term growth
- Offer safety benefits
- Provide alternatives to the car
- Ease congestion

Opportunities to expand the Cambridge Autonomous Metro (CAM) beyond Cambridge and Waterbeach to Ely should be explored.

## Rail

A proposal around Ely North Junction was postponed in 2016, since then Network Rail secured £9.3m funding from the CPCA to embark on a wider review.

**Ely Area Capacity Enhancement (EACE) Programme** is underway and due for submission as a Strategic Outline Business Case (SOBC) in 2020, the intention is to increase both passenger and freight capacity. The District Council continues to support EACE, so long as it offers a road solution to ensure continued road connectivity for the people of Queen Adelaide, Prickwillow and North Ely.

## Implementation plan

Vision section	Intervention	Key Actions	Additional partners
The Station Gateway	Feasibility study	Review of land, ownership, and constraints  Testing market demand for different types of space	CPCA, stakeholders and landowners
	A prospectus setting out the vision for the station gateway	Create a compelling document for use with prospective investors and interested companies  Work with local, regional, and national partners to promote this as a key part of Cambridgeshire's growth story	
The City Centre	Immediate Covid-19 response	Support local businesses, using all available channels  Research into and collection of real-time data to assess Ely's vulnerability	CPCA  Cambridgeshire County Council  Local Businesses
	Developing an evidence-based city centre strategy	Deep-dive review on how Covid-19 affects key sites and previously stated ambitions	

---

Vision section	Intervention	Key Actions	Additional partners
Connectivity	Improve digital connectivity	Development of a 5G strategy	CPCA Connecting Cambridgeshire
	Transport infrastructure improvements	<p>Prioritise A10 dualling as a key project and take forward from SOBC</p> <p>Push forward Ely Area Capacity Enhancements in a manner which provides a retained road solution for residents of Queen Adelaide, Prickwillow and North Ely</p>	<p>Highways England</p> <p>Cambridgeshire County Council</p> <p>CPCA</p>







# A Market Town Plan for



# Soham





---

## Contents

About this document	3
Introduction	4
A vision for Soham	5
A repurposed, resilient town centre	12
Transport – driven regeneration	16
The heart of Cambridgeshire's AgriTech industry	20
A new leisure and culture offer	23
Implementation plan	24

---

# About this document

This document has been commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA) working in partnership with East Cambridgeshire District Council.

The devolution deal which created the Combined Authority recognises the important role of market town economies in growing the wider Cambridgeshire and Peterborough economy. A masterplan for each of the eleven market towns across the region provides the opportunity to look at the unique features of each town, and offers deliverables which will benefit the immediate and wider economy.

We don't expect everything in this document to be funded immediately. There are some quick wins where an injection of funding can get things moving. For other projects, we will need to spend time developing detailed plans and compelling investment cases before we can begin to leverage in funding. While the Cambridgeshire and Peterborough Combined Authority (CPCA) has funded this report, and is keen to invest in our town, we know we will need to build a coalition of supporters, including central government, to get some of the schemes detailed here delivered.

As part of this dialogue with central government, this document integrates a recovery plan from the economic consequences of Covid-19. We have identified positive responses to the global economic shock, which, with government support, will ensure a relaunch of our local economy, ensuring that our town comes out of the current crisis stronger than it was before.

---

# Introduction

Market towns are vital to the society and economy of Cambridgeshire. They grew up as hubs for commerce, serving a wide rural hinterland. Over time they have taken on an increasingly important residential function, and now constitute almost a quarter of the population of Cambridgeshire and Peterborough<sup>1</sup>. However, all our market towns are having to adapt to a reality in which cities have become more pre-eminent. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) notes that “market towns are in some ways in more of a need of a strategy than cities, as cities can be flexible and specialise in multiple areas, whereas market towns need a more focused approach if they are to thrive”.

This is our strategy for Soham. It seeks to respond to many of the challenges identified by CPIER and others: an increasing proportion of retail transactions taking place online, a preference for urban living among young professionals, and difficulties in maintaining regular public transport.

However, more than any of these, this strategy responds to the immediate challenge of the Coronavirus pandemic. This has taken a toll on our population and resulted in the forced closure of many high street businesses. Our aspirations to grow the active usage of the town centre through gatherings in cafés, bars, and pubs have had to be put on hold. At the moment, doing everything we can to halt the spread of the disease is the top priority.

But we intend to bounce back from this in a stronger position than we were before. Investment in our town can get us back on our feet. And rather than trying to go back to the old normal, we will embrace some of the changes brought about by the pandemic – increased homeworking, the importance of pedestrian space, and the importance of resilience over efficiency – to grow our town.

The Combined Authority’s ambition is to double economic output (GVA) over 25 years. With the right combination of interventions, Soham can develop the high quality jobs in the industries of the future to contribute towards this target.

---

<sup>1</sup> Cambridgeshire and Peterborough Independent Economic Review (CPIER)

---

# A vision for Soham

Soham seeks to be a Green Town and will explore ways to deliver this ambition, both in terms of bringing more green space into the town and carbon reduction schemes. This will link with District Council's Climate Change work and be the catalyst for more green projects within the town.

Soham will be a highly desirable place to live and work, with an improved cultural and leisure offer and good employment opportunities to enable people to live and work locally. The repurposed town centre and reopened station will make our town much more attractive to live in and visit.

Our vision for Soham centres on four major themes:

## **A repurposed, resilient town centre**

Soham will reopen after the lockdown, with real-time data being used to inform a safe approach. Our town centre will move from being overly reliant on shopping, to a more holistic space, with social interaction and green space built in. We will adapt to the “digital by default” era by building in on-street Wifi and preparing for the 5G revolution. And we will use housing growth and transport improvements to bring more footfall to our high street, allowing businesses to open and the town centre to be renewed.

## **Opening up our town through better connectivity**

The biggest “game changer” for Soham over the next few years will be the opening of the new station. Over fifty years since the closure of the previous station, this will make our town much more attractive to live in and visit, particularly for those who don't drive. We will use this as an opportunity to attract businesses to base themselves here and develop the area around the station to make the station a real gateway into Soham. And we will work to integrate various other forms of transport – cycling, walking, and the bus network – to make this a true transport hub. Finally, we know that as a town in the fens, networks of waterways are central to our history and environment. We will look to explore improving the connectivity by water, by looking at the idea of a marina to integrate with the rail development.

## **The heart of Cambridgeshire's AgriTech industry**

Soham already has a significant cluster of business in “AgriTech” – a fast-growing sector which focuses on applying modern technologies, including Artificial Intelligence and geospatial data science, to agriculture. Soham is perfectly placed to be at the centre of this sector in the East of England, being surrounded by high grade farmland, and sitting between the research engine of Cambridge, and the food processing factories of North Cambridgeshire. The Hasse Fen facility will be the basis for an innovation ecosystem, with companies based increasingly within the town in grow on space.

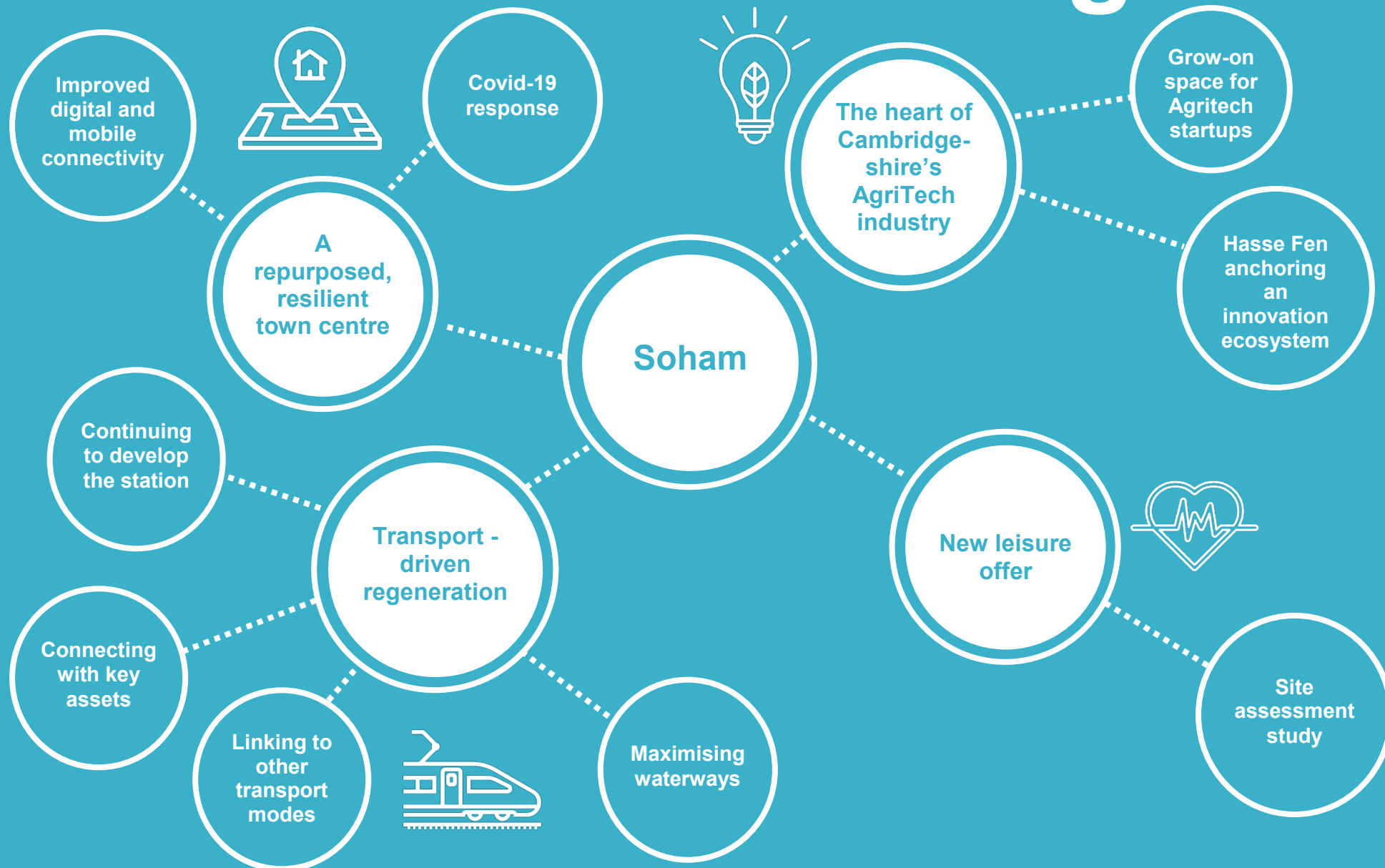


---

### **A new leisure and culture offer**

As a growing town, Soham has an opportunity to become more self-sustaining, providing residents with services closer to home. A key gap in the town's offer at the moment is leisure and culture provision. Soham will have new facilities, allowing residents to keep active and enjoy an improved cultural offer.

# The Plan on a Page



---

# An overview of Soham

Soham has an attractive historic town centre and a vibrant and active local community. It has a unique landscape setting, being surrounded by Commons to the south, east and west. St. Andrews Church is of great architectural and historical significance and is a prominent local landmark. Soham also has an excellent network of public footpaths and attractive green lanes, which provide good links into the surrounding countryside.

## A rapidly growing town

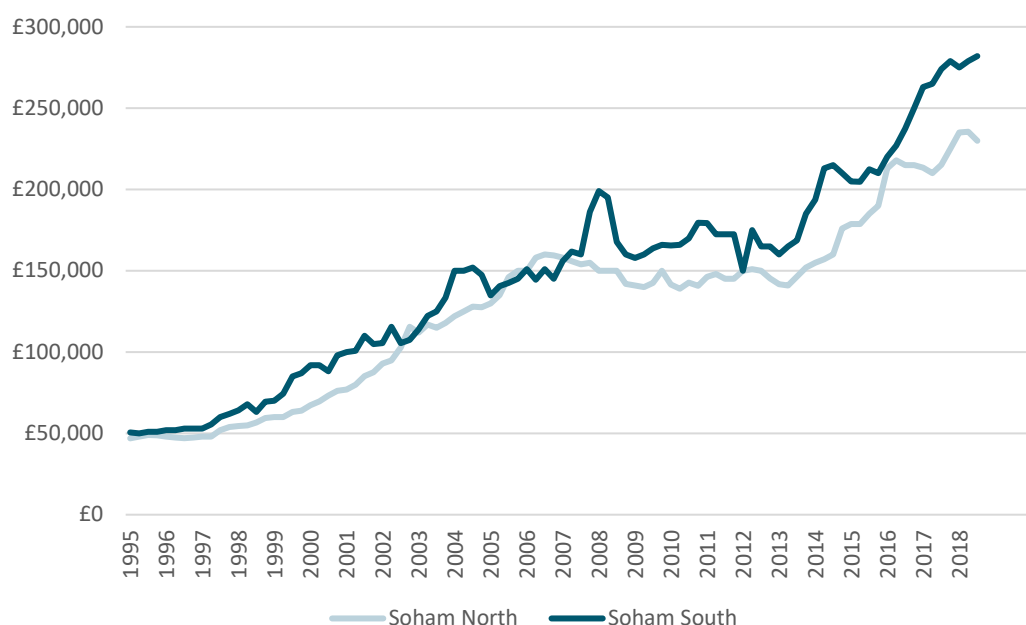
Soham is the fastest growing town in East Cambridgeshire – in the five years since 2013, the size of the population has grown by almost 10%, compared to 4% in Ely and 7% in Littleport. This has been mainly accounted for by a growth in the 5-14 age group (+30%) and the over-65 group (+19.1%).

Like many towns, Soham's population is projected to age, with Cambridgeshire County Council forecasting continued growth of the over-65 population. This means we need to think about how we cater for this population, as well as ensuring the town continues to attract a young, dynamic demographic.

## Housing price growth, but with further supply in train

After remaining fairly steady in the aftermath of the financial crisis, house prices have grown quickly recently. In Soham North ward, median prices have climbed from £160,000 at the end of 2013 to £282,000 in 2019 (see fig.1)

**Figure 1. Median House Prices in Soham, 1995 - 2018**

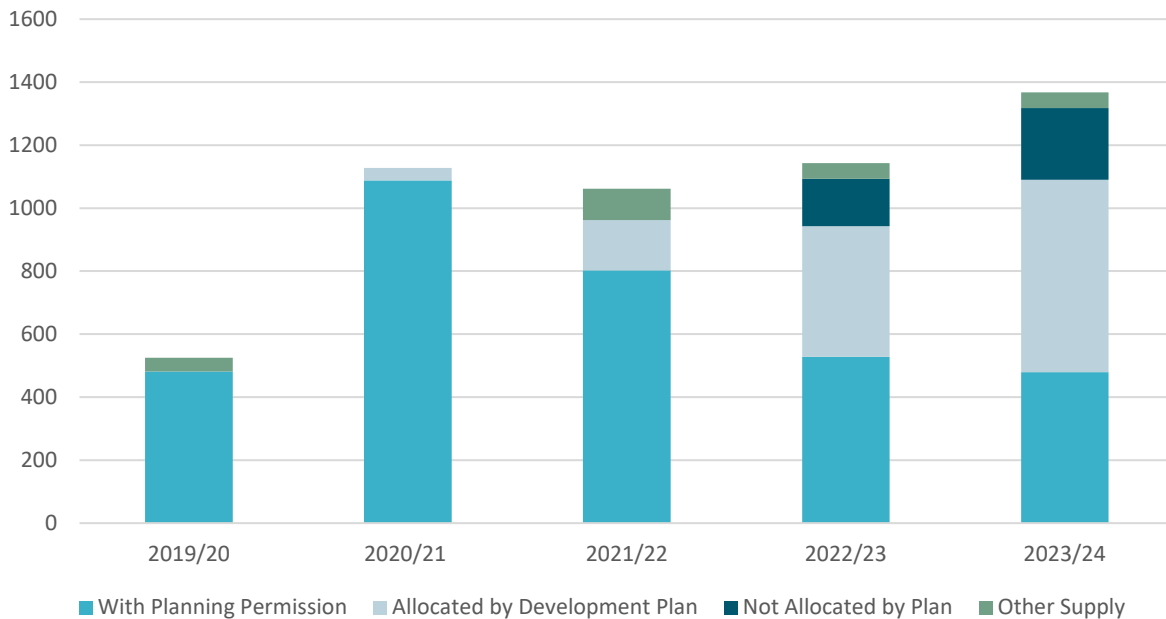


Source: ONS House Prices for Small Statistical Areas (HPSSA)

What has been behind this rapid increase? Firstly, supply of new housing has been fairly limited. Only 45 dwellings were completed in Soham in 2016-17, down from 261 ten years before<sup>2</sup>. But at the same time, demand to live in Soham has increased, as it has started to become part of the wider Cambridge economy, with increasing numbers of commuters to the city.

We can see (fig. 2) that far higher numbers of dwellings have been approved for the next five years – it will be vital that these are delivered to maintain affordability of housing in the town.

**Figure 2. Estimated five-year housing supply for East Cambridgeshire, 2019-20 – 2023-24**



*Source: East Cambridgeshire District Council*

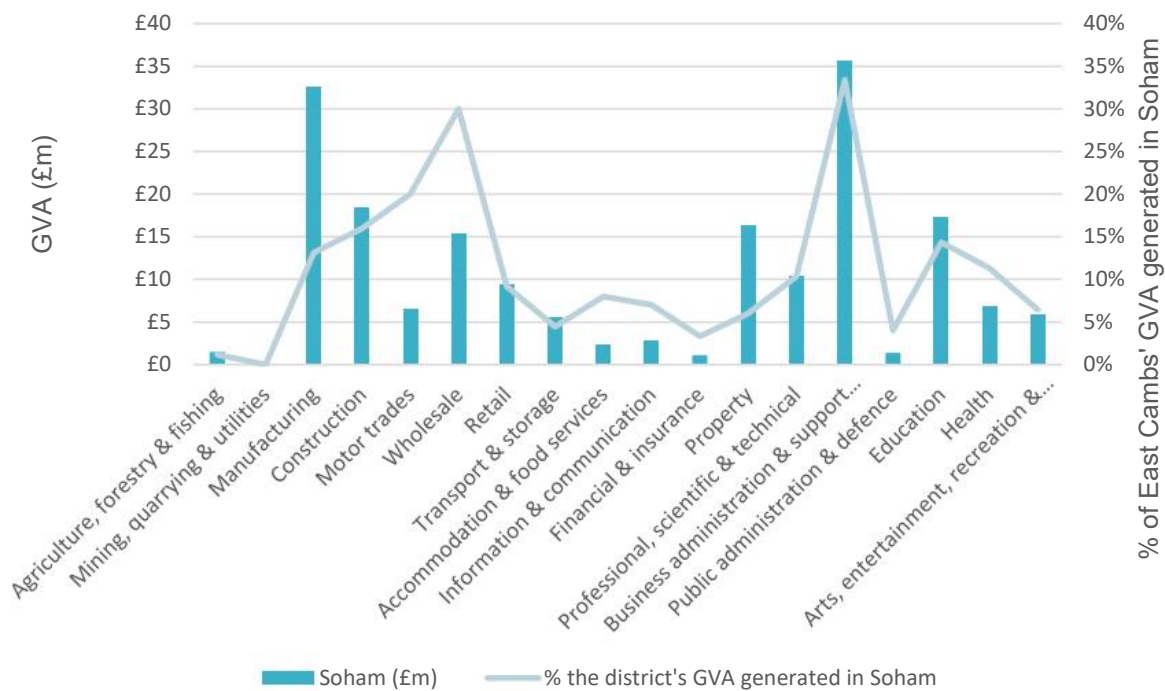
### **Employment based in business services, agriculture, and high-tech manufacturing**

The largest sector in Soham, both by employment and output (measured by Gross Value Added, or GVA) is Business Administration and support services. This provides a third (33.4%) of all of Soham's economic output. (see fig. 3). Soham also has a very significant agricultural sector, with many of the G's Group businesses based in the town, and there are some mid to high-tech manufacturing firms, including SWP Ltd. and Ivor Searle, which rank among the town's biggest employers.

<sup>2</sup> Cambridgeshire Insights: Cambridgeshire Housing Completions 2002-2017



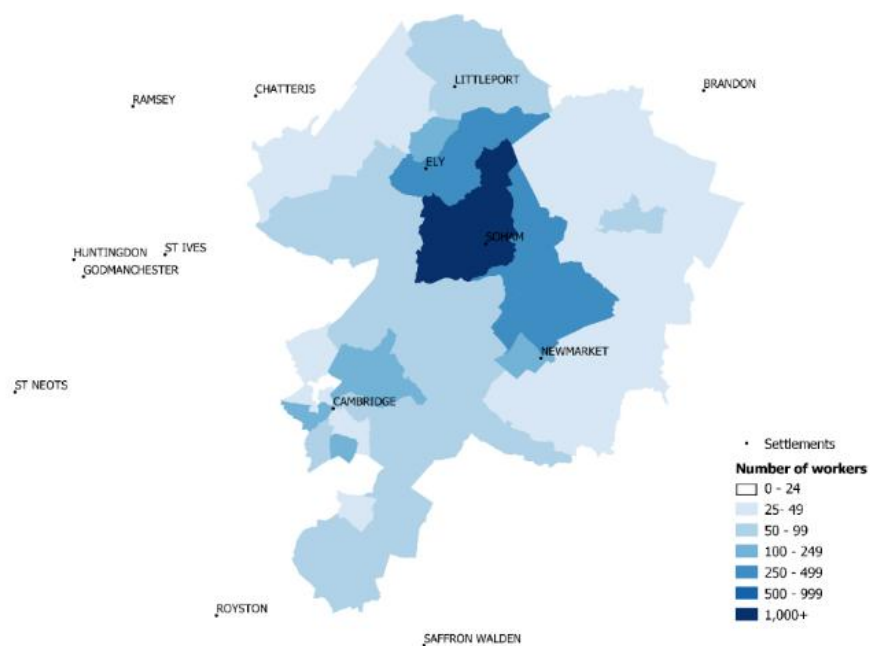
**Figure 3. GVA generated by sector in Soham**



Source: East Cambridgeshire District Council

We also know that many of Soham's residents out-commute for work. Analysis from the last census shows that residents of Soham head to Newmarket, Ely, and Cambridge for work. As the house price analysis above shows, it seems likely that in recent years this has become increasingly skewed towards Cambridge.

**Figure 4. Where Soham residents work**



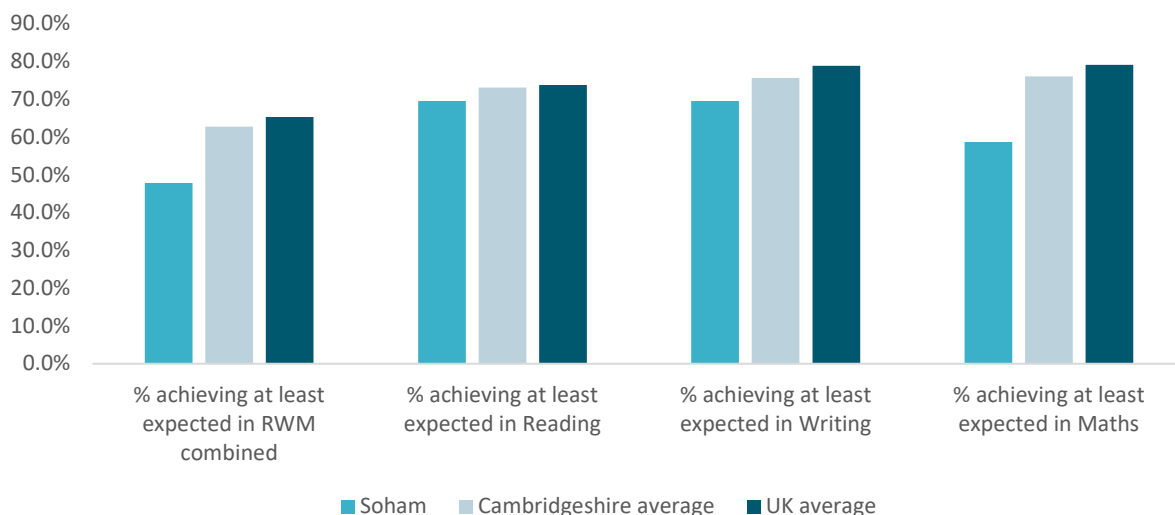
Source: Census 2011

---

## Some shortcomings in the performance of primary education

The future of Soham is its youngest generation, and good schools are a key part of developing a town's "offer". Particularly at Key Stage 2, Soham performs badly. On some early years' metrics, like phonics, the town is also significantly behind Cambridgeshire and National Averages.

**Figure 5. Key stage two outcomes for Soham children**



*Source: Cambridgeshire County Council*

Soham is part of the East Cambridgeshire and Fenland Opportunity Area, which recognises the poor social mobility outcomes in much of the fens and the role of education in tackling them.

There are also some significant skills gaps at a later stage – 39% of working age adults have only basic or no qualifications, compared to 34% in the district as a whole. There is a comparable shortfall in degree level qualifications – 21% vs 29%.

## Public transport gradually improving

Public transport in Soham, like many of Cambridgeshire's market towns, is currently inadequate. Buses are irregular, slow, and unreliable – it takes over an hour and half to get to Cambridge and forty minutes to Newmarket – in both cases about twice as slow as driving. Consequently, the town is currently very car dependent. 81.7% drive to get to work, which compares to 62.0% in England<sup>3</sup>.

The soon to arrive new station in Soham will make a big difference here if we make the most of it. If take up is high (which would seem likely, as shown by the example of testing more regular trains at Manea) there will be a strong case to increase the regularity of services and introduce a second platform.

---

<sup>3</sup> Census 2011

---

# A repurposed, resilient town centre

Soham will reopen after the lockdown, with real-time data being used to inform a safe approach. Our town centre will move from being overly reliant on shopping, to a more holistic space, with social interaction and green space built in. We will adapt to the “digital by default” era by building in on-street Wifi and preparing for the 5G revolution. And we will use housing growth and transport improvements to bring more footfall to our high street, allowing businesses to open and the town centre to be renewed.

## Introduction

We know that high streets across the UK are facing significant challenges. Online retail as a proportion of all shopping has grown to over 20%<sup>4</sup>, with Coronavirus likely to cause higher rates still in the short term. This only compounds damage done by edge of town and out-of-town shopping centres, and the recent collapse of some of the UK’s major retailers, which have prompted some to talk of the “death of the high street”. And that was all before the lockdown prompted by Covid-19, which has led to the shutdown of all but essential retail.

While the challenges are severe, we have good reason to be optimistic. Before the lockdown there were many towns across the UK where the high street had been successfully reinvented, with characterful shops, cafés and pubs doing good business. We also know that nearby towns like Ely and St Ives have managed to keep vacancy rates low and attract tourists to come and spend money there to support businesses. High street decline is not inevitable, but in an era where people can travel easily wherever they want, we need to offer something unique. **When people no longer need to use the local high street, we have to give them a reason to want to.**

## Responding effectively to Covid-19 through a town centre study

Understanding the local economy plays a crucial role in directing local authorities’ response to the Coronavirus pandemic. **An immediate action is for ECDC, CPCA, and local partners to monitor Soham’s economy**, looking at universal credit data, redundancy figures, and property vacancy rates. These findings will work into a short-term action plan – a district wide Covid-19 economic recovery strategy, which will include recommendations for individual market town economies including a sectoral response.

The following charts show that the most at-risk sectors in East Cambridgeshire according to OBR estimates are in tourism and professional, scientific and technical services. These are important

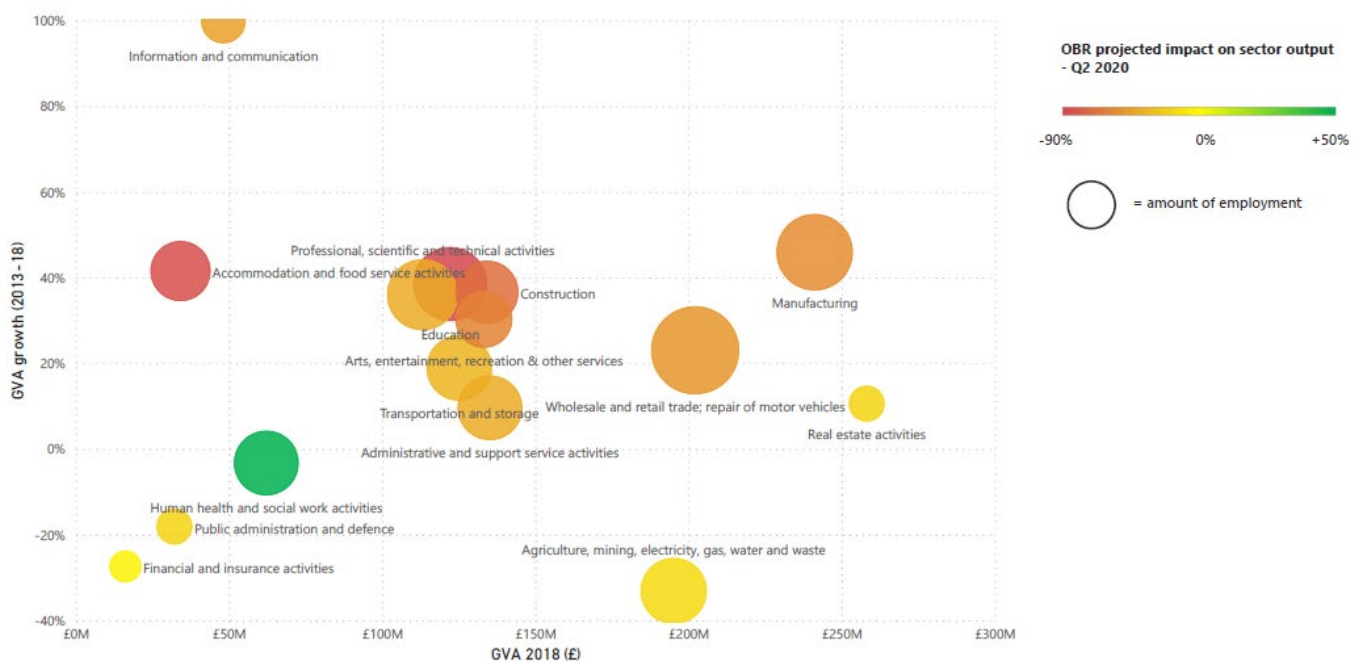
---

<sup>4</sup> See <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

sectors in terms of local employment levels. This reflects immediate economic impact risk from the government's response to mitigate the current public health risks.

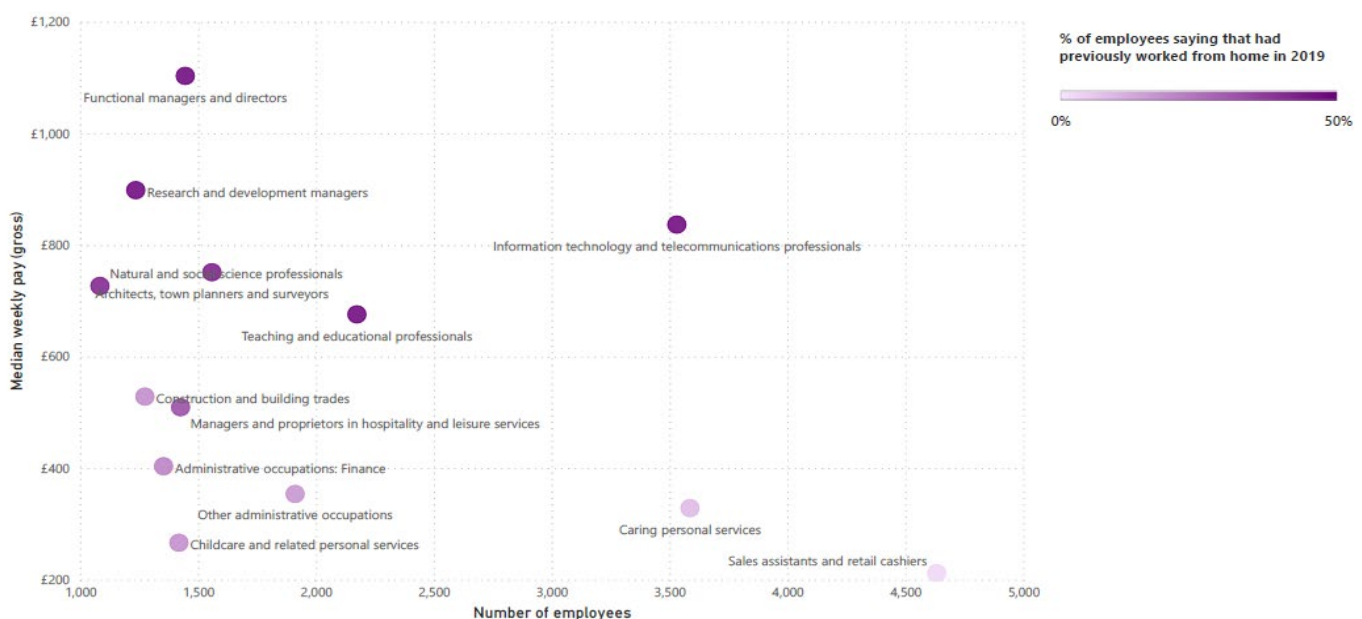
Looking further into recovery, and the possibility of prolonged social distancing measures impacting the economy, we can see a clear positive correlation in East Cambridgeshire between employees' past experience of working from home and higher median earnings. The larger employing occupations, however, are less likely to be able to work from home, and earn less (note many professions not represented as ONS suppress lower values).

**Figure 6. OBR sector impact by local GVA, GVA growth, and employment**



Sources: Office for Budget Responsibility, ONS Regional Accounts, ONS Business Register and Employment Survey

**Figure 7. Occupations by employees, weekly pay, and ability to work from home**



Sources: ONS dataset Coronavirus and homeworking in the UK labour market: 2019, ONS Annual Survey of Hours and Earnings table 14.1a, ONS Social Survey (ad hoc request)



---

As economic activity begins to return, we know it will do so under certain conditions. Businesses may have to fill out risk assessments and have to implement new distancing measures. **In the immediate term, there will need to be small-scale financial support and advice to help businesses adapt to these measures.** It will also be important to stand ready to support **reskilling of individuals**, in line with the Combined Authority's Skills Strategy, working with businesses and local training and education providers.

Longer-term, the outbreak may accelerate certain trends which could be beneficial for Soham. For example, it seems likely that *home working* will become a more common practise. This means that those who live in Soham but work in Cambridge might be in the town during the day more often, growing the market for cafés. *Co-working space*, an increasingly popular form of workspace, could be developed within the town, allowing workers to connect, share ideas, and potentially develop new ventures. **A more detailed town centre study, informed by the data, will be needed to help Soham bounce back strongly from the lockdown.** Schemes to encourage tourism and boost the evening and weekend economy should be explored.

This study should look at the town centre in its broadest sense, and draw out actions to achieve the following key objectives:

#### ***Making the town centre greener and pedestrian friendly***

One measure being tested in towns and cities in response to the pandemic is *increased pedestrian space*. This is necessary to allow distancing, and due to lower levels of car traffic is giving people the opportunity to experience their urban spaces car-free. Within Soham, there are opportunities now to test new pedestrian-friendly interventions, and see what works well and is popular in the town. Pedestrianisation has been successfully applied across many towns and cities in the UK, often leading to greater footfall as public spaces are "activated". This helps create a more social environment, without parked cars clogging the streets, and encourages more environmentally friendly modes of travel.

There is also an exciting opportunity to bring more *green space* into the town, which creates a relaxing and attractive environment. Barcham's, a local business, grows a wide range of tree types, and would be able to work constructively to introduce trees to the town centre. These would create numerous benefits, including cleaner air and added interest throughout the year, from spring blossom to autumn colours.

In addition, there are a few "quick wins" where immediate action can improve the town centre. These include installing attractive *bike racks*, *high quality signage* and a *small fund for owners of properties to improve the look of their buildings*. These will all quickly lift the feel of the town, make it more visitor friendly, and encourage active travel.

#### ***Increased and improved civic space***

For Soham to thrive as a town centre it needs this **quality civic space**. Different options should be explored to create this. One might be to acquire the old market square, and repurpose it for the present day. It will be important to start small, work with local entrepreneurs who want to do something different. Small amounts of funding should be given for ideas which genuinely align with the future of the high street and aren't trying the same things again.

---

### ***Housing to grow the town centre catchment***

Town centres do well when they have a large catchment to draw upon. The viability of high street businesses is an economic question, where more people using the town centre more regularly will lead to higher receipts, and a growing number of businesses, bringing variety and interest. Therefore, we need to see **future housing growth in Soham as a vital ingredient in building a strong high street**. This means planned developments must be designed to allow easy and quick access to the high street, particularly by foot or on bicycle.

This also means we need to make sure we are making the most of space in the town centre as well. Some towns (see case study from Great Yarmouth, below) are looking to work with Homes England to increase the amount of residential space within the town centre. These types of densification policies, including retrofitting existing properties, will provide affordable housing, and “design in” high street usage.

These are all topics which need to be considered by the future town centre study.

### **Developing a plan for improved digital and mobile connectivity**

The current coronavirus shock has driven home how important it is for businesses to have an online presence for resilience. Increasingly, life is “digital by default” and for our town centre to thrive it needs to take the same approach. As a first step, this means improving free Wi-Fi in the town to make it widely available, and working with local businesses who have not yet managed to take their offering online to do so. The idea of creating a “virtual high street” has been trialled before, and is of particular relevance during the lockdown period.

However, the future of digital connectivity is likely to be less focused on Wi-Fi and more on mobile data, which gives the freedom for processes to continue while devices are moving between places. The real gamechanger here is 5G, which is fast enough to allow large quantities of data transfer, enabling “Internet of Things” type technologies. This means that real-time data on transport, air quality, electricity usage, and use of public services such as GPs and schools can be integrated (while, of course, always protecting the privacy of users). This information can improve the public’s access to services through apps, such as transport apps which tell users in real-time what combination of buses and trains they should use to get to a final destination.

We also know that businesses will increasingly look for 5G as a precondition of any location they would base themselves in, and that already poor connectivity hinders our ability to attract hi-tech businesses. The Combined Authority and Connecting Cambridgeshire must now develop a **5G strategy**, which will set out the infrastructure which is needed across the district to make 5G a reality. This can be used as a basis for engagement with mobile providers and central government to co-ordinate activity.

# Transport-driven regeneration

The biggest “game changer” for Soham over the next few years will be the opening of the new station. Over fifty years since the closure of the previous station, this will make our town much more attractive to live in and visit, particularly for those who don’t drive. We will use this as an opportunity to attract businesses to base themselves here and develop the area around the station to make the station a real gateway into Soham. And we will work to integrate various other forms of transport – cycling, walking, and the bus network – to make this a true transport hub. Finally, we know that as a town in the fens, networks of waterways are central to our history and environment. We will look to explore improving the connectivity by water, by looking at the idea of a marina to integrate with the rail development.

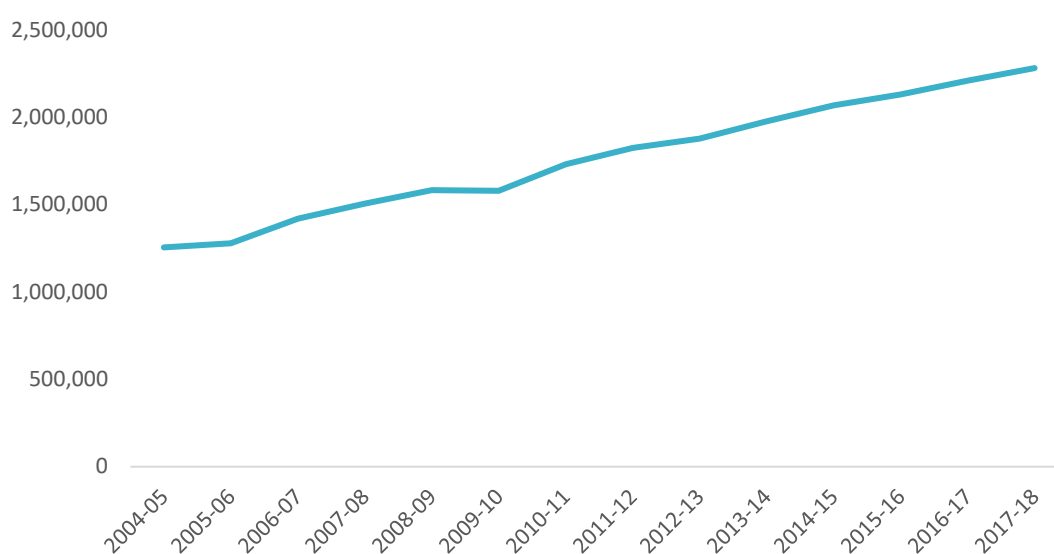
## Introduction

When the new station opens in 2022 it will signify that our town is an outward-looking, connected place. It will put our town on the map for those who use the rail network, and make work and leisure travel easier for residents. But on its own it will not be enough. We cannot sit back and assume this will transform the town. Rather, we must leverage it for the utmost value we can get from it.

## Continuing to develop the station

Once the station opens, we anticipate there being high demand. Rail usage across the area has grown strongly for many years, as figures from Ely show:

**Figure 8. Annual estimates of Station entries and exits from Ely 2004 – 2018**



*Source: Office for Rail and Road*

As usage grows, we will continue to develop the case for further upgrades. Network Rail has already committed to move from services every two hours to services every hour. In future,

---

changes are needed to allow direct services from Soham to Cambridge without the need to change at Ely, and double tracking, which will allow more frequent services, as well as allowing more freight paths through the area.

### **Connecting the new station with key assets**

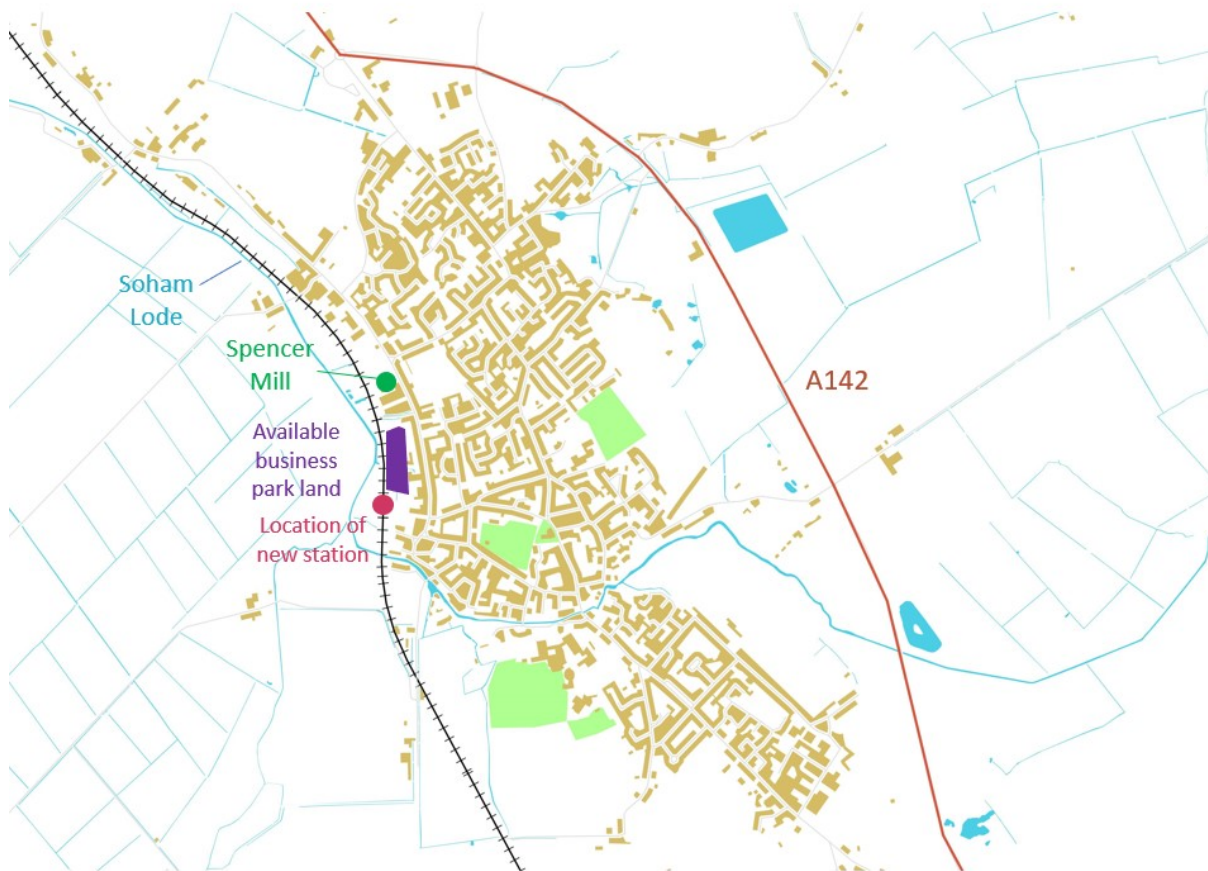
There are many key assets close to the station – see map. The station needs to link effectively to nearby cultural assets (Spencer Mill) and environmental assets (Soham Lode, heritage path, local fen land). **Bringing these different elements together will create a true sense of arrival and demonstrate Soham's best assets to those who visit.**

There is also land set aside for a business park close to the station. For companies looking for affordable office space with good connectivity this type of site will be ideal. Already Soham has a strong business administration sector (see Overview section) meaning it **is well placed to attract back office functions of larger companies, as well as smaller, innovative, start-ups** who may not be able to afford space in cities like Cambridge.

Finally, we need to do everything we can to improve the experience of arriving, with attractive and clear signage which highlights the best of the town. Developing green space around the station entrance, in a manner similar to that proposed for the high street, will also enhance this.



**Figure 9. Location of Soham station, and surrounding assets**



### Linking into other transport modes

For the station to be successful, it needs to offer more than rail connectivity, and become the transport hub of the town. To do this means we need to build in seamless connectivity and switching between:

- **Walking** – with accessible and safe paths through from the town centre
- **Cycling** – with designated bike routes and storage facilities at the station
- **Buses** – this means working with Stagecoach, the primary provider to ensure that bus times link into train times, so that people can quickly and easily catch a bus to the station and continue their onward journey. Through the Strategic Bus Review, the Combined Authority is looking at provision of buses; linking between different transport modes needs to be a central consideration.

This needs to be brought forward in line with the results from East Cambridgeshire's Bus Services and Cycling and Walking Routes Consultation.

---

## Maximising the value of local waterways

Water is an essential part of the history of the fens, and the criss-crossing networks of drains and dykes characterise the landscape. Water is also, of course, a means of travel and many towns in the fens, most notably March and Ely, benefit from boat users who stop and bring custom to the town in the summer months. We also know that “blue space” in town centres brings huge benefits, from improved mental health to higher property values.

Within Soham, the Soham Lode is fairly hidden from view. This is a wasted opportunity. Through the work at the station we should be looking to highlight the Lode. And we need to **work with the Middle Level Commission and Environment Agency to see if we can do more**, such as possibly developing a marina to allow boats to moor outside the town. This would be a big project and is a long-term ambition, but is exactly the sort of bold approach we need to be taking to transform our town.

---

# The heart of Cambridgeshire's AgriTech industry

Soham already has a significant cluster of business in “AgriTech” – a fast-growing sector which focuses on applying modern technologies, including Artificial Intelligence and geospatial data science, to agriculture. Soham is perfectly placed to be at the centre of this sector in the East of England, being surrounded by high grade farmland, and sitting between the research engine of Cambridge, and the food processing factories of North Cambridgeshire. The Hasse Fen facility will be the basis for an innovation ecosystem, with companies based increasingly within the town in grow on space.

## Introduction

The CPIER sets out that within Cambridgeshire and Peterborough, there are three different sub-economies:

- 1) Greater Cambridge
- 2) Greater Peterborough
- 3) The Fens

Soham is at the confluence of 1) and 3). It is in many ways a traditional fen town, with an agricultural landscape and strong local community. Like the rest of the fens, which contain around half of the UK's Grade 1 agricultural land, it has some of the best growing conditions for crops (see fig. 10). But it is also, increasingly, part of Cambridge's economic orbit.

These links to Cambridge are reflected in some commuting patterns, but not yet fully visible in the business make-up of the town. One area we do start to see this happening is within AgriTech, through the NIAB Hasse Fen facility. AgriTech is the broad name for a sector which focuses on applying latest research and methods to agricultural production. The CPIER highlights this as a key sector, noting that: “These industries are growing in importance as the prominence of food security on the international agenda increases. To match rising international demand, more innovative means of food production are being called for, which are less space intensive and carry lower risk... there is a real opportunity for the area to become an international leader in this sphere, both in innovation and application. The global market for agriculture is estimated to be a hundred times that of the UK's – it is a strong export proposition, where this area can and should be leading.”<sup>5</sup>

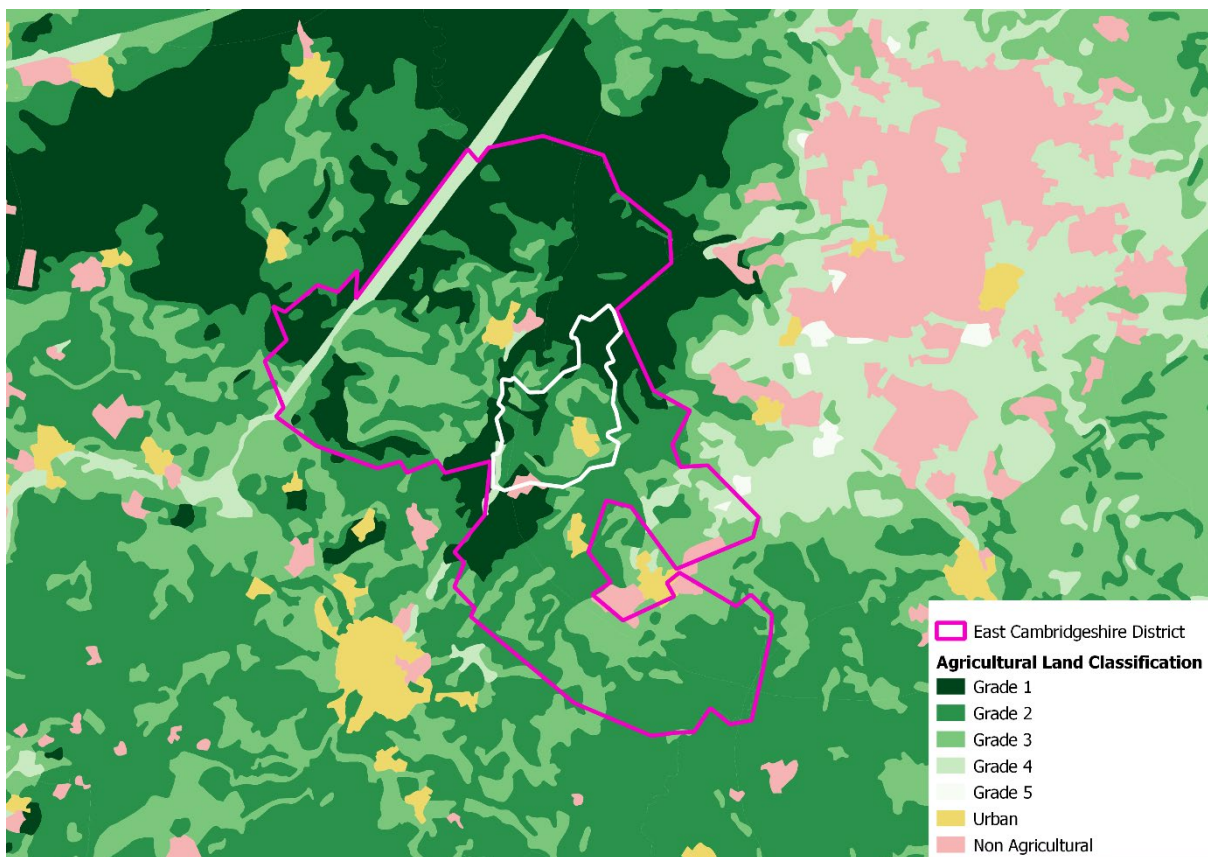
The report highlights the example of Wageningen University in the Netherlands, which is the world's biggest AgriTech hub. This supports entrepreneurs and spinoff companies developing agritech products which are used across the Netherlands, including B-mex, a company developing

---

<sup>5</sup> Cambridgeshire and Peterborough Independent Economic Review

model-based decision support tools for the greenhouse industry, and Chaincraft, which produces sustainable, bio-based fermentation technologies.

**Figure 10. Land classifications around Soham**



*Source: Analysis of DEFRA data*

### **Hasse Fen anchoring an innovation ecosystem**

Soham is not starting from nowhere – the National Institute of Agricultural Botany (NIAB) facility at Hasse Fen already contains exciting, innovative, agritech startups. The site is at the forefront of NIAB’s work to support innovation within agriculture, with NIAB working as an active partner in research collaborations and facilitating transfer of knowledge between researchers and farmers. The site is of such importance that it was visited by Michael Gove when he was Secretary of State for Environment, Food and Rural Affairs. It has grown rapidly since it was established a few years ago, expanding premises to meet demand. The Combined Authority has now provided a grant for the development of a Combined Heat and Power (CHP) solution, to enable the sustainable provision of energy input for the processes being run by companies there. Many of these businesses are involved in creating useful products from waste – including Cambond, a Cambridge-based startup which is looking to move its manufacturing facilities from China to Soham. The significance of these companies is often underappreciated in the town – the site is slightly away from the town centre, meaning that many in the town do not realise what a significant asset it is.

In addition to research capacity, G’s Group, one of the largest agricultural companies in the country, is based in Soham, and owns the freehold for the Hasse Fen site, creating easy links between



---

research and application on the land. Barcham's, a company in the adjacent forestry sector is also based in Soham.

Now, Soham needs to develop an "innovation ecosystem" based on the activity at Hasse Fen, and the large agricultural businesses. The goal is for many companies, in a dense business network, to be situated in and around the town, sharing knowledge and collaborating to create new products. This has already started to happen through the "Hub Club" initiative, which allows companies to make some use of the facility without being licensees. This will create high-quality jobs in Soham, providing career paths for the town's young.

### Grow-on space and skilled labour for Agritech startups

To make this innovation ecosystem a reality, the main action needs to be **creating grow-on space for AgriTech start-ups**. As successful ideas are tested and developed, companies will need extra space.

Already, plans are coming forward for an expansion of the Hasse Fen site which will allow this. At the same time, we want to explore opportunities to bring these companies closer to the centre of Soham, to make the sector visible, and maximise the benefits of improved transport connectivity. We need to look at business land close to the station as one option here for AgriTech companies. A first step will be **convening NIAB and the businesses based at Hasse Fen to discuss what they would need from premises within the town**. This should also involve looking at the transport and housing provision within the town, and how well suited it is. At the same time, we need to consider the wider commercial space offer for companies in Soham, and in neighbouring villages such as Fordham as well.

#### Case study: Entomics

Entomics was spun out of the Judge Business School at Cambridge University. The company focuses on creating value from agricultural waste



**entomics**

by using insects to process agricultural waste. Entomics was the first company on the Hasse Fen site, where it was able to grow and develop its operation. The company has also attracted finance from Innovate UK and the European Institute of Technology.

Two years on from arriving at Hasse Fen, Entomics moved back to Cambridge where it is spread across two sites. This highlights the opportunity available in Soham. Those companies based at the site are often not likely to be there for more than a year or two. But there are indications from businesses that, should the premises be available, they would be enthusiastic to remain within the town as part of the same network.

Another important part of developing the ecosystem is creating a pipeline of labour to work at the facility. We want young people in Soham to see that they can have a stimulating and rewarding career working in AgriTech. Therefore, we will bring these businesses together with local educational organisations to arrange taster days and school visits to show students what the opportunities are.

---

# A new leisure and culture offer

As a growing town, Soham has an opportunity to become more self-sustaining, providing residents with services closer to home. A key gap in the town's offer at the moment is leisure and culture provision. Soham will have new facilities, allowing residents to keep active and enjoy an improved cultural offer.

The town has grown considerably over the last 10 years and this has placed pressure on local infrastructure and facilities.

The current leisure offer in Soham is outdated and needs investment and expansion to ensure it meets the needs of the growing community.

To tackle this problem requires a **site assessment study** of possible options for increasing leisure provision in Soham, looking at possible locations, and what such a leisure facility would incorporate. This needs to complement the **existing study on outdoor sporting facilities** being taken forward by the District Council.

The network of green open spaces in Soham, including the Commons, provides opportunities for informal leisure activities. They also present an opportunity to develop the town into a hub for walkers, cyclists and bird watchers.

A plan to manage and secure investment to protect and enhance these spaces is needed. This would bring economic benefits to Soham through visitor spend in and around the town.

We will also explore options to increase the cultural offer in Soham. The Spencer Mill project will be the catalyst for this and will result in new job opportunities and increased tourism and footfall in Soham, which ultimately would increase the GVA of Soham.

Bringing all these together will help to highlight a way forward for the town. Feedback from residents will also help to shape the offer.

# Implementation plan

Vision section	Intervention	Key Actions	Additional partners
A repurposed, resilient town centre	Responding effectively to Covid-19 through a town centre study	Work with partners to understand and monitor the experience and plans of local businesses and workers across sectors.	Business networks, Chamber of Commerce, Jobcentre Plus
		Convene businesses and education and training providers to support people to upskill/reskill and into employment.	Jobcentre Plus, business networks, Chamber of Commerce, education and training providers
		Develop a town centre plan to respond to the pandemic	CPCA, local businesses, resident consultation
	Developing a plan for improved digital and mobile connectivity	Produce a 5G strategy, to set out a plan for East Cambridgeshire to harness and maximise the use of this technology	Connecting Cambridgeshire, CPCA

---

Vision section	Intervention	Key Actions	Additional partners
Transport-driven regeneration	Continuing to develop the station	Monitor usage once station reopens. Begin building the case for further facilities, double tracking and more regular trains.	CPCA, Network Rail
	Connecting the new station with key assets	Proactively engage with businesses looking for new premises, looking to transact deals for business park land near the station	CPCA
	Linking into other transport modes	Continue work focused on integrating other modes of transport, such as walking, cycling and bus (through the Strategic Bus Review)	
		Dualling of local road infrastructure (A142) to improve access to the station	CPCA
	Maximising the value of local waterways	Explore options around making more of Soham Lode, including the potential for a marina	Environment Agency, Middle Level Commission
The heart of Cambridgeshire's AgriTech industry	Grow-on space and skilled labour for Agritech startups	Work with NIAB to identify businesses looking to scale up and explore possible options within Soham	NIAB, G's Group, local AgriTech businesses



---

Vision section	Intervention	Key Actions	Additional partners
		Support AgriTech business engagement with local schools to show young people the career opportunities within Soham.	Soham Village College, NIAB, local AgriTech business
A new leisure and culture offer		A site assessment study of options for leisure and culture provision, brought together with existing study on outdoor facilities.	



# Littleport Vision



2030







# Executive Summary



The Cambridgeshire and Peterborough Combined Authority (CPCA) is working alongside District Councils to produce a new Growth Masterplan for every Market Town.

The Littleport plan, the Littleport Vision 2030, aims to increase economic output (GVA) and ensure Littleport residents have access to a good job within easy reach of home.

The plan seeks to increase the GVA output of Littleport to help achieve the Cambridgeshire and Peterborough Combined Authority commitment to double the size of the Cambridgeshire and Peterborough economy over the next 25 years.

Alongside this, improvements to the town centre, the station gateway and the creation of a country park will make Littleport a vibrant and attractive fenland community.

Littleport is a small market town, but one that is growing fast. However, a lack of available business premises is hindering employment growth.

A number of sites for employment and housing have been identified through the ECDC Local Plan process. But whilst there is a willingness to develop these sites, delivery is constrained by the ability to deploy the appropriate infrastructure provision.

The vision document is about attracting investment. The Littleport Vision 2030 demonstrates how a relatively small financial input can unlock and accelerate delivery of these sites.

The two commercial projects need around £3.5m to enable and will result in a 38% increase in GVA. The Eco Business Park drives GVA productivity output by developing higher level jobs within the local economy.

The A10 Roundabout projects also create jobs and additional GVA, but not factored here is the enabling of housing development in close proximity. Both projects therefore have potentially strong returns for relatively low investments.

# Introduction



The Littleport Vision 2030 is

**Increased economic output and improved opportunities for the people of Littleport to work nearer to home.**

**An enhanced town centre, station gateway and a new country park.**

The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality through the masterplan programme.

The Devolution Deal with Government, secured in March 2017, included a target to increase economic output by nearly 100% in the next 25 years, from £22bn to over £40bn. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) highlights the actions needed to achieve this and make the region a leading place in the world to live, learn and work. Market towns are expected to contribute to this GVA Growth.

The Cambridgeshire and Peterborough Combined Authority (CPCA) is working in partnership with local authorities to develop a Masterplan for Growth for every market town in the combined authority area. These will be non-statutory plans that establish how the future growth of the town will contribute to the Combined Authority's 2030 ambitions:

- Access to a good job within easy reach of home (which should include analysis of the sectors which will play the most significant role in the economic future of the town)
- Healthy, thriving and prosperous communities
- A workforce for the modern world, founded on investment in skills and education
- Environmentally sustainable
- UK's capital of productivity and innovation

A Masterplan for Growth will mean that in every single town there is:

- A shared ambition for the future which authorities, businesses and communities can unite behind;
- Which focuses collective resources against the same priorities, and crucially;
- Which unlocks new investment from the CPCA and other agencies

Littleport is a small market town of more than 10,000 people, located on the A10 between Ely and Downham Market. The communities of Black Horse Drove and Little Ouse form part of Littleport parish, although they are separate settlements.

A significant amount of housing development has taken place in Littleport in recent years, within the built up area of the town and on new sites to the west, but a number of employment sites remain undeveloped.





There are not sufficient jobs for all residents and many people commute out of the town for work in Ely and elsewhere. One of the key challenges facing Littleport will be to provide future commercial and employment growth in the town to offer stronger alternatives to out-commuting.

The town centre is a vital community hub, but has a limited range of shops and in common with the wider Cambridgeshire economy, has seen the loss of retail floor space, which has been reallocated to other uses, particularly housing, in recent years.

A number of sites for employment and housing have been identified through the ECDC Local Plan process. But whilst there is a willingness to develop these sites, delivery is constrained by the ability to deploy the appropriate infrastructure provision. Funding is needed to unlock these sites and accelerate growth.

The Littleport Vision 2030 is being led at a local level to consolidate the many positive aspects of the town's ambitions to achieve growth and prosperity for its people and businesses. To support this, East Cambridgeshire District Council (ECDC) has worked with key stakeholders and representatives to consider;

1. The Local Plan
2. Transport and connectivity
3. Further housing provision and local amenity
4. Viability of sustainable employment and commercial development growth

5. Linkage to the wider Cambridgeshire Local Industrial Strategy (LIS)
6. Mechanisms for unlocking inward investment

Underpinning this work are the key objectives of increasing economic growth and developing opportunities, for the people of Littleport, so that they can live and work in their community. As a measure of future economic growth, the Vision adopts the Cambridgeshire and Peterborough Combined Authority (CPCA) commitment to double the size of the wider economy over the next 25 years as its own goal. An adopted Gross Value Added (GVA) measurement will be used to calculate baseline and future success against the Vision's ambitions.

The East Cambridgeshire Local Plan contains policies for Littleport and a study of the regionally important A10 trunk road, which runs adjacent to the town has been conducted. This work has produced a considerable amount of information which will be used to identify the key interventions needed to deliver employment growth for local people in the Littleport area and to increase GVA.

The output from the process, this Littleport Vision 2030 document, is a prospectus for Littleport which identifies the infrastructure required to deliver each site, an indication of needed interventions and sources of investment, with an impact analysis on growth (GVA) for the area.

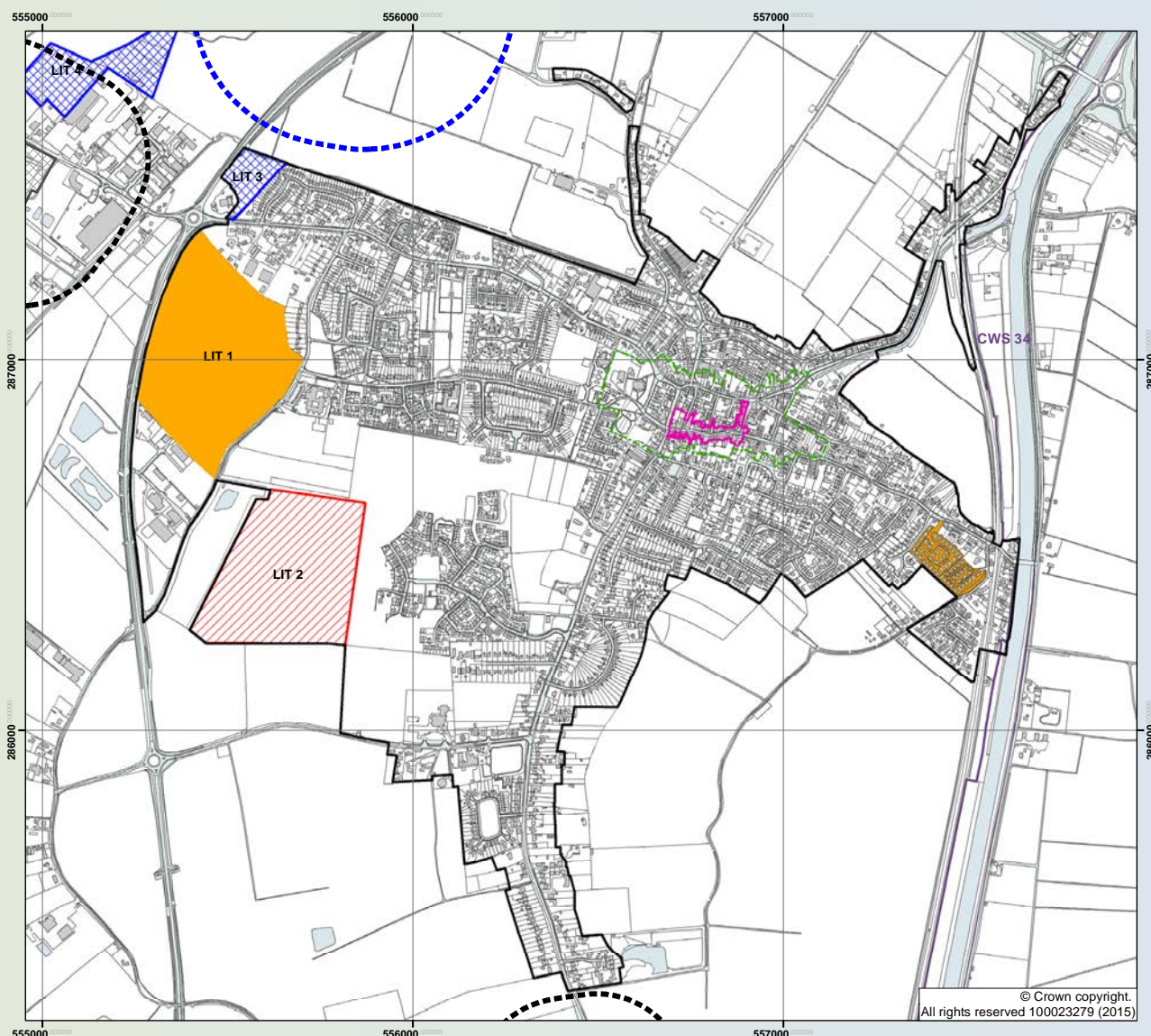
Interventions that will be explored include:

1. A Littleport business growth zone extending south along the A10.
2. The creation of a 'Gateway area' close to the railway station
3. Options for Littleport town centre
4. Housing and amenity development
5. Investment in skills and innovation
6. Continued Improvement in digital connectivity

The Littleport Vision 2030 sets out how these sites can start to deliver jobs and homes as soon as possible



# East Cambridgeshire Local Plan 2015



**Policies Map (April 2015)  
Littleport (Insert Map 8.25)  
Key:**

- Development Envelope
- Housing allocation
- Employment allocation
- Housing led/mixed use
- LIT X Local Plan Policy
- Town centre boundary
- Conservation Area
- Mobile Home Park
- County Wildlife Site
- Mineral & Waste Existing Site
- Waste Consultation Area
- Water Treatment Works Safeguarding Area

East Cambridgeshire  
District Council



The adopted 2015 East Cambridgeshire Local Plan<sup>1</sup> provides for an estimated 1,346 new dwellings (2013-31) and 1,500 jobs over the same period.

The Littleport Vision 2030 supports additional housing and employment allocations and identifies housing and employment growth beyond these levels at the Station Gateway and also potentially in the town centre.

It is key to ensure, however, that the level of housing and jobs are balanced otherwise commuting will continue to rise and the town will become a dormitory.

<sup>1</sup> <https://www.eastcambs.gov.uk/local-development-framework/east-cambridgeshire-local-plan-2015>



# Littleport Business Growth Zone



Littleport, with its excellent transport connections has a history of nurturing and developing a variety of business types.

Littleport is home to a range of businesses. The largest industry sectors in Littleport are construction (23% of Littleport businesses) agriculture, forestry and fishing (12.5%) and professional, scientific & technical and business administration & support services (both 9%).

The industry sectors that employ the greatest numbers of Littleport residents are manufacturing, health and construction.

This market town's development of businesses and housing is currently away from the 'hot spots' of Ely and Cambridge and provides

a significantly lower cost location. The A10 growth corridor therefore could become extended with Littleport's housing and commercial developments.

espace North Business Centre provides serviced and flexible office space for start-ups, small, growing and established businesses and a number of businesses have flourished and out grown the centre. However, there is no moving on space in Littleport so these businesses are forced to relocate elsewhere.

Further employment growth is hindered by low commercial stock availability, a result of poor return on investment for potential investors due to the high cost of enabling necessary infrastructure such as road improvements.



Through the Government's Enterprise Zone (EZ) initiative, a series of specific EZs exist where conditions have been set to stimulate business growth. The Combined Authority intends to build on this with the development of locally designed spaces where high-value businesses in key sectors can locate and be supported to thrive.

ECDC will work with the Combined Authority to establish a Littleport Business Growth Zone. The Zone will offer bespoke support, tailored to meet the needs of businesses on a case by case basis, but will include access to incentives such as access to local business support, access to loans, business rates discounts and grants. There are opportunities in Littleport now to provide new commercial enterprise space including R&D, and high quality facilities for start-up SME and potentially larger employers, which will also facilitate accelerated delivery of mixed residential and commercial schemes. But capital investment is needed to unlock and accelerate delivery of these important employment areas.

Planning applications for two sites have previously been submitted to the local Planning Authorities and the landowners maintain a desire to develop these sites, but the high cost of enabling infrastructure and poor return on investment has stalled any development.

The impact of a relatively small grant to fund these schemes will be highly significant. The project's impact on accelerated growth, delivery of essential homes including affordable, and much needed commercial floor space provides a strong return on investment for this developing A10 corridor.

A mixed housing and employment scheme to the east of the A10, will largely focus commercial property development upon micro and SME type businesses (start-ups).

A new business park concept for the proposed A10 roundabout (west) will be geared towards good quality B1, B2 commercial development and marketed to various sectors.

Outputs from each of these schemes:  
**Eco Business Park** (required grant approx. £2m TBC)

- 42,000 square feet of commercial space brought to market
- 400 new jobs in 16-30 new tenant businesses
- Reshaping of local economy with R&D/high tech
- Creation of employment zone for local populous (reduce out commuting).

**A10 Roundabout** project (required grant approx. £1.5m TBC)

- New mix of businesses attracted to this low cost area
- Resulting in 500+ new jobs
- 100,000 square feet of new commercial stock brought to market (30 new businesses)
- Accelerated delivery of 250 homes including affordable dwellings.

Both the Eco Park and A10 roundabout developments benefit from their close proximity of the nearby railway station (under 2 km). With fast links to Cambridge, London and other major destinations, the station is an important fit with the wider rail infrastructure





investments and developments in Ely and Soham. These wider investments will result in a half hourly service from Littleport to Cambridge in the future.

Development of these sites will provide an increased number and importantly range of employment opportunities to Littleport. They will attract new business to Littleport to create extra employment and boost the local economy. The latest available data (2017) shows that Littleport generates £143m p.a. GVA/hour worked from 2125 jobs.

The Eco Business Park and A10 roundabout proposals will create 38% GVA growth and 900+ jobs. This will result in Littleport generating £200m p.a. GVA/hour worked from 3000 jobs.

The purpose of this Vision document is to attract investment. The CPCA will be looking for good returns on investment (ROI) in the form of progressive GVA growth. The two commercial projects need about £3.5m to enable.

The Eco Business Park is attractive - it effectively drives GVA productivity output by developing higher level jobs within the local economy. It will provide an innovative, high quality, sustainable development. The proposal intends to raise the benchmark to augmenting the profile of the area and attract new ventures/businesses as well as provide follow on space for growing companies at espace North.

The A10 Roundabout Project also creates jobs, but not factored in here is the enabling of housing development in close proximity, that will also provide good ROI. Both projects therefore have potentially strong returns for relatively low investments.

Doubling the size of the Littleport economy to £286m over 25 years will require further intervention to create additional employment and housing growth. This can be delivered as part of improvements to the town centre and creation of a station gateway. Options for both these areas will be reported in a future update to the Littleport Vision, once feasibility work has been completed.



*Littleport Eco Park - artist's impression.*

# Creation of a Station Gateway



Littleport railway station is a key transport hub for the town and its importance will increase as planned improvements to the service to Ely, Cambridge and London King's Cross are delivered, resulting in longer and more frequent trains.

ECDC has recently provided additional car and cycle parking to serve the station and address existing parking problems in the area. However the stations immediate surroundings provide low amenity and a visually unwelcoming arrival point into the area. With its proximity to both the rail network and the river, the area does have potential to provide an attractive entrance to Littleport (Gateway) and deliver a mixed live/work hub.

A key element of the Littleport Vision 2030 is to ensure that sufficient land and commercial premises are available to allow business growth. Development of the station area as a new gateway, with premises and visual appeal, will help attract businesses. This should be fully exploited to meet objectives connected with raising GVA and work-live local.



ECDC wishes to develop initial concept ideas for development of the Littleport Station Gateway area, which will provide a broad vision for the development of the area, including mix of land uses and indicative layout and good connectivity to the station from the town centre and housing developments. Proposals to enhance the marina and the riverside will also be included.





# Options for the Future of Littleport Town Centre



Population and employment growth must be supported by improvements in shops, services and facilities.

A priority is to develop the retail offering and attract a range of new and relevant outlets to increase the attractiveness of Littleport town centre as a shopping and leisure destination for the growing local population.

However, Littleport town centre is facing challenges for a number of reasons:

- It is not located on the most active route into and through the town
- It is no longer at the centre of the village
- Traditional town centre uses are leaving the town
- Town centre uses such as community and leisure are declining
- Businesses and other activities are relocating outside the centre.

In addition to this, the way people shop and use their town centre is evolving in line with national trends and influenced by changing technologies. Development of the town centre needs to embrace and adapt to these challenges. This should include a mix of office and retail development supporting community or leisure uses to support the town centres attractiveness and amenity. Light touch interventions will not be enough. Recent conversion of retail units to residential dwellings means that strategic thinking will be needed to renew and reshape the town centre in a way that improves experience, drives growth and ensures future sustainability.

A range of options for potential changes that can be made to enhance and improve the town centre to ensure it meets the needs of local residents will be explored with key stakeholders, the Parish Council, businesses and the local community.



# Increase Skills Levels



In order to improve social mobility and workforce productivity we need to address skills issues and raise aspirations in Littleport.

Progress is already being made with this. The Fenland and East Cambridgeshire Opportunity area Programme is working to raise aspiration and increase access for young people to a wide range of career choices and post-16 routes and Enterprise Advisors from local businesses are working with Littleport and East Cambs Academy to develop a careers and enterprise plan.

However, in order to ensure Littleport residents have the skills required to deliver the growth targets relating to GVA growth, the District Council will work with the CPCA Skills Team to assess local demand for skills – identify skill shortages and gaps and any hard to fill vacancies.

The CPCA Skills Hub proposes to fulfil a brokerage and facilitation role. This can be utilised to bring employers and providers in Littleport together. Training should be provided not only for young people, but should also target low skilled and low paid adult residents in the workforce and support adults in work to upskill.

One of the findings of the Cambridgeshire and Peterborough Combined Authority Skills Strategy is that often school leavers do not possess some of the practical skills to function in the modern workplace. The CPCA is running a 3-year Work Readiness pilot programme. This could be rolled out to Littleport to develop students confidence and the personal skills required in the workplace and support them to gain recognised qualifications.





## Improve Digital Connectivity



In order to attract businesses and encourage home workers Littleport needs to offer higher speed internet connections.

A review of the available data regarding the towns internet infrastructure should be conducted and, if required, a programme of retrofitting low rated residential and commercial areas be carried out.

Connecting Cambridgeshire is conducting a review of mobile coverage to identify any issues and gaps in coverage now and what is needed to prepare for 5G networks. This study area includes Littleport and ECDC would look to implement any recommendations from this study.

In order to support the town centre and local businesses, free town centre wifi should also be provided. The estimated cost of the required

infrastructure to cover Littleport Station, the new leisure centre/school site as well as the town centre is c.£15,000.

Benefits of this include:

- Improved speed and accessibility of internet in Littleport town centre
- Enable users to easily find shops, restaurants, services and events in the town.
- Creation of a digital platform where businesses can increase awareness and engage with customers.
- Allows more social interaction, helping to make the town centre an attractive meeting place and communal hub.
- Help keep people in the town centre for longer, spending money.
- Provide valuable marketing data such as how many people visit the town and where they go whilst they are here.

## Deliver additional Housing



Littleport is located just a few minutes' drive north of Ely and the wider district is identified as being part of the top five areas nationally for future population growth. Littleport has a significant number of housing schemes in the pipeline including applications for around 1,000 homes over the next 5-7 years. This links in with major investments in new schools and leisure facilities.

In addition to the homes identified in the East Cambridgeshire Local Plan, new housing could be provided at the station gateway.



# A New Littleport Country Park



Littleport is characterised by its slightly elevated location above the surrounding fenland landscape with the River Great Ouse and its floodplain to the east of the town. To the north-west of Littleport is the Ouse Washes, which is of international and national importance for its wildlife and rare breeding birds, and the Wildfowl and Wetland Trust's Welney Wetland Centre.

Although the town benefits from being located close to a key riverside walking/cycling route (which forms part of the national cycling network) direct access to the countryside particularly to the north and west of the town is limited.

Natural England's Accessible Natural Greenspace Standard (ANGSt) recommends

that everyone should have access to natural greenspace of at least 2 hectares in size, no more than 300 metres (5 minutes' walk) from home. The Cambridgeshire Green Infrastructure Strategy (2011) identifies that Littleport (and surrounding Eastern Fen and Town area) has a significant total deficiency against this 2ha ANGSt standard.

The implications of this deficiency are two-fold. Firstly, the health and well-being of current and future residents may be adversely impacted through this lack of informal open space for residents to access and enjoy the open countryside. Secondly, this encourages people to travel further afield to more sensitive sites such as Chettisham Meadow SSSI and Ely Pits and Meadows SSSI, to access the countryside for activities such as dog walking, thereby increasing the risk to these important sites / habitats from visitor disturbance.

The CPCA's emerging Non-Statutory Strategic Spatial Framework states that putting nature at the heart of its ambition growth agenda is fundamental to both the success of the local economy and to quality of life and wellbeing. The CPCA has also recently endorsed a Vision for Nature which seeks to "put nature at the heart of the growth agenda" and sets out the need for environmental net gain.

The Littleport Vision 2030 supports the creation of an area of country park on The Moors, Station Road, thereby providing additional publicly accessible open space and better and more accessible links between the town, the River Great Ouse and the wider countryside to address this deficit. This will also create an attractive entrance to the Station Gateway and the Marina area.

The country park will also open up access to the riverside from the town centre and create opportunities for more leisure facilities along the river.



# Sustainable Travel



Whilst Littleport benefits from a regular train service, which is due to improve with longer trains and a half hourly service in the future, other forms of public and active transport are poorly serviced.

The CPCA has devolved powers in public transport and is considering the case for bus franchising or a strategic bus partnership. The CPCA is therefore reviewing bus services across Cambridgeshire and Peterborough and has a stated aim of wanting to improve services in rural areas.

East Cambridgeshire District Council is planning to undertake its own review of bus services across the district to identify routes

that are viable or can become viable over a period of time. It will identify key bus routes for local residents that enable access to work, learning, healthcare and wellbeing support, food shopping and leisure. This will cover Littleport and take into consideration the proposals within the Vision document.

The District Council is also planning to produce a Cycling and Walking Strategy. This will look at strategic routes that would enable more people to walk and cycle for shorter journeys rather than use a car. This should include opportunities for people to walk and cycle around Littleport and to employment areas, Ely and neighbouring villages.



## Action Plan

The action plan below sets out the first phase of growth delivery for Littleport. ECDC will work with the CPCA, key stakeholders, the Parish Council, businesses and the local community to deliver the interventions identified.

The first priority will be to secure the funding required to accelerate delivery of these schemes, which will unlock GVA growth in Littleport and provide much needed new employment opportunities.

To double the size of the Littleport economy will require a second phase of work to deliver the town centre and station gateway improvements. More work will therefore be undertaken in the future to programme the delivery of this shortfall through a subsequent update of the masterplan, once feasibility studies have been completed.

	Intervention/s	Link to CA Strategic Goal	Additional Jobs Created	Additional Housing Provided	Additional GVA Generated	Indicative Cost	Key Indicator/ Target	Timeframe short (0-5 years) medium (5-10) long (10-15)
<b>Littleport Business Growth Zone</b>	Create a Business Growth Zone within the town	Access to a good job within easy reach of home	TBC	N/A	To be determined	To be determined	Work With CPCA to establish a Littleport Business Growth Zone	Short
	A10 Roundabouts Project	The UK's capital of innovation and productivity	500	250	£54m	Approx £1.5m	Work with developers to progress delivery of the site	Short/medium
	Eco Park Project		400	N/A	£54m	Approx £2.0m	Work with developers to progress delivery of the site	Short/medium

	Intervention/s	Link to CA Strategic Goal	Additional Jobs Created	Additional Housing Provided	Additional GVA Generated	Indicative Cost	Key Indicator/Target	Timeframe short (0-5 years) medium (5-10) long (10-15)
<b>Create a Littleport Station Gateway</b>	Develop initial concept ideas for development of the Littleport Station Gateway area to provide a mixed use live/work hub.	Access to a good job within easy reach of home Healthy, thriving and prosperous communities	To be determined through business planning process	To be determined through business planning process	To be determined through business planning process	£150,000 for business plan development	Produce a business plan for development of the site  Delivery of site	Short  Medium/long
<b>Options for the Future Littleport Town Centre</b>	Explore a range of options to enhance and improve the town centre to ensure to meet the needs of local residents.	Access to a good job within easy reach of home Healthy, thriving and prosperous communities	To be determined through business planning process	To be determined through business planning process	To be determined through business planning process	£150,000 for business plan development	Produce a business plan for development of the town centre  Delivery of site	Short  Medium/long
<b>Increase Skills Levels</b>	Explore roll out of CPCA skills and Training programmes to Littleport.	A workforce for the modern world founded on investment on skills and education	N/A	N/A	TBC	TBC	Work with CPCA to develop a training programme for Littleport to include roll out of the Work Readiness Programme.	Short

	Intervention/s	Link to CA Strategic Goal	Additional Jobs Created	Additional Housing Provided	Additional GVA Generated	Indicative Cost	Key Indicator/Target	Timeframe short (0-5 years) medium (5-10) long (10-15)
<b>Improve Digital Connectivity</b>	Enable required infrastructure for town centre wifi –to cover station, new leisure centre/school site and town centre to support the town centre and local businesses.	Access to a good job within easy reach of home  Healthy, thriving and prosperous communities	N/A	N/A	TBC	Approx £15,000	Install necessary infrastructure to launch free town centre wifi in Littleport  Review the findings of the Connecting Cambridgeshire mobile connectivity survey work and implement any recommendations.	Short
<b>Deliver Additional Housing</b>	Deliver additional homes to those identified in the Local Plan to assist the CPCA in meeting its targets for housing delivery.	Healthy, thriving and prosperous communities  A high quality, sustainable environment	N/A	To be determined through business planning process	To be determined through business planning process	To be determined through business planning process	Deliver additional housing as part of the Littleport Station Gateway and Littleport Town Centre projects	Medium/long
<b>A New Littleport Country Park</b>	Creation of an area of country park to provide additional accessible open space to address the current deficit.	A high quality, sustainable environment					Work with partners to enhance The Moors area and create a country park and access to the river and wider countryside	Medium



	Intervention/s	Link to CA Strategic Goal	Additional Jobs Created	Additional Housing Provided	Additional GVA Generated	Indicative Cost	Key Indicator/Target	Timeframe short (0-5 years) medium (5-10) long (10-15)
<b>Sustainable Travel</b>	Review of bus services and creation of a walking and cycling strategy	Healthy, thriving and prosperous communities A high quality, sustainable environment	NA	NA	NA		Engage in CPCA and ECDC Bus reviews  Work with CCC and ECDC to produce a walking and cycling improvement plan for Littleport.	Short
<b>Total Phase I</b>			900+	250+	£54m	£4m		





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.6</b>
<b>05 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **OX-CAM ARC REPRESENTATION**

### **1.0 PURPOSE**

- 1.1. To make proposals for the Combined Authority's representation on the governance groups of the Oxford to Cambridge Arc (Ox-Cam).

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Delivery and Strategy</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Note the Combined Authority's status as the Arc Growth Board for Cambridgeshire and Peterborough.  (b) To nominate the Leaders and substitutes listed at paragraph 4.2 to the Arc Leadership Executive.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1. The status of the Oxford to Cambridge Arc as a key area of economic potential recognised by the Government was reaffirmed in the Chancellor's Spring Budget. This announced proposals for an Arc-wide spatial strategy and up to three development corporations to bring forward new settlements at locations linked to the proposed sites for stations on the route of East-West Rail.

- 2.2. The Budget also confirmed progress with the Bedford to Cambridge stretch of East West Rail, made a commitment to Cambridge South station, and announced a rethink of the plans for the Oxfordshire element of the Expressway.

### **3.0 ARC GOVERNANCE GROUPS**

- 3.1. At the Arc leaders' meeting on 28 May, a three-layered structure of Arc political representation was agreed, consisting of:
- The Arc Leadership Group – comprised of the Leader/Mayor of each of the Arc Local/Combined Authorities, Chair of each of the four Arc LEP/Business Boards, Chair of the Arc University Group;
  - The Arc Leadership Group Executive - comprising a) Three representative Leaders from each of the Oxfordshire, Buckinghamshire and Cambridge & Peterborough Combined Authority Growth Boards and six representative Leaders from the Central Area Growth Board; b) The Chair of the Arc University Group; c) The Chair of the Arc Economic Partnerships; d) The Chair of the Arc Health bodies (once formed);
  - Arc Leadership Chief Executive Group – comprising the Chief or Lead Executive Officer from each of The Arc Leadership Group members, along with senior Government Arc Team officers.
- 3.2. It has also been agreed with government that political leaders in each Arc sub-region will come together as a Growth Board to set strategy for their area. The Growth Board for Cambridgeshire and Peterborough Combined Authority has been agreed to be the Combined Authority Board. Members are asked to take note of this Arc Growth Board role. What this role involves in practice will emerge from future discussions and will be discussed in a future paper to the Board.

### **4.0 ARC LEADERSHIP GROUP EXECUTIVE – PROPOSED NOMINATIONS**

- 4.1. Nominations to the Arc Leadership Executive are also required from the Combined Authority Board.
- 4.2. It is proposed that the three Combined Authority nominations to the Arc Leadership Executive Group should be:
- The Mayor
  - The Leader of Cambridgeshire County Council
  - The Leader of South Cambridgeshire District Council.

The County Council's substitute member would be Cllr Hickford, and Cllr Herbert would substitute for Cllr Smith.



## **5.0 FINANCIAL IMPLICATIONS**

**5.1** There are no financial implications

## **6.0 LEGAL IMPLICATIONS**

**6.1** The recommendations accord with CPCA's powers under Part 4 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

## **7.0 APPENDICES**

None

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
None	





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.1</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **A1260 JUNCTION 15 TRANSPORT STUDY: OUTCOMES OF OUTLINE BUSINESS CASE**

### **1.0 PURPOSE**

- 1.1. To request approval to proceed with producing the Full Business Case and detailed design for the A1260 Junction 15 project.
- 1.2. These proposals were discussed at the Transport and Infrastructure Committee meeting on 8 July 2020 where they were unanimously endorsed by those present.
- 1.3. The report to the Transport and Infrastructure Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1969/Committee/67/SelectedTab/Documents/default.aspx>

Item 2.3 refers.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Delivery and Strategy</b>
<b>Forward Plan Ref: KD2020/049</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to:  (a) Approve for the drawdown of £470,000 from the Medium-Term Financial Plan to produce the Full Business Case and detailed design.	<b>Voting arrangements</b>  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 and Peterborough City Council, or their Substitute Members
--	--

## 2.0 CONSIDERATIONS

2.1 No additional considerations.

## 3.0 APPENDICES

3.1 None.

<u>Background Papers</u>	<u>Location</u>
November 2019 Combined Authority Transport and Infrastructure Committee Paper	<a href="#">T&amp;I Committee Paper November 2019</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.2</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **A1260 JUNCTION 32/33 TRANSPORT STUDY: OUTCOMES OF THE OUTLINE BUSINESS CASE**

### **1.0 PURPOSE**

- 1.1. To request approval to proceed with the Full Business Case and detailed design for the A1260 Junction 32-3 project.
- 1.2. These proposals were discussed at the Transport and Infrastructure Committee meeting on 8 July 2020 where they were unanimously endorsed by those present.
- 1.3. The report to the Transport and Infrastructure Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1969/Committee/67/SelectedTab/Documents/default.aspx>

Item 2.4 refers.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Delivery and Strategy</b>
<b>Forward Plan Ref: KD2020/050</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to:  (a) Approve the drawdown of £500,000, from the Medium-Term Financial Plan to produce the Full Business Case and detailed design.	<b>Voting arrangements</b>  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 and Peterborough City Council, or their Substitute Members
--	--

## 2.0 CONSIDERATIONS

2.1 No additional considerations.

## 3.0 APPENDICES

3.1 Appendix 1 - Preliminary Design Drawings for A1260 Nene Parkway Junction 32-3. Available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1969/Committee/67/SelectedTab/Documents/Default.aspx>

Item 2.4 refers.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
November 2019 Combined Authority Transport and Infrastructure Committee report	<a href="#"><u>T&amp;I Committee Paper November 2019</u></a>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.3</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## MARCH AREA TRANSPORT STRATEGY PROGRESS REPORT

### 1.0 PURPOSE

- 1.1. To request approval to commence the Outline Business Case and preliminary design and to approve the required drawdown of £1m to fund this.
- 1.2. These proposals were discussed at the Transport and Infrastructure Committee on 8 July 2020 where they were unanimously endorsed by those present.
- 1.3. The report to the Transport and Infrastructure Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1969/Committee/67/SelectedTab/Documents/Default.aspx>

Item 2.6 refers.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Delivery and Strategy</b>
<b>Forward Plan Ref: KD2020/051</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to:  (a) Approve commencement of the Outline Business Case and preliminary design  (b) Approve the drawdown of £1.0m for production of the Outline Business Case and preliminary design	<b>Voting arrangements</b>  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 and Peterborough City Council, or their Substitute Members
--	--

## 2.0 CONSIDERATIONS

2.1 No additional considerations.

## 3.0 APPENDICES

3.1 Appendix 1: Appended to the Transport and Infrastructure Committee report which can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1969/Committee/67/SelectedTab/Documents/Default.aspx>

Item 2.6 refers.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
March 2018 Combined Authority Board report	<a href="#">CA Board Report March 2018</a>
March 2020 Combined Authority Transport and Infrastructure Committee report	<a href="#">CA T&amp;I Committee Paper March 2020</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 5.1</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **UNIVERSITY OF PETERBOROUGH FULL BUSINESS CASE**

### **1.0 PURPOSE**

- 1.1. Following the approval and endorsement of the Outline Business Case for the new University of Peterborough by the Combined Authority Board in January 2020 and the recommendations outlined in the Action Plan adopted in May 2019, a Full Business Case (FBC) has been produced by the Combined Authority and Mace reflecting input from the selected Academic Delivery Partner, to demonstrate the economic impact and educational need for the creation of the new University of Peterborough. The Full Business Case comprises the Strategic, Economic, Commercial, Financial and Management cases modelling the Green Book in line with the HM Treasury Central Government guidance on appraisal and evaluation.
- 1.2. The report to the Skills Committee provided the information required to make recommendations to the Combined Authority Board to approve and agree the FBC incorporating the legal documentation, financial investment and Higher Education (HE) Partner Award.
- 1.3. As part of the Full Business Case it is necessary for the Combined Authority to enter into a Special Purpose Joint Vehicle (SPJV) to agree terms of investment on capital and land. The Combined Authority, Peterborough City Council and the Academic Delivery Partner (ADP) will form a Special Purpose Joint Vehicle (PropCo). The Peterborough HE Property Company (Prop Co) will be made up of Peterborough City Council for the transfer of the land, the Combined Authority's investment, and the HE ADPs further capital investment.
- 1.4. These proposals were discussed at the Skills Committee meeting on 6 July 2020 where they were endorsed unanimously by those present.
- 1.5. The report to the Skills Committee and supporting appendices can be viewed by following the link below. They are located at the foot of the meeting page under the 'Meeting Documents' heading:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: KD020/014</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) Approve and adopt the Full Business Case to mobilise the creation of Phase 1 of the new University of Peterborough project.</li> <li>(b) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Monitoring Officer and the Chief Financial Officer (Section 73), to develop the following key documents for the Special Purpose Joint Vehicle: <ul style="list-style-type: none"> <li>(1) Prop Co Articles of Association.</li> <li>(2) Collaboration Agreement.</li> <li>(3) Cambridgeshire and Peterborough Combined Authority Services Agreement.</li> <li>(4) Shareholder's agreement</li> </ul> </li> </ul>	<p><b>Voting arrangements</b></p> <p>A simple majority</p>

## **2.0 CONSIDERATIONS**

- 2.1 An action from the minutes of the Skills Committee on 6 July 2020 is for the Committee to have sight of the transactional key documents for the Special Purpose Joint Vehicle at its next meeting. It was confirmed that this report will be added to the September 2020 Skills Committee agenda.
- 2.2 Following the media launch of the Higher Education Academic Partner on Tuesday 14 July 2020, Anglia Ruskin University (ARU) has been announced as the official higher education partner for the new employment-focused university, which will be known as ARU Peterborough.

## **3.0 APPENDICES**

- 3.1.1 Appendix A – Full Business Case and appendices can be viewed by following the link below. It is located at the foot of the meeting page under the 'Meeting Documents' heading:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b>Background Papers</b>	<b>Location</b>
Combined Authority Board Report and minutes May 2019	<a href="#">CA Board Report May 2019</a> [Item 5.3]
Skills Committee report and minutes November 2019	<a href="#">Skills Committee Report November 2019</a> [Item 2.1]
Skills Committee Report January 2020	<a href="#">Skills Committee report and minutes January 2020</a> [Item 2.1]
Combined Authority Board report and minute January 2020	<a href="#">Combined Authority Board January 2020</a> [Item 5.1]







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 5.2</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **INTEGRATED ECONOMIC, BUSINESS AND SKILLS INSIGHT PROGRAMME**

### **1.0 PURPOSE**

1.1 To propose the consolidation of all Business & Skills activities to provide:

- a. Economic, sector and place insight to inform the focus of current and future programmes, and
- b. Monitoring and evaluation of the efficacy of current and past projects to inform the selection of the most effective intervention types for that focus

1.2. This consolidation will integrate currently separate activities as below to create an Integrated Business & Skills Insight & Evaluation Programme:

- (a) The current COVID-19 Impact Survey (co-funded with GCP)
- (b) The planned COVID-19 Impact Econometric Assessment
- (c) The planned COVID-19 refresh of the LIS, Skills and Sector Strategies
- (d) The planned Growth Observatory to identify clients for Growth Service
- (e) The ongoing skills market insight for workforce skills and adult education

1.3. The report recommends resourcing the commissioning exercise through existing MTFP budgets and seek authorisation to consolidate these.

1.4 These proposals were discussed at the Skills Committee meeting on 6 July 2020 where they were endorsed unanimously by those present.

1.5 The report to the Skills Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

Item 2.4 refers.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: KD2020/039</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the consolidation of the Small and Medium Sized Enterprises (SME) Observatory budget and the Local Growth Fund (LGF) Top Slice and Department for Business, Energy and Industrial Strategy Support Funding as detailed in Table 1, to resource the commissioning.</p> <p>(b) Approve the consolidation of the Adult Education Budget Programme costs, National Retraining scheme and Apprenticeships as detailed in Table 2, to resource the commissioning.</p>	<p><b>Voting arrangements</b></p> <p>A simple majority</p>

## **2.0 CONSIDERATIONS**

2.1 None.

## **3.0 APPENDICES**

3.1 None.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Report to the Business Board 26 May 2020	<a href="https://cambridgeshirepeterboroughc.gov.uk/cmismis/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/877/C.aspx">https://cambridgeshirepeterboroughc.gov.uk/cmismis/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/877/C.aspx</a>

	<a href="#">ommittee/69/SelectedTab/Documents/Default.aspx</a>
--	--







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 5.3</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **CAREERS AND ENTERPRISE COMPANY REVIEW**

### **1.0 PURPOSE**

- 1.1 To provide an annual review of the decision made by the Combined Authority Board on 29 May 2019, to retain the Careers and Enterprise Company contract that was due to be terminated on 31 March 2019.
- 1.2 Officers undertook to report the results of the pilot project to the Board after a year, via the Skills Committee. This report discharges that undertaking.
- 1.3 The report was considered at the Skills Committee meeting on 6 July 2020 and the Committee unanimously recommended the report to Board.
- 1.4 The report to the Skills Committee can be viewed via the link below. Item 2.2 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Note the Annual Review report.	<b>Voting arrangements</b>  n/a

## 2.0 CONSIDERATIONS

2.1 None.

## 3.0 APPENDICES

3.1 Appendix 1: Careers and Enterprise Company Annual Review Data up to March 2020.

Available to view via the link below. Item 2.2 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Combined Authority Board 29 <sup>th</sup> May 2019	Link <a href="#">here.</a>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 5.4</b>
<b>5 AUGUST 20202020</b>	<b>PUBLIC REPORT</b>

## **GROWTH COMPANY CORPORATE GOVERNANCE**

### **1.0 PURPOSE**

- 1.1. On 27 November 2019, the Cambridgeshire and Peterborough Combined Authority Board endorsed the 'Business Growth Service Outline Business Case' and agreed to the establishment of the Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited.
- 1.2. This paper seeks approval of the corporate governance arrangements for the Growth Company (Growth Co).
- 1.3. These proposals were discussed at the Skills Committee meeting on 6 July 2020 where they were endorsed by a majority of those present.
- 1.4. The report to the Skills Committee can be viewed via the link below. Item 2.5 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich, Lead Member for Skills</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Approve the business case in Appendix 1	<b>Voting arrangements</b>  A simple majority

<p>(b) Approve the business plan in Appendix 2</p> <p>(c) Approve the composition of Growth Co Board of Directors to include an independent director</p> <p>(d) Delegate authority to the Director of Business and Skills to approve the appointment of the Independent Director for the Growth Co, following an open and transparent recruitment process</p> <p>(e) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 Officer and the Monitoring Officer, to develop the necessary legal documentation for the Growth Co.</p> <p>(f) Approve the execution of the deed adherence and accession, contained within the shareholder agreement for Angle Holdings Ltd.</p>	
---	--

## 2.0 CONSIDERATIONS

2.1 None.

## 3.0 APPENDICES

3.1 Appendix 1- Business Case for establishing Growth Co.  
Appendix 2 – Growth Co Business Plan.

Appendices are available to view via the link below. Item 2.5 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1992/Committee/66/SelectedTab/Documents/Default.aspx>

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Combined Authority Board 31 July 2019: Housing Development Company – Approval of Shareholder Agreement	<a href="#">CA Board 31 July 2019</a>



Combined Authority Board 27 November 2019: Local Industrial Strategy Delivery Plan – The Growth Service Outline Business Case	<a href="#">CA Board 27 November 2019</a>
--	---





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 6.4</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **ACCELERATED 2021 LOCAL GROWTH FUNDING ALLOCATED TO THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BUSINESS BOARD**

### **1.0 PURPOSE**

- 1.1. Accelerated Access to the 2021 Local Growth Funding (LGF) budget allocation amounting to £14.6million was provisionally offered to the Business Board. The Business Board was asked to note the process by which these funds were awarded, to agree a plan to deploy the awarded funds and to formally accept the offer of this new tranche of LGF from the Cities and Local Government Unit.
- 1.2. These proposals were discussed at an Extraordinary meeting of the Business Board on 9 July 2020 where they were unanimously endorsed.
- 1.3. In order to meet the timescale for a response to Government, the Mayor made a Mayoral Decision on 15<sup>th</sup> July 2020 to formally accept the allocation of £14.6million accelerated Local Growth Funding on behalf of the Combined Authority, in its role as accountable body for the Business Board. The funding will be managed by the Business Board.
- 1.4. The report to the Business Board can be viewed via the link below. Item 2.1 refers:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi  
ewMeetingPublic/mid/397/Meeting/2004/Committee/69/SelectedTab/Document  
s/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi<br/>ewMeetingPublic/mid/397/Meeting/2004/Committee/69/SelectedTab/Document<br/>s/Default.aspx)

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Austen Adams, Chair of the Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>

<p>The Combined Authority Board is recommended to:</p> <p>(a) Note the Mayoral Decision on [date], on the recommendation of the Business Board, to formally accept the allocation of £14.6million accelerated Local Growth Funding from the Cities and Local Government Unit on behalf of the Combined Authority;</p> <p>(b) Note the plan to deploy the awarded accelerated Local Growth Funding to the Business Board's No1 ranked priority project: Greater Peterborough Innovation Ecosystem, subject to it successfully completing the Local Assurance Framework application process including ratification by the Combined Authority Board.</p>	<p><b>Voting arrangements</b></p> <p>n/a</p>
---	--

## 2.0 CONSIDERATIONS

- 2.1 The proposed Project which was ranked first in the assessment of all projects gathered and is the planned delivery focus of this allocation of £14.6million is the Multi-University Research Super-Hub. This project is the creation of an enhanced wrap-around Innovation Eco-System for the recently announced Anglia Ruskin University (ARU) Peterborough, a £33million new university in Peterborough.
- 2.2 This project aims to increase, higher value, more knowledge intensive and more productive growth in Peterborough and the surrounding northern half of the Combined Authority area. Changing the spatial distribution of economic growth and supporting an increase in innovation-based business growth across the whole of our local economy, was a key recommendation from the Cambridgeshire and Peterborough Independent Economic Review (CPEIR), but is now more imperative than ever.
- 2.3 As for a number of cities in the UK, the establishment of a university and associated innovation eco-system in Peterborough will produce the knowledge engine to drive the increased worker skills to raise business productivity, innovation, and knowledge intensity, in a way that creates a permanent shift in the rate of growth and economic recovery rate in these left-behind towns.
- 2.4 However, this does require a long-term programme that balances supply of improved skills level and human capital with the demand for it, created by indigenous and inward business growth, that is more knowledge intensive and higher value, requiring those higher level skills.



- 2.5 In the case of Peterborough and the Fens, this means the removal of the Higher Education Cold Spot, to generate more high-level skills, focused on key and higher value growth sectors such as high-value manufacturing and digital. Then in parallel the creation of an Innovation Eco-System to stimulate and supply of higher value jobs to provide opportunity for the increased number of higher-level skilled people.
- 2.6 Such an Eco-system, using the new university as its hub is being catalysed by the creation of the Multi-University Research Super-Hub project which is the proposed recipient of the allocated £14.6million new funding. A central multi-university innovation super-hub acting as the enabling core for an innovation eco-system to connect firms locally with global partners, knowledge and opportunities for growth.
- 2.7 This Phase 2 university project will establish an Advanced Manufacturing & Materials Research Centre to extend university delivery into research PhDs and create an innovation eco-system to drive business research across Peterborough and the Fens. The Combined Authority plus its Innovation delivery Partner, an established global player in promoting business investment in research and innovation has worked with over 1,000 businesses across the globe to raise over £325m for collaborative R&D between academia and business in just 10 years. This partnership will create an innovation eco-system for Peterborough to build new higher value firms and jobs, reversing a four-decade erosion in productivity, prosperity, and health outcomes.
- 2.8 This project will do this by:
- Constructing the Research Centre building in Peterborough's new town centre University Campus using the accelerated access to 2021 Local Growth Fund (LGF) funding.
  - Connecting the Centre into a Combined Authority funded £20m Business Growth Service, launching in October 2020, to support 3,000 firms to grow through innovation, business coaching, mentoring and access to growth capital.
  - Supporting Innovation Delivery Partner (IDP) to create a Multi-University Innovation Super-Hub, securing inward investment from 5 universities into Peterborough to create 8 specialist University Innovation Centres within the Super-Hub
  - Creating a unique Global-Local Innovation Network consisting of the IDP's 700 Industrial Members across the globe, with over 500,000 employees and a joint R&D investment of over £1.5bn pa, connected into a new Combined Authority funded Manufacturing Network of 200 firms across Peterborough & the Fens.
  - Supporting 200 local small and medium sized enterprises (SMEs) to participate in the research centre and its programmes over five years. Through the new Combined Authority Business Growth Service and Manufacturing Network, identify how innovation, new products and novel technologies can be harnessed, by local SMEs within the eco-

system created, to collaborate to grow faster and break into international markets.

2.9 The combined impact of the Phase 1 University academic teaching facility, and the Phase 2 Multi-University Research Super-Hub and innovation eco-system, will be the creation of:

- 550 direct jobs in the 21/22 construction programme for both phases
- 321 direct jobs to staff both buildings in 22/23, rising to 718 by 25/26
- 1325 indirect jobs in 25/26 rising to a cum 14,170 by 29/30 & 31,500 by 34/35

It will also provide the key enabling component to arrest four decades of decline and reset the city's potential rate of recovery.

### 3.0 APPENDICES

3.1 Appendix 1 – Mayoral Decision Notice 15 July 2020

3.2 Appendices to the Business Board report:

Appendix A: Letter from MHCLG

Appendix B: Local Growth Fund Accelerated Access to 21-22 Allocations

Appendix C: Innovation Ecosystem

Appendix D: PCC Briefing Note - Innovation Ecosystem

These appendices are available to view via the link below. Item 2.1 refers:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi  
ewMeetingPublic/mid/397/Meeting/2004/Committee/69/SelectedTab/Documents/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi<br/>ewMeetingPublic/mid/397/Meeting/2004/Committee/69/SelectedTab/Documents/Default.aspx)

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Local Growth Fund Documents, Investment Prospectus, guidance and application forms	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/</a>



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Mayoral Decision No.:	MDN25-2020.
<b>DECISION TITLE:</b> <b>Getting Building Fund 2021 allocation</b>	
<b>NAME OF OFFICER/MAYOR EXERCISING DELEGATED POWERS:</b> <b>James Palmer, Mayor</b>	
<b>DATE OF OFFICER/MAYORAL DECISION:</b> <b>15/07/2020</b>	

Responsible Director/Mayor:	<i>John T Hill, Director of Business and Skills</i>
Report Author and contact details:	<p>Steve Clarke Strategic Funds Manager Cambridgeshire &amp; Peterborough Combined Authority <a href="http://www.cambridgeshirepeterborough-ca.gov.uk">www.cambridgeshirepeterborough-ca.gov.uk</a> E: <a href="mailto:steve.clarke@cambridgeshirepeterborough-ca.gov.uk">steve.clarke@cambridgeshirepeterborough-ca.gov.uk</a> M: +44 (0)7715 653901</p>
Is it a key decision?	NO
Is this a public report? If a key decision, it will be a public report and will be published on the CA website.	NO
<b>KEY DECISIONS ONLY</b>	N/A
Insert forward plan ref number	
Date when Mayor intend to make decision.	
Date report published on the website	
Implementation Date	
Does the report have any annex that contains exempt information?	

Decision taken	<p>Mayor formally accepts the allocation of £14.6million "Getting Building Fund" (GBF) from Ministry Housing Communities and Local Government (MHCLG) Cities and Local Government Unit (CLGU), on behalf of the Combined Authority, acknowledges the Combined Authority's role as accountable body for GBF which will be managed by the Business Board, and instructs Officers to progress with the appraisal of the University of Peterborough Phase 2.</p>
----------------	--



<p>Authorisation (delete as appropriate)</p>	<p>This decision has been taken under:</p> <p><b>General authorisation</b> (those decisions delegated to officers as per the Constitution):</p> <p><b>The Mayor of the Combined Authority. (Ch 3 para Para 1.5.2)</b></p>
<p>Background Information</p>	<p><i>On 10th June 2020, Secretary of State for Ministry Housing Communities and Local Government (MHCLG) issued a letter calling for 'Shovel Ready Projects' to be submitted across the Country with a deadline of 18th June 2020.</i></p> <p><i>There was clear note that projects would have to comply with and proceed through the Local Assurance Framework in each Mayoral Combined Authority and/or Local Enterprise Partnership area.</i></p> <p><i>Officers prepared and submitted on deadline a project list on behalf of the Business Board (BB) and Combined Authority.</i></p> <p><i>Subsequently Officers were informed on 1st July 2020 of the decision by MHCLG on the provisional allocation amount being allocated to the Business Board of £14.6million.</i></p> <p><i>Dialogue with the Cities and Local Growth Unit (CLGU) identified that only the top 5 ranked projects had been evaluated by officials against the criteria set. These evaluations had been moderated against evaluation results from other LEP submissions regionally, and more broadly against MCA submissions nationally These moderated evaluations led to the selection of suitable projects on which CLGU wished to engage in greater detail with the Business Board.</i></p> <p><i>Through this process, of the top 5 ranked projects, one had been considered too weak in regard to additionality given the request for funding was only £3.5m on a £140m project. A further project was also eliminated on the grounds of too few jobs potential and being considered a revenue project rather than capital.</i></p> <p><i>MHCLG officials held a meeting on the 7th July with Business Board Officers to evaluate in more detail the remaining 3, top 5 projects against the MHCLG criteria. These were:</i></p> <p><i>(a) Peterborough University Phase 2 Innovation Ecosystem Project</i>  <i>(b) College of West Anglia Construction Hub</i>  <i>(c) Huntingdon Clean Energy Park</i></p> <p><i>Officers recommended to the Chair of the Business Board that the project ranked as the No 1 priority, Peterborough University Phase 2 Innovation Ecosystem Project should be the primary project put forward in that further evaluation, on the basis that:</i></p> <p><i>(a) Without the full £14.6m of funding offered, against the requested £16.5m requested for the Peterborough University Phase 2 Innovation Ecosystem Project could not go forward on the basis of a competitive offer from an alternative city location and Combined Authority to the delivery partner, and</i></p>






	<p><i>that without the £4.5m (of the £16.5m requested) for the slip roads from the Frank Perkins Parkway, the project would fail at planning permission stage.</i></p> <p><i>(b) The College of West Anglia Construction Hub was a relatively low strategic priority in the LIS and that there was some uncertainty regarding the operational and financial strength of the applicant, impacting its deliverability.</i></p> <p><i>(c) The Huntingdon Clean Energy Park was also a relatively low strategic priority and that there was uncertainty that all the remaining funding was secure and in place, impacting its deliverability.</i></p> <p><i>The BB Chair agreed, and full Business Board approval to accept and pursue the £14.6million allocation against only the Peterborough University Phase 2 Innovation Ecosystem Project was given at the Extraordinary board Meeting on 9th of July, that only on the basis of the No 1 priority project failing to meet the further and deeper evaluation against the criteria set, should the other two, lower priority projects be put forward for consideration. Combined Authority Leaders discussed and agreed with the position of the BB at the Leaders Strategy Meeting on the 15<sup>th</sup> July 2020 to accept the £14.6million from MHCLG and to pursue that award on the basis of funding Peterborough University Phase 2 Innovation Ecosystem Project.</i></p>
Alternative options considered.	<p><i>List alternative options considered and rejected and the reasons for rejection. Do not leave this section blank or put 'None'. There is always an alternative even if it is to do nothing.</i></p> <p>Options:</p> <ol style="list-style-type: none"> <li><b>1. Accept the allocation of £14.6million from MHCLG with the intention of progressing the highest ranked project (University of Peterborough Phase 2 - Peterborough Innovation Super Hub and Eco System) through Local Assurance process.</b></li> <li><b>2. Accept the allocation of £14.6million from MHCLG with the intention of progressing the projects ranked 2 and 3 in the submission through Local Assurance process resulting in a maximum expenditure of £7.5million of allocation.</b></li> <li><b>3. Do not accept the allocation of £14.6million from MHCLG.</b></li> </ol> <p>Option 1 is the chosen decision based on deliverability, strategic impact assessment of the project, and maximising utilisation of the allocation.</p>
Financial Implications	<p><i>Please include the total costs and how the project will be funded. Please include budget codes for your directorate</i></p> <p>CPCA will be issued with advanced grant of £14.6million in the autumn of 2020 to defray by March 2022.</p> <p>The project proposal itself will still need to be appraised and assessed in line with the Assurance Framework so this decision is to accept the funding and work up a project proposal, not the decision on the award of funding.</p>



Consultation	<i>List any relevant consultation undertaken in relation to the decision. For example portfolio holders, other Chief Officers.</i>	<i>Name and Date approved (or indicate if not applicable) –</i>
	Chief Executive	Kim Sawyer, 15/07/2020
	Responsible Director/Chief Officer	John T Hill, 01/07/2020
	Monitoring Officer	Robert Parkin, 15/07/2020
	S73	Rob Emery, 09/07/2020
	Portfolio Holder	John Holdich, 01/07/2020
	Other - Procurement	N/A
Declarations / Conflicts of Interests (only if the decision falls under the 'Express Authorisation' category)	<i>List the names of any member who has been consulted on and declared an interest in relation to the decision.</i>  None? (Would John Holdich have an interest because PCC are putting land and some funding into this proposed project as focus of the £14.6million award?)	
Supporting documentation	<i>List any supporting documentation available in relation to this decision (all of this information must be retained for public inspection for a period of at least 4 years – there is no provision for the release of exempt/confidential information).</i>  <b>Business Board paper – extraordinary meeting 09/07/2020</b>  <b>Leaders Strategy paper – 15/07/2020</b>	

<b>Officer/Mayor signature</b>	James Palmer  Mayor	<b>Date</b>  <b>15/07/2020</b>
<b>Once signed please file in the electronic file Documents/Governance/ office decision notice and enter details in the register.</b> <b>If a public report, pass to Democratic Services and we will arrange publication.</b>		



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 6.2</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>  <i>The report to the Business Board and this report to the Combined Authority Board contains appendices which are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).</i>  <i>The public interest in maintaining the exemption outweighs the public interest in publishing the Appendices.</i>

## **GROWTH DEAL PROJECT PROPOSALS JULY 2020**

### **1.0 PURPOSE**

- 1.1. The Business Board is responsible for allocating the Local Growth Fund, subject to approval by the Combined Authority Board, with the objective of creating new jobs and boosting productivity.
- 1.2. The Business Board was asked to consider and make recommendations to the Combined Authority Board against applications that have been submitted for the remainder of these funds from the pipeline of projects based upon the independent external assessment undertaken.
- 1.3. These proposals were discussed at the Business Board meeting on 27 July 2020 where they were endorsed unanimously by those present.
- 1.4. The report to the Business Board can be viewed via the link below. Item 2.3 refers.

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi  
ewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Document  
s/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi<br/>ewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Document<br/>s/Default.aspx)

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Austen Adams, Chair of the Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: KD2020/054</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) approve funding for the project numbered 1, in table 2.11 based on the project achieving the highest scoring criteria and external evaluation recommendation</li> <li>(b) approve a revised grant funding offer of £2,500,000, for the project numbered 2 in table 2.11 based on the project achieving the second highest scoring criteria and external evaluation recommendation</li> <li>(c) decline project numbered 3 in table 2.11 based on the scoring criteria and this being the lowest scoring project</li> </ul>	<p><b>Voting arrangements</b></p> <p>A simple majority</p>

## **2.0 CONSIDERATIONS**

2.1 None.

## **3.0 APPENDICES**

- 3.1 Exempt Appendix 1 – Not for publication – CA Accountable Body report project 1  
Exempt Appendix 2 – Not for publication - CA Accountable Body report project 2  
Exempt Appendix 2 – Not for publication - CA Accountable Body report project 3  
Exempt Appendix A – Not for publication - Application Project Info and external appraisal reports  
Exempt Appendix B – Not for publication - Application Project Info and external appraisal reports  
Exempt Appendix C – Not for publication - Application Project Info and external appraisal reports



<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Local Growth Fund Documents, Investment Prospectus, guidance and application forms	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/">https://cambridgeshirepeterborough- ca.gov.uk/business-board/growth-funds/</a>  <a href="#">Growth Prospectus 2019-21</a>  <a href="#">Local Industrial Strategy</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 6.3</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **LOCAL GROWTH FUND MANAGEMENT REVIEW: JULY 2020**

### **1.0 PURPOSE**

- 1.1. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. This report provides an update on the programme's performance since April 2015 for the Local Growth Fund (LGF).
- 1.2. To provide the Board with operational updates on the LGF progress to 30 June 2020 based on the following items:
  - a. 2021/22 Accelerated LGF allocation
  - b. 2020/21 LGF annual grant payment
  - c. Financial update on programme spend
  - d. Q1 2020/21 Quarterly Growth Deal return to Ministry of Housing, Communities & Local Government (MCHLG)
  - e. Projects currently in delivery including pre-contract plus completed projects
  - f. Change Request for Wisbech Access Strategy project
  - g. COVID-19 Business Capital Grant and Micro Business Grant schemes
  - h. Eastern Agri-Tech Growth Initiative update
  - i. LGF Monitoring and Evaluation update
  - j. Summary of LGF and Recycled Funds
- 1.3. These proposals were discussed at the Business Board meeting on 27 July 2020 where they were endorsed unanimously by those present.
- 1.4. The report to the Business Board can be viewed via the link below. Item 2.2 refers.

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Documents/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Austen Adams</b>
<b>Lead Officer:</b>	<b>Chair of the Business Board</b>
<b>Forward Plan Ref: KD2020/046</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Note all of the programme updates contained in the report to the Business Board on 27 July 2020</p> <p>(b) Approve the change request for the Wisbech Access Strategy Project</p>	<p><b>Voting arrangements</b></p> <p>A simple majority</p>

## 2.0 APPENDICES

- 2.1 Appendix A – Wisbech Access Strategy project change request  
Appendix B - 2020-21Q1 LGF Return to CLGU Draft  
Appendix C - LGF-Issue Log 2020.07.07  
Appendix D – COVID-19 Capital Grants and Micro Business Grants report  
Appendix E – Summary of LGF and Recycled Funding

The appendices to the Business Board report can be viewed via the link below.  
Item 2.2 refers.

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Documents/Default.aspx>

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
i. Local Growth Fund Documents, Investment Prospectus, guidance and application forms	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/</a>
ii. Eastern Agri-tech Growth initiative guidance and application forms	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/</a>



iii.	List of funded projects and MHCLG monitoring returns	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/</a>
iv.	Local Industrial Strategy and associated sector strategies	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/</a>
v.	COVID-19 Business Capital Grant Scheme	<a href="https://capitalgrantscheme.co.uk/">https://capitalgrantscheme.co.uk/</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 6.4</b>
<b>5 AUGUST 2020</b>	<b>PUBLIC REPORT</b>

## **EASTERN AGRI-TECH GROWTH INITIATIVE FUNDING REVIEW: JULY 2020**

### **1.0 PURPOSE**

- 1.1. The Eastern Agri-Tech Growth Initiative has £1.695m left to award and spend in the period up to 31 March 2021.
- 1.2. The programme has been reviewed and, to encourage take up of the grants in the remaining period, the attractiveness and impact of the current grant offer to businesses requires a change in criteria
- 1.3. These proposals were discussed at the Business Board meeting on 27 July 2020 where they were endorsed unanimously by those present.
- 1.4. The report to the Business Board can be viewed via the link below. Item 2.4 refers.

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Documents/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Austen Adams, Chair of the Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  (a) Approve a change in the criteria for the Eastern Agri-Tech Growth Initiative	<b>Voting arrangements</b>  A simple majority

<p>scheme, raising the grant intervention rate from 25% to 50% on the Growth Grant part of the scheme.</p> <p>(b) delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, to make any further changes in criteria or operation of the scheme to ensure all funds are awarded by end of March 2021.</p>	
---	--

## 2.0 CONSIDERATIONS

- 2.1 Business Board members flagged that the Officer running the Eastern Agri-Tech Growth initiative had been diverted to assist with the COVID Capital Grant scheme for two months during last quarter and was now back full time on the Eastern Agri-Tech Growth Initiative.
- 2.2 Business Board members offered support to disseminate promotion of this grant scheme once enhanced criteria are fully approved.

## 3.0 APPENDICES

- 3.1 Appendix A – Eastern Agri-Tech Growth Initiative Guidance notes

This appendix can be viewed via the link below. Item 2.4 refers.

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi  
ewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Document  
s/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi<br/>ewMeetingPublic/mid/397/Meeting/1998/Committee/69/SelectedTab/Document<br/>s/Default.aspx)

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
i. Eastern Agri-tech Growth initiative guidance and application forms	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/</a>
i. List of funded projects and MHCLG monitoring returns	<a href="https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/">https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/</a>